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*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
**(Stock Code: 00144)**

## **VOLUNTARY ANNOUNCEMENT**

### **ANNUAL REPORT OF THE SUBSTANTIAL SHAREHOLDER CHINA MERCHANTS PORT GROUP CO., LTD. FOR THE YEAR ENDED 31 DECEMBER 2022**

This announcement is made by China Merchants Port Holdings Company Limited (the “**Company**”, together with its subsidiaries the “**Group**”) on a voluntary basis.

China Merchants Port Group Co., Ltd. (“**CMPG**”) is a substantial shareholder of the Company whose A shares and B shares are listed on the Shenzhen Stock Exchange. As at the date of this announcement, CMPG is interested in approximately 45.93% of the total issued shares of the Company.

Pursuant to the relevant listing rules of the Shenzhen Stock Exchange, CMPG is required to publish its annual report for the year ended 31 December 2022 (the “**CMPG Annual Report**”) which may contain financial information and certain operating statistics about the operations of the Group.

On 3 April 2023, CMPG released the CMPG Annual Report, details of which are appended to this announcement. The CMPG Annual Report is also available in the public domain ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

**Shareholders and potential investors should note that the CMPG Annual Report has been prepared in accordance with the Auditing Standards for Chinese Certified Public Accountants which are different from the accounting standards the Company that adopts to prepare and present its financial information. Public investors are hereby reminded of the risks which may result from any inappropriate reliance upon the relevant information. Holders of securities issued by the Company and the public investors should exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**China Merchants Port Holdings Company Limited**  
**Deng Renjie**  
*Chairman*

Hong Kong, 4 April 2023

*As at the date of this announcement, the Board comprises Mr. Deng Renjie (Chairman), Mr. Yim Kong and Mr. Yang Guolin as Non-Executive Directors; Mr. Wang Xiufeng, Mr. Xu Song, Mr. Tu Xiaoping and Mr. Lu Yongxin as Executive Directors; and Mr. Bong Shu Ying Francis, Mr. Chan Hiu Fung Nicholas, Ms. Chan Yuen Sau Kelly, Mr. Li Ka Fai David and Ms. Wong Pui Wah as Independent Non-Executive Directors.*



**CHINA MERCHANTS PORT GROUP CO., LTD.**

**ANNUAL REPORT 2022**

**Date of disclosure: 4 April 2023**

## CHAIRMAN'S STATEMENT

### Dear shareholders,

I hereby present to you the annual report of China Merchants Port Group Co., Ltd. and its subsidiaries (the "Company") for the year ended 31 December 2022. On behalf of the Board, I would like to express my sincere gratitude to all of you for your long-term support to the Company.

The Company is a crucial vehicle for China Merchants Group to implement the development tasks of the "14<sup>th</sup> Five-Year Plan" and the strategy of Guangdong-Hong Kong-Macao Greater Bay Area. Serving not only as the core enterprise of China Merchants Group's port sector, the Company is also the capital operation and management platform for the group's global port assets, hence playing a key role in the consolidation and synergistic development of China Merchants Group's port assets. The Company has become a world-leading port investor, developer and operator.

By integrating into the overall development of the country, implementing new development concepts based on the new development stage and building a new development pattern, the Company will strive to promote its high-quality development and become a high-quality world-class comprehensive port service provider. While cultivating new innovative businesses with a focus on core port businesses, strengthening the supporting role of scientific and technological innovation and building an independent and controllable terminal operating system, it will strive to build a smart and diverse port ecosystem. By actively exploring and participating in global port resource integration opportunities, optimizing the port network system on a continuous basis and strengthening external and internal coordination, we will provide customers with more economical, higher-quality, and more efficient service solutions and deepen strategic cooperation with customers, thus creating greater value for the Company and more returns for shareholders, and making an important contribution to maintaining the safety, stability, and smoothness of the supply chain.

### Review for the year

In 2022, the long-tail effect of "Black Swan" events such as the conflict between Russia and Ukraine continued to affect countries around the world, geopolitical conflicts between regions intensified, a new round of global inflation spread, and interest rates and exchange rates continued to fluctuate. These uncertain factors continued to increase, which led to unstable and uneven development trend of global economic recovery and also brought certain challenges to the daily operation and management of enterprises. Facing the complex external environment, the Company actively responded to various challenges, focused on key areas of work, such as development of leading ports, deepening reform, business expansion, technological innovation, comprehensive development, smart operation, asset optimization, and ESG, and successfully accomplished its strategic goals and various operational objectives of the year.

Financial performance: In 2022, the Company achieved operating income of RMB16.23 billion, up by 6.19% year-on-year. The net profit attributable to the parent company was RMB3.34 billion, up by 24.26% year-on-year. Deduction of non net profit attributable to the parent company was RMB3.35 billion, up by 42.00% year-on-year. A number of business performances hit record highs.

Business performance: In terms of container business, the Company handled a total container

throughput of 145.948 million TEUs in 2022, up by 7.0% year-on-year, of which the container throughput handled by mainland port projects was 105.174 million TEUs, up by 10.5% year-on-year, which was better than the average growth level of national ports; In terms of bulk cargo business, the Company handled a bulk cargo volume of 740 million tonnes in 2022, representing an increase of 20.6% year-on-year, mainly because the Company, as a strategic investor, completed the subscription for the A Shares of Ningbo Port issued under the non-public issuance of A Shares in 2021, and the business volume of Ningbo Port has been included in the Company's statistics from October 2022, bringing 8.172 million TEUs of containers and 150 million tonnes of bulk cargo increments in 2022.

In terms of key priorities, firstly, we achieved results in the construction of strong ports. The market share of the West Shenzhen homebase port in the three ports in South China increased by 1.2 percentage points to 19.1%, and the South China bulk cargo operation center was established, opening a new high-quality development pattern for bulk cargo in the West Shenzhen homebase port; the regional influence of the overseas home port has increased, and revenue and net profit of CICT in Sri Lanka hit new highs since the opening of the port, enhancing the leading position of the ports in terms of the market share. Secondly, we achieved fruitful results in the capital operation. The non-public issuance of A shares by the Company to Zhejiang Seaport Group and the non-public issuance of A shares by Ningbo Port to the Company have been completed, strengthening the comprehensive hub role of both ports; The Company's holding subsidiary, China Merchants Port, increased its shareholding in SIPG Group to 28.05%, consolidating its position as the second largest shareholder; China Merchants Port increased its shareholding in AAT and held 34.6% interests as the second largest shareholder, optimizing the layout of the logistics supply chain in the Guangdong-Hong Kong-Macao Greater Bay Area; the Company increased its shareholding of Antong Holdings to 6.83%, further expanding the influence of the port and shipping business. Thirdly, we deepened reform to stimulate vitality. The Company was selected as one of the "Double Hundred Enterprises" for the reform of state-owned enterprises. Focusing on the "double-hundred action", the Company deepened and promoted the reform of mixed ownership, improved the efficiency of corporate governance operations, strengthened the reform of the employment mechanism and the construction of the international talent system, and comprehensively improved the level of party leadership and party building in the enterprise, injecting new impetus for enterprise development. Fourthly, new breakthroughs were achieved in smart technology. A TOS project was granted by the Ministry of Transport to CMIT, and China Merchants' smart port solution achieved phased results; the Mawan autonomous driving project was successfully selected as the first batch of pilot applications for smart transportation by the Ministry of Transport, and the smart port solution was selected as a recommendation catalogue for successful technological innovation by central enterprises, and won the only special prize for scientific and technological progress of the China Ports & Harbours Association in 2021.

## **Outlook**

Looking forward to 2023, as the energy shock caused by the conflict between Russia and Ukraine continues to stimulate inflation and increase global risks, economic growth will face greater uncertainty. The global economy will enter a recovery stage of low-to-medium growth, and trends in major economies and emerging economies will diverge. 2023 is a critical year for China to implement the "14<sup>th</sup> Five-Year Plan". China will overcome the adverse effects of various

unexpected shocks on the economy, and strive to achieve steady improvement in quality and reasonable growth in quantity in terms of its economic development. It is expected that with the gradual implementation of various economic stabilization policies and the continuous release of the effects of various trade agreements, China will further enhance the flow of elements of cross-border trade, enhance the momentum of commodity import and export, and provide new growth opportunities for the port industry. In addition, the coordinated transformation and development of port digitalization and greenization will also inject new development momentum into the port industry.

In 2023, the Company will continue to grasp the general thrust of seeking progress while maintaining stability, and strive to build a comprehensive port service system with stronger innovation and higher added value based on the two-wheel drive model of "endogenous growth" and "innovation upgrading". In terms of home port construction, the West Shenzhen homebase port will continue to optimize the layout of the logistics supply chain in the Guangdong-Hong Kong-Macao Greater Bay Area. Overseas home ports will continue to promote the construction of CICT+HIPG "Gemini(双子星)" South Asia regional international shipping center; in terms of technological innovation, the Company will adhere to innovation-driven principle, promote the Company's industrial transformation and upgrading and sustained and stable growth; in terms of market expansion, the Company will change from shopkeepers (坐商) into itinerant merchants (行商), adhere to customer-centric and market-oriented principle, and comprehensively improve business development; in terms of operation management, the Company will accelerate the construction of "empowerment-specialty-value" operation management and control system; in terms of comprehensive development, domestic comprehensive development should do a good job in planning and construction and focus on bonded logistics innovation business, and overseas comprehensive development will continue to improve the comprehensive development model of "Port-Park-City"; in terms of capital operation, the Company will continue to improve capital operation, promote the creation of financial value, and prevent investment risks. Through the implementation of the above business plan, the Company will achieve leapfrog and higher quality development.

### **Appreciation**

In 2022, facing the complicated external environment and risk challenges, the Company adhered to its strategic directives, took the initiative to embrace changes, and thus recorded positive results for various tasks and its operating performances have been growing steadily year-on-year. All of these could not be accomplished without the dedication from all of our staff and the support from our shareholders, investors, business partners, and those in the society who have taken to heart the Company's interest. For this, I would like to extend my most sincere appreciation and deepest gratitude.

**Deng Renjie**  
*Chairman*

## Part I Important Notes, Table of Contents and Definitions

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

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

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

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

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

The Board has approved a final dividend plan as follows: based on 2,499,074,661 shares, a cash dividend of RMB4.50 (tax inclusive) per 10 shares is to be distributed to shareholders, with no bonus issue from either profit or capital reserves.

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

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## **Documents Available for Reference**

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

**II. The 2022 Auditor's Report stamped by the accounting firm and signed and stamped by registered accountants; and**

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

## Definitions

Term	Definition
The “Company”, “CMPort” or “we”	China Merchants Port Group Co., Ltd., formerly known as “Shenzhen Chiwan Wharf Holdings Limited”
CMG	China Merchants Group Co., Limited
CMPort Holdings	China Merchants Port Holdings Company Limited (00144.HK)
CMGD	China Merchants Gangtong Development (Shenzhen) Co., Ltd., a Broadford Global majority-owned subsidiary in Shenzhen
CND Group	China Nanshan Development (Group) Inc.
Chiwan Wharf	Shenzhen Chiwan Wharf Holdings Limited (stock name: Chiwan Wharf/ Chiwan Wharf-B; stock code: 000022/200022)
Malai Storage	Shenzhen Malai Storage Co., Ltd.
CMPID	China Merchants Port Investment Development Company Limited
The “Assets Purchase via Share Offering”	Chiwan Wharf’s purchase of 1,313,541,560 ordinary CMPort Holdings shares from CMPID via share offering
Broadford Global	Broadford Global Limited, a wholly-owned subsidiary of CMG Hong Kong
CSRC	China Securities Regulation Commission
TEU	Twenty Foot Equivalent Unit
CM ePort	The wharf e-commerce platform, i.e. the unified customer service platform
Shunde New Port	Guangdong Yide Port Limited
Dongguan Machong	Dongguan Chiwan Port Service Co., Ltd.
SIPG	Shanghai International Port (Group) Co., Ltd.
CMICT	Ningbo Daxie China Merchants International Container Terminal Co., Ltd.
Ningbo Port	Ningbo Zhoushan Port Company Limited
Liaoning Port/ Dalian Port	Liaoning Port Co., Ltd., formerly known as Dalian Port (PDA) Company Limited
Yingkou Port	Yingkou Port Co., Ltd.
QQCTU	Qingdao Qianwan United Container Terminal Co., Ltd.
QQTU	Qingdao Qianwan United Terminal Co., Ltd.
Qingdao Dongjiakou	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.
Laizhou Port	Yantai Port Group Laizhou Port Co. LTD
Tianjin Port Container Terminal	Tianjin Port Container Terminal Co., Ltd.
Shantou Port	Shantou CMPort Group Co., Ltd.
Zhangzhou Port	Zhangzhou China Merchants Port Co., Ltd.
Xiamen Port	Zhangzhou China Merchants Xiamen Port Affairs Co., Ltd.
Zhanjiang Port	Zhanjiang Port (Group) Co., Ltd.
CMCS	China Merchants Container Services Limited
Modern Terminals	Modern Terminals Limited
Taiwan Kao Ming Container	Kao Ming Container Terminal Corp.
CICT	Colombo International Container Terminals Ltd.

HIPG	Hambantota International Port Group
TCP	TCP Participações S.A.
LCT	Lome Container Terminal Ltd.
TICT	Tin-Can Island Container Terminal Ltd.
PDSA	Port de Djibouti S.A.
Kumport	Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret Anonim Sirketi
TL	Terminal Link S.A.S.
Haixing Harbor	Shenzhen Haixing Harbor Development Co., Ltd.
SASAC of the State Council	State-Owned Assets Supervision and Administration Commission of the State Council
CMB	China Merchants Bank Co., Ltd.
Seaport Group	Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd.
Ningbo Zhoushan Port Group	Ningbo Zhoushan Port Group Co., Ltd.
The cninfo website	www.cninfo.com.cn
SZSE	Shenzhen Stock Exchange
The “Articles of Association”	The Articles of Association of China Merchants Port Group Co., Ltd.
RMB	Expressed in the Chinese currency of Renminbi
RMB’0,000	Expressed in tens of thousands of Renminbi
RMB’00,000,000	Expressed in hundreds of millions of Renminbi
	(unless otherwise specified)

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

## Part II Corporate Information and Key Financial Information

### I Corporate Information

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

### II Contact Information

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

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

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

#### IV Change to Company Registered Information

Unified social credit code	91440300618832968J
Change to principal activity of the Company since going public (if any)	On 14 December 2018, the Company changed its business scope registered with the industrial and commercial administration. The new business scope includes: construction, management and operation of ports and wharves; bonded warehousing of various goods for import and export; development, construction and operation of supporting parks in ports; loading, unloading, transshipment, warehousing and transportation of international and domestic goods and processing of goods; devanning and LCL operations, cleaning, repairing, manufacturing and leasing of containers; international freight forwarding; vehicle and ship leasing; the provision of ship and port services including the provision of fuels, supplies and daily necessities for ships; ship towing (no operation using foreign ships); leasing and repair services of port facilities, equipment and machinery; import and export of various goods and technologies on a self-operation or agency basis, excluding the goods and technologies restricted or forbidden for import and export by the state; port logistics and port information technology consulting services; technical development and services in respect of modern logistics information systems; supply chain management and related services; design of logistics plans; engineering project management; development, research and consulting services in respect of port engineering technologies. (In respect of any operations that require approval according to law, the approval must be obtained before operation).

Every change of controlling shareholder since incorporation (if any)	<p>1. On 8 June 2018, as the ownership of 209,687,067 Chiwan Wharf shares formerly held by CND Group and 161,190,933 Chiwan Wharf shares formerly held by Malai Storage was officially transferred to CMGD, CMGD, holding 57.52% of the Company's outstanding share capital, became the controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.</p> <p>2. On 26 December 2018, the Company issued RMB-denominated ordinary shares (A-shares) at RMB21.46/share to CMPID for the acquisition of the 1,313,541,560 CMPort Holdings ordinary shares that it held. Upon the Acquisition, the Company's total share capital has become 1,793,412,378 shares. Meanwhile, as Broadford Global controls an 87.81% aggregated voting right in the Company (direct interests and interests through CMPID and CMGD), it is the direct controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.</p> <p>3. Zhejiang Provincial Seaport Investment &amp; Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022. Upon the Acquisition, Broadford Global directly holds the Company's equity and controls an 63.02% aggregated voting right in the Company through controlling CMPID and CMGD. Broadford Global is the direct controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.</p>
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## V Other Information

The independent audit firm hired by the Company:

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai, P.R.C.
Accountants writing signatures	Li Weihua, and Wang Hongmei

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

Name	Office address	Representatives	Period of supervision
China International Capital Corporation Limited	27/F and 28/F, Tower 2, China World Trade Center, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	Wu Jiaqing, and Peng Yanzhe	12 October 2022 - 31 December 2023
China Merchants Securities Co., Ltd.	No.111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen, Guangdong, P.R.China	Wang Dawei, and Li Mingze	12 October 2022 - 31 December 2023

**VI Key Financial Information**

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

Yes  No

	2022	2021	2022-over-2021 change	2020
Operating revenue (RMB)	16,230,489,127.55	15,283,808,174.60	6.19%	12,756,744,317.91
Net profit attributable to the listed company's shareholders (RMB)	3,337,446,222.82	2,685,829,204.07	24.26%	2,073,844,409.04
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	3,345,170,153.81	2,355,700,274.23	42.00%	1,271,352,002.64
Net cash generated from/used in operating activities (RMB)	6,920,377,390.35	6,510,326,570.48	6.30%	5,551,289,013.01
Basic earnings per share (RMB/share)	1.61	1.40	15.00%	1.08
Diluted earnings per share (RMB/share)	1.61	1.40	15.00%	1.08
Weighted average return on equity (%)	7.54%	6.99%	0.55%	5.67%
	31 December 2022	31 December 2021	Change of 31 December 2022 over 31 December 2021 (%)	31 December 2020
Total assets (RMB)	197,525,530,887.76	175,984,101,168.66	12.24%	168,728,326,345.77
Equity attributable to the listed company's shareholders (RMB)	54,267,143,304.02	39,801,188,662.13	36.35%	37,165,277,744.78

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes  No

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

Yes  No

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

Total share capital at the end of the last trading session before the disclosure of this Report (share)	2,499,074,661
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Fully diluted earnings per share based on the latest total share capital above:

Fully diluted earnings per share based on the latest total share capital above (RMB/share)	1.3355
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## VII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

### 1. Net Profit and Equity under CAS and IFRS

Applicable  Not applicable

No difference for the Reporting Period.

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

Applicable  Not applicable

No difference for the Reporting Period.

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

Applicable  Not applicable

## VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	4,020,203,113.25	4,130,259,253.94	3,971,339,655.24	4,108,687,105.12
Net profit attributable to the listed company's shareholders	859,493,121.60	1,122,368,203.02	771,042,670.19	584,542,228.01
Net profit attributable to the listed company's shareholders before exceptional gains and losses	838,801,864.90	1,081,747,380.70	738,503,229.51	686,117,678.70



Net cash generated from/used in operating activities	999,264,265.35	2,221,986,911.74	1,782,510,001.40	1,916,616,211.86
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Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or semi-yearly reports.

Yes  No

### IX Exceptional Gains and Losses

Unit: RMB

Item	2022	2021	2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-104,372,804.10	233,551,553.79	1,480,572,929.90	-
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	196,086,614.17	314,172,152.25	238,216,977.76	-
Capital occupation charges on non-financial enterprises that are charged to current profit or loss	189,123,975.49	232,343,789.35	232,906,880.87	-
Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net	-	-3,255,790.50	-	-
Gain or loss on fair-value changes in held-for-trading	-129,033,650.11	221,242,275.17	-409,658,173.58	-

financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)				
Reversed portions of impairment allowances for receivables which are tested individually for impairment	18,730,660.58	93,196.96	46,709,066.77	-
Custodian fees earned from entrusted operation	-	1,663,396.22	1,886,792.45	-
Non-operating income and expense other than the above	216,674,035.87	-4,065,501.22	-42,615,710.20	-
Other gains and losses that meet the definition of exceptional gain/loss	-213,574,591.16	-	753,988,749.80	The operating compensation payable by a subsidiary of the Company to the holding company of its minority shareholders under the agreement. In 2022, the Company confirmed the compensation equivalent to RMB 213,574,591.16. As of 31 December 2022, the reserve for credit losses has been fully withdrawn.
Less: Income tax effects	12,258,847.06	181,130,994.22	241,651,237.66	-
Non-controlling interests effects (net of tax)	169,099,324.67	484,485,147.96	1,257,863,869.71	-
Total	-7,723,930.99	330,128,929.84	802,492,406.40	--

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

Applicable  Not applicable

No such cases for the Reporting Period.

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

Applicable  Not applicable

No such cases for the Reporting Period.

## **Part III Management Discussion and Analysis**

### **I Industry Overview of the Company during the Reporting Period**

#### **1. External environment analysis**

##### **(1) Macroeconomic environment**

In 2022, since the outbreak of the Russia-Ukraine conflict, developed economies led by Europe and the United States jointly imposed sanctions on Russia, which resulted in global food, energy and other commodities prices soaring, triggered global inflation, reduced the demand from global trade and consumption, further casting a serious impact on the global economic prospects and posing more uncertainties on the global economic and trade development. In order to curb the increasingly severe inflation, the United States and the European Union have accelerated monetary tightening and constantly raised the benchmark loan rate. The global liquidity was facing a realignment, which added to the pressure on global economic and trade recovery. According to the “World Economic Outlook” report published by the International Monetary Fund (IMF) in January 2023, the global economy in 2022 was expected to grow by 3.4%, among which developed economies and emerging economies grew by 2.7% and 3.9%, respectively.

In view of the complex and volatile international situation and surrounding environment, China’s domestic economy has withstood the impact and influence arising from factors beyond the expected, showing its strong resilience and growth potential, and maintaining its long-term positive growth trend. According to the National Bureau of Statistics of China, the GDP of China increased by 3% in 2022. As supply-side structural reform further deepened, and enterprises resumed work and production in an orderly manner, and the regional trade cooperation in the Asia-Pacific was strengthened, China would steadily achieve high-quality development and its economy was expected to recover at a steady pace. According to the statistics published by the General Administration of Customs of China, the total value of foreign trade of import and export of China amounted to RMB42.07 trillion in 2022, representing a year-on-year increase of 7.7%, among which the export value was RMB23.97 trillion, up by 10.5%, and the import value was RMB18.1 trillion, up by 4.3%. The trade surplus was RMB5.87 trillion.

##### **(2) Market environment of the port and shipping industry**

In the first half of 2022, the worsening labor strikes in European and American ports and the great impact on the global commodities arising from the Russia-Ukraine conflict, which led to the adjustment of routes, ship delays, port congestion and container shortage from time to time. The freight rate in the international market was still higher than that of the same period last year in spite of its downward trend. In the second half of 2022, European and American ports resumed their normal production activities successively, and the ordering of new ships and the orderly delivery of containers significantly increased the shipping capacity. The freight rate in the international market was officially on a downward trajectory, and the “disruption” situation of the maritime logistics

supply chain was gradually eased. As new opportunities have been emerging in the industry, digitalization, new energy and green infrastructure added new impetus to the industry transformation and development. Under such circumstances, the global container throughput increased steadily in 2022, and China's industrial chain and supply chain maintained its overall steady operation, keeping its strong position in the global industrial chain and supply chain pattern. In 2022, the container throughput handled by major domestic ports recorded a significant increase. According to the national port throughput data published by the Ministry of Transport of China in January 2023, the container throughput handled by the national ports reached 296 million TEUs in 2022, representing an increase of 4.7% year-on-year, and the national port cargo throughput reached 15,685 million tonnes, representing an increase of 0.9% year-on-year.

### **(3) The Company's industry position**

The port industry is a crucial foundation of national economy and social progress, and is closely linked to global economic and trade development. The Company is the China's largest and global leading port developer, investor, and operator, with a comprehensive port network across the hub locations along coastal area of China, as well as Asia, Africa, Europe, Mediterranean Sea, Oceania, South and North America, amongst others. Upholding an enterprising, steady and efficient operating style, the Company capitalises on its global port portfolio, professional management experience, the self-developed state-of-the-art terminal operation system and integrated logistics management platform for exports and imports, thereby providing its customers with timely and efficient port and maritime logistics services along with comprehensive and modern integrated logistics solutions. In addition, the Company also invests in bonded logistics business and launches integrated park development business, promotes the transformation and upgrade of the port industry, develops port supporting industries, and is committed to improving the industrial efficiency and creating greater value through the synergy within existing terminal network.

## **II Principal Activities of the Company during the Reporting Period**

The Company is principally engaged in port operations, ancillary port-related services and bonded logistics operations. The port operations include containers and bulk cargos, with a comprehensive port network across the hub locations along coastal China, and the terminals which the Company invested in or invested in and managed are located in hub locations across Hong Kong, Taiwan, Shenzhen, Ningbo, Shanghai, Qingdao, Tianjin, Dalian, Zhangzhou, Zhanjiang, and Shantou, as well as in Asia, Africa, Europe, Oceania, South and North America, amongst others. The ancillary port-related services mainly include smart port solutions, an open platform for smart ports, smart port technology operation and other port information technology businesses, as well as port tug services and port trimming services, engineering supervision and management business. The bonded logistics operations mainly include the provision of warehousing leasing, customs clearance, division or merger of cargoes, documentation and other services for customers in Shenzhen Qianhaiwan Bonded Port Zone, Qingdao Qianwan Bonded Port Zone, Tianjin Dongjiang Bonded Port Zone, the free trade zone in Djibouti and Hambantota industrial park.

The main business segments of the Company are as follow:

Business segments	Applications area
Port operations	Containers: the Company provides ship berthing, loading and unloading services for ship companies, offers container storage service to ship companies and cargo owners and provides overhead box services for tractor companies. The Company also engages in the businesses of division or merger of cargoes in containers, container leasing and container; Bulk cargoes: the Company is engaged in bulk cargo handling and transportation in port zones, as well as storage services in yards. The major types of cargoes handled include food, steel, woods.
Ancillary port-related services	The ancillary port-related services mainly include smart port solutions, an open platform for smart ports, smart port technology operation and other port information technology businesses, as well as port tug services and port trimming services, engineering supervision and management business.
Bonded logistics operations	The Company provides various services for clients (including logistics companies, trading companies or cargo owners), for example, warehouse/yard leasing, loading and unloading in warehouses/yards, customs clearance and division or merger of cargoes at terminals. It also provides documentation services for tractors arriving or leaving the bonded logistics parks.

### III Core Competitiveness Analysis

#### 1. Sound shareholder background and resource integration capability

CMG, the de facto controller of the Company, was established in 1872, 151 years ago, and is forerunner of China's industrial and commercial sectors with excellent resource integration capabilities and strong brand power. It is a key state-owned enterprise under the direct administration of the PRC central government. Headquartered in Hong Kong, CMG is an integrated enterprise with diversified businesses and one of the four major Chinese enterprises in Hong Kong. Currently, it mainly focusses on three core industries, namely transportation & logistics, integrated finance and comprehensive development of cities and industrial zones. In recent years, it has successively realized the transformation from these three primary industries to the three major platforms of industrial management, financial services, investment and capital operation, and also began to deploy its footprint in big health, testing and other sectors. CMG has been rated as a Grade A enterprise in the Operating Results Assessment of the State-owned Assets Supervision and Administration Commission of the State Council for 18 consecutive years, and is a central state-owned enterprise that owns two Fortune 500 companies. CMG ranked among the top of state-owned enterprises in terms of net profit and assets under management.

CMG has accelerated international development and preliminarily formed a relatively complete network of overseas port, logistics, finance and park business. By virtue of the sound shareholder background and ample domestic and overseas resources of CMG, CMPort strives to create a global port investment and operation platform with international vision and global expansion capabilities as well as an interconnected international port comprehensive service system, with a view to being a world-class comprehensive port service provider and standing out from peers in the intensified global competition.

## **2. Well-balanced global port network distribution capability**

As an important carrier for domestic and overseas port investment and operation of CMG, the Company continues to conduct in-depth research on the current development situation and trends of the global industrial chain and supply chain, follows the development trend and pattern of the global trade and industry, seizes the significant national strategic opportunities arising from the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the integration of the Yangtze River Delta and the building of a national unified market, continually optimizes the global port network, and properly invests in hub and gateways of strategic significance around the world.

In recent years, through mergers, acquisitions, restructuration, renovation of old ports, and building of new ports, the Company has gradually built a modern port ecosystem with global coverage, further enhancing the value of the port industry and pushing forward balanced regional development. After years of overseas development, CMPort has formed a global business layout. Its port network comprises 50 ports which are located in 25 countries and regions on six continents. Adhering to the principle of “extensive consultation, joint development and shared benefits”, CMPort has developed local-based business operation and formed a community of shared future with various countries and regions, expanded its new international cooperation based on the consolidation of connectivity and cooperation, forged ahead together toward the high-quality development. CMPort has arranged its port network proportionately in different areas, optimized its port business and investment portfolio, and balanced its investment portfolio within the life cycle of ports, which has enhanced its capabilities of resisting risks of industry fluctuations, trade frictions and unexpected events to a larger extent.

## **3. Consistently optimized supply chain comprehensive service capability**

With the overarching objective of becoming a high-quality and world-class comprehensive port service provider, the Company keeps optimizing supply chain comprehensive service capability from multiple perspectives. First, in respect of the advanced comprehensive development capability, taking port business as the core and leveraging the synergy of different port zones as well as city-industry integration, the Company continually explores the comprehensive port development model of “Port-Park-City”. Based on the traditional loading and discharging and ancillary services at ports, it established the comprehensive development model that offered high value-added services to enterprises. Currently, the Company has participated in promoting the comprehensive port development model of “Port-Park-City” in various overseas regions and has achieved remarkable results and helped foster new profit growth points for the Company. Secondly, in respect of modern comprehensive logistics service capability, the Company aims at increasing its global presence with shipping routes across five continents. As both the shipping and port sectors gradually shifted to form alliances, the Company is actively integrating its domestic and overseas port assets and capitalises on its relatively complete global port network to provide customers with comprehensive port logistics service solutions, forming its unique competitive strength. The Company actively promotes the “coordinated port framework” with the West Shenzhen Port Zone as its core and a wide reach that spreads to Chu Kong River port group, in order to build combined transport channels in the Guangdong-Hong Kong-Macao Greater Bay Area, and realize the free trade of foreign goods in port group in the Guangdong-Hong Kong-Macao Greater Bay Area. The

Guangdong-Hong Kong-Macao Greater Bay Area Combined Port Platform based on blockchain technology has been included in the first batch of national pilot reform projects for business environment innovation, and won the best institutional Innovation Case of Guangdong Free Trade Zone in 2021 (广东自贸区 2021 年最佳制度创新案例). As at the end of 2022, the project opened 25 coordinated ports, served more than 4,700 import and export enterprises in the Greater Bay Area, handled barge business of approximately 5,300 ships and vessel business of approximately 7,000 ships, served 68 large-scale customs brokers, 26 barge companies, 15 shipping agencies and liner companies and 412 barges online, and a total of 260,000 TEUs were handled.

#### **4. Self-innovative intelligent port construction capability**

To provide strong support for leading the technological innovation and industrial application of new intelligent port, the Company actively seized the development opportunity in the wave of new technologies, and promoted the digitalization transformation and intelligent upgrade of ports through “CM Chip”, “CM ePort” and Smart Management Platform (SMP). “CM Chip” is the port production and operation system self-developed by China Merchants International Technology Company Limited, including Container Terminal Operation System (CTOS), Bulk Cargo Terminal Operation System (BTOS), and Logistic Park Operation System (LPOS), with a view to realizing the digitization and intellectualization of production and operation. Currently, the Company’ self-developed series products of “CM Chip” have been fully applied in domestic and overseas terminals that the Company mainly controls, which comprehensively enhances the core competitiveness of modern ports, and has been launched and promoted across the industry. Based on the Company’s global port network, “CM ePort” is a digitalized comprehensive service ecology platform facing the whole port shipping logistics industry and integrating port, shipping, logistics and third-party ecommerce platform. It provides services such as intelligent logistics, intelligent port as well as intelligent finance and business, promotes construction of intelligent port ecology circle, facilitates transactions between logistics-related parties through the platform for more efficiency, and delivers innovative port services under an advanced business model. “SMP” is a united platform that runs through the whole process, connects the whole scene, and docks the whole system of the enterprise, so as to achieve comprehensive digital management of business process, and provide a one-stop operating model for the Decision-making personnel, Management and Executive to support the management decision based on the presentation and analysis of global business core data. “SMP” adheres to the combination of top-level design and iterative development mode, with digital technology as the key force, and the application of smart tools to drive the transformation of means, modes and concepts of the operation and management of CMPort.

Focusing on nine major intelligent elements, namely “CM Chip, CM ePort, automation, intelligent ports, 5G network application, blockchain, Beidou system, artificial intelligence, and green and low-carbon development”, the Company actively promotes intelligent port construction and builds “Mawan Smart Port”, the first 5G green and low-carbon intelligent port in the Guangdong-Hong Kong-Macao Greater Bay Area. Currently, Mawan Smart Port has become a benchmark for the transformation of traditional terminals to efficient, safe, green and unmanned smart terminals, embarking on a new voyage toward powerful port of technology and forming intelligent port comprehensive solutions with “CM Characteristics”. The "Research and application of Key Technologies for the digitization and intellectualization of traditional container terminals" of



CMPort, based on its major achievement, Mawan Smart Port, was honoured with the grand prize in 2021 Science and Technology Progress Award of China Ports and Harbours Association.

## 5. Sound and efficient port management capability

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

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

## IV Core Business Analysis

### 1. Port business review

#### (1) Overview of port business

In 2022, the Company's ports handled a total container throughput of 145.948 million TEUs, up 7.0% year-on-year. Bulk cargo volume handled by the Company's ports increased by 20.6% year-on-year to 740 million tonnes. For container business, the Company's ports in Mainland China handled a container throughput of 105.174 million TEUs, representing a year-on-year increase of 10.5%, ports in Hong Kong and Taiwan regions contributed a total container throughput of 6.897 million TEUs, representing a year-on-year decrease of 10.2%, and the total container throughput handled by the Company's overseas ports grew by 0.9% year-on-year to 33.877 million TEUs. In terms of bulk cargo business, the Company's ports in Mainland China handled a bulk cargo volume of 734 million tonnes, up 20.9% year-on-year, and overseas ports handled a bulk cargo volume of 5.526 million tonnes, down 11.0% year-on-year.

**Table 3-1 Throughput of the Company and changes in 2022**

Item	2022	2021	Changes
Container throughput ('0,000 TEU)	14,594.80	13,639.4	7.0%
Among which: Mainland China	10,517.4	9,513.8	10.5%
Hong Kong and Taiwan	689.7	768.4	-10.2%
Overseas	3,387.7	3,357.2	0.9%
Bulk cargo throughput ('0,000)	73,953.4	61,308.5	20.6%

tonnes)			
Among which: Mainland China	73,400.8	60,687.5	20.9%
Overseas	552.6	621.0	-11.0%

Note: 1. The statistics represented the total throughput of the holding subsidiaries, associates and joint ventures of the Company; 2. Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd due to the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. As such, the Company has been including the business volume of Yingkou Port Co., Ltd since February 2021; 3. In September 2022, as a strategic investor, the Company completed the subscription of private placement of A shares of Ningbo Port for 2021, thus holding aggregate 23.08% equity of Ningbo Port and becoming the second largest shareholder of Ningbo Port. As such, the Company has been including the business volume of Ningbo Pot since October 2022.

## (2) Operation condition of port business by region

**Table 3-2 Container throughput of the Company and changes in 2022 (in'0,000 TEU)**

Region and port company			2022	2021	Changes
Pearl River Delta	Holding company	West Shenzhen Port Zone	1,332.3	1,283.4	3.8%
		Shunde New Port	41.0	45.8	-10.5%
	Joint stock company	Chu Kong River Trade Terminal	87.1	102.8	-15.3%
Yangtze River Delta	Joint stock company	SIPG Group	4,730.0	4,703.2	0.6%
	Joint stock company	Ningbo Zhoushan Port (excluding Ningbo Daxie)	817.2	-	-
	Holding company	Ningbo Daxie	317.4	340.7	-6.8%
Bohai Rim	Joint stock company	Tianjin Port Container Terminal	848.1	864.2	-1.9%
		QQCTU	934.9	854.3	9.4%
		Liaoning Port Co., Ltd.	1,089.7	990.6	10.0%
South-East region of Mainland China	Holding company	Zhangzhou Port	33.2	26.7	24.3%
		Shantou Port	163.0	180.0	-9.4%
South-West region of Mainland China	Holding company	Zhanjiang Port	123.4	122.2	1.0%
Hong Kong and Taiwan	Holding company/	CMCS/Modern Terminals	484.9	565.4	-14.2%

	Joint stock company				
	Joint stock company	Taiwan Kao Ming Container	204.8	202.9	0.9%
Overseas	Holding company	CICT	321.5	306.0	5.1%
		TCP	115.6	110.1	5.0%
		LCT	160.3	162.6	-1.4%
	Joint stock company	TL	2,575.9	2,552.3	0.9%
		Kumport	120.9	124.8	-3.1%
		PDSA	63.5	69.2	-8.2%
		TICT	30.0	32.0	-6.3%
<b>Total</b>			14,594.8	13,639.4	7.0%

Note: 1. Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd due to the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. As such, the Company has been including the business volume of Yingkou Port Co., Ltd since February 2021. 2. In September 2022, as a strategic investor, the Company completed the subscription of private placement of A shares of Ningbo Port for 2021, thus holding aggregate 23.08% equity of Ningbo Port and becoming the second largest shareholder of Ningbo Port. As such, the Company has been including the business volume of Ningbo Pot since October 2022.

**Table 3-3 Bulk cargo volume handled by the Company and changes in 2022 (in '0,000 tonnes)**

Region and port company		2022	2021	Changes	
Pearl River Delta	Holding company	West Shenzhen Port Zone	1,860.5	1,950.4	-4.6%
		Dongguan Machong	1,501.5	1,609.7	-6.7%
		Shunde New Port	627.1	518.8	20.9%
	Joint stock company	Chu Kong River Trade Terminal	424.8	317.2	33.9%
Yangtze River Delta	Joint stock company	SIPG Group	7,817.0	8,238.8	-5.1%
	Joint stock company	Ningbo Zhoushan Port	15,094.0	-	-
Bohai Rim	Joint stock company	QQTU	1,363.8	1,765.1	-22.7%
		Qingdao Port Dongjiakou	7,221.1	6,559.4	10.1%
		Liaoning Port Co., Ltd.	25,442.4	26,256.2	-3.1%
		Laizhou Harbour	1,907.5	2,138.7	-10.8%

		Affairs			
South-East region of Mainland China	Holding company	Zhangzhou Port	838.3	868.2	-3.4%
		Xia Men Bay Terminals	607.5	564.8	7.6%
		Shantou Port	381.4	346.1	10.2%
South-West region of Mainland China	Holding company	Zhanjiang Port	8,313.9	9,554.1	-13.0%
Overseas	Holding company	HIPG	129.4	155.5	-16.8%
	Joint stock company	Kumport	14.5	10.7	35.5%
		PDSA	408.6	454.8	-10.2%
<b>Total</b>			<b>73,953.4</b>	<b>61,308.5</b>	<b>20.6%</b>

Note: 1. Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd due to the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. As such, the Company has been including the business volume of Yingkou Port Co., Ltd. since February 2021. 2. In September 2022, as a strategic investor, the Company completed the subscription of A shares non-publicly issued by Ningbo Port in 2021. The Company holds a total of 23.08% of the equity of Ningbo Port, becoming the second largest shareholder of Ningbo Port. The Company has been including the business volume of Ningbo Port since October 2022.

### **Pearl River Delta region**

The Company's terminals in West Shenzhen Port Zone handled a total container throughput of 13.323 million TEUs, up by 3.8% year-on-year, mainly benefiting from the increase in routes and the increase in market shares in the three ports in South China (Shenzhen, Guangzhou and Hong Kong) to 19.1%. Bulk cargo volume handled amounted to 18.605 million tons, down by 4.6% year-on-year. Shunde New Port handled a container throughput of 0.41 million TEUs, down by 10.5% year-on-year, mainly due to the impact of rising inflation and slowing export demand. It also handled a bulk cargo volume of 6.271 million tons, up by 20.9% year-on-year, mainly benefiting from the steady increase in the cargo volume of steel mills in the southern hinterlands. Chu Kong River Trade Terminal handled a total container throughput of 0.871 million TEUs, down by 15.3% year-on-year, mainly due to changes in shipping prices resulting in a decline in cargo volumes. It also handled a bulk cargo volume of 4.248 million tons, up by 33.9% year-on-year, mainly due to the continuous development and substantial growth of the sand and gravel business. Dongguan Machong handled bulk cargo volume of 15.015 million tons, down by 6.7% year-on-year, which was mainly affected by the decline in grain, feed and fertilizer business caused by the Russia-Ukraine conflict.

### **Yangtze River Delta region**

SIPG handled a container throughput of 47.300 million TEUs, up by 0.6% year-on-year. Bulk cargo volume handled decreased by 5.1% year-on-year to 78.170 million tons. Ningbo Daxie handled a

container throughput of 3.174 million TEUs, representing a decrease of 6.8% year-on-year. In September 2022, as a strategic investor, the Company completed the subscription of A shares non-publicly issued by Ningbo Port in 2021. Therefore, the Company has been including the business volume of Ningbo Port since October 2022, which brought a container throughput of 8.172 million TEUs and a bulk cargo volume of 150 million tons to the business volume in 2022.

### **Bohai Rim region**

Liaoning Port Co., Ltd. handled a container throughput of 10.897 million TEUs, representing an increase of 10.0% year-on-year, mainly benefiting from the recovery of domestic trade container capacity in the fourth quarter. It also handled a bulk cargo volume of 254 million tons, representing a decrease of 3.1% year-on-year. QQCTU handled a container throughput of 9.349 million TEUs, representing an increase of 9.4% year-on-year, which mainly benefited from Qingdao Port's adjustment of the empty container base business policy and optimization of route layout. QQTU handled a bulk cargo volume of 13.638 million tons, representing a decrease of 22.7% year-on-year, which was mainly affected by the stricter environmental protection policies for the gravel business. Qingdao Port Dongjiakou handled a bulk cargo volume of 72.211 million tons, indicating an increase of 10.1% year-on-year, mainly benefiting from the iron ore business growth. Tianjin Port Container Terminal contributed a container throughput of 8.481 million TEUs, representing a year-on-year decrease of 1.9%. Laizhou Harbour Affairs handled a bulk cargo volume of 19.075 million tons, representing a year-on-year decrease of 10.8%, which was mainly affected by the decrease in the business volume of oil/liquefied chemicals.

### **South-East region of Mainland China**

Shantou Port handled a container throughput of 1.630 million TEUs, down 9.4% year-on-year, mainly due to the decline in the total volume of foreign trade containers in eastern Guangdong. The bulk cargo volume it handled increased by 10.2% year-on-year to 3.814 million tonnes, which mainly benefited from the development of the local coal market. Zhangzhou Port handled a container throughput of 0.332 million TEUs, increased by 24.3% year-on-year, mainly benefiting from the growth in container volume of transshipment, and the bulk cargo volume it handled decreased by 3.4% year-on-year to 8.383 million tonnes. Xia Men Bay Terminals handled a bulk cargo volume of 6.075 million tonnes, up 7.6% year-on-year, mainly benefiting from the growth of grain business.

### **South-West region of Mainland China**

Zhanjiang Port handled a container throughput of 1.234 million TEUs, up 1.0% year-on-year, and a bulk cargo volume of 83.139 million tonnes, down 13.0% year-on-year, mainly due to fluctuations in domestic and foreign markets, resulting in a decline in the volume of bulk cargo to varying degrees.

### **Hong Kong and Taiwan regions**

Modern Terminals and CMCS in Hong Kong delivered an aggregate container throughput of 4.849 million TEUs, down 14.2% year-on-year, which was affected by intensified regional competition. Kao Ming Container in Taiwan handled a total of container throughput of 2.048 million TEUs, up 0.9% year-on-year.

### **Overseas operation**

In Sri Lanka, CICT handled a container throughput of 3.215 million TEUs, up 5.1% year-on-year, benefiting from the increased capacity of terminals. HIPG handled bulk cargo volume of 1.294 million tonnes, down 16.8% year-on-year, mainly due to a decline in import volumes as a result of the local economic crisis; RO-RO volume handled was 0.558 million vehicles, up 4.2% year-on-year. TCP in Brazil handled a container throughput of 1.156 million TEUs, representing an increase of 5.0% year-on-year, mainly benefiting from increased throughput of some routes and the steady improvement in terminal operation services. LCT in Togo handled a container throughput of 1.603 million TEUs, down 1.4% year-on-year. TICT in Nigeria handled a container throughput of 0.300 million TEUs, down by 6.3% year-on-year, mainly due to a decline in import volumes as a result of the depreciation of the local currency, increased inflation and reduced purchasing power. Port de Djibouti S.A. (PDSA) in Djibouti handled a container throughput of 0.635 million TEUs, down 8.2% year-on-year; its bulk cargo volume of 4.086 million TEUs, down by 10.2% year-on-year, mainly due to the economic downturn in Ethiopia and the Russia-Ukraine conflict. In Turkey, Kumport handled a container throughput of 1.209 million TEUs, down by 3.1% year-on-year; its bulk cargo volume of 0.145 million tons, up by 35.5% year-on-year, mainly benefiting from the growth in the building materials business. TL handled a container throughput of 25.759 million TEUs, up 0.9% year-on-year.

## **2. Implementation of business plan during the Reporting Period**

During the Reporting Period, in face of the severe and complicated macro environment, the Company spared no effort in stabilising the economy and ensuring the smooth operation of the ports, while at the same time, it captured every opportunity to expand its business and improve its quality and efficiency, and through which, the Company's business operated in a stable manner with enhanced quality. To continuously provide unimpeded and stable services for international supply and industrial chain, the Company resolutely pushed forward the development of homebase port and regional leading port, sped up endogenous growth and innovation upgrading, thus strengthening value creation for customers and forming a synergetic and win-win situation with partners.

**(1) Creating new situation for the development of leading ports with endogenous growth.** In 2022, the price in the container business of ports the Company mainly controls was raised in the first half of the year by capitalising the situation, which enabled the Company to secure the container volume against the situation and made progress in an overall stable performance in the second half of the year. For the domestic homebase port, the market share of West Shenzhen homebase port in the three ports in South China increased to 19.1% by increasing 1.2 percentage points, making new record in the latest five years. The Company established South China Bulk Cargo Operation Center, opening a new development pattern of high quality for West Shenzhen homebase port. Tonggu channel enabled ships of 200,000 tonnes to sail at night, strengthened its

capability to serve large ships at 24 hours and overall competitiveness. For the overseas homebase port, the Company was committed to build the overseas homebase port in Sri Lanka, CICT and HIPG into an international container hub port and a regional comprehensive leading port, respectively. Besides, the Company continued to advance the construction of the international shipping center in South Asia, and continued to improve the integrated operation and management of the two ports. For the severe political and economic crisis and other challenges encountered by projects in Sri Lanka, the Company coped with them properly, thus guaranteed the production, stabilised the supply and achieved growth regardless of the market recession.

**(2) Improving asset quality by optimising asset structure.** In the first half of the year, China Merchants Port, a holding subsidiary of the Company, held additional shares of 329 million of SIPG. After the completion, the shareholding in SIPG held by China Merchants Port increased from 26.64% to 28.05%, which consolidated the Company's position as the second largest shareholder of SIPG and strengthened the synergetic development with SIPG. The Company completed the acquisition of 14.6% equity of Asia Airfreight Terminal (AAT), and its shareholding increased to 34.6% after the completion. Besides, the Company expanded the space for airport business development, and continuously deepened the logistics supply chain layout in the Guangdong-Hong Kong-Macao Greater Bay Area. In the second half of the year, Zhejiang Seaport Group subscribed for, as a strategic investor, 577 million A-shares in the private placement of the Company by capital injection of RMB10.669 billion, and its shareholding was 23.08% after the completion and became the second largest shareholder of the Company. At the same time, the Company subscribed for, as a strategic investor, 3.647 billion A-shares in the private placement of the Ningbo Port by capital injection of RMB14.114 billion, and its shareholding increased to 23.08% after the completion and became the second largest shareholder of Ningbo Port. The strategic increase of shareholdings by the two listed companies strengthened the role of both ports as an integrated hub and comprehensively enhanced the high-quality development standard of ports. The Company increased its shareholding of Antong Holdings to 6.83%, further expanding the influence of the port and shipping business.

**(3) Inspiring new vitality of development for enterprises by deepening reform.** Being listed in the “Double-Hundred Enterprises” of the State-owned Enterprises Reform in 2022, the Company integrated the reform work of “Double-Hundred Action” with the new ten-year strategic development, to stimulate endogenous growth and innovation and upgrading with reform. In accordance with the requirements under the “1+N” series documents of the State-owned Enterprises Reform, the Company carried out general inspection on its governance mechanism, employment mechanism and incentive mechanism, to address systematically the issues existed along the Company’s development. The Company developed reform plan and working record by focusing on the goal of “Five Breakthroughs and One Reinforcement” under the “Double-Hundred Action”. A reform leading group and working group were set up by the Company to establish a systematic working mechanism. By focusing on deepening the mixed-ownership reform, the Company improved the governance operation efficiency, enhanced employment mechanism reform and the building of international talents system, so as to comprehensively improve the standard of the party leadership and party building of an enterprise. The steadfastly pushing forward of various works under the “Double-Hundred Action” injected new vitality into the development of the Company and helped the Company in building a world-class enterprise.

**(4) Building benchmark of smart port by technological innovation.** According to the requirement of industry development and technological development trend, the Company continued to revise and refine the digitalization plan, promoted the construction of three platforms, namely “CMC Chip”, “CM ePort” and “SMP” to perfect relevant implementation plan and improve level of industrial digitalization. “CMC Chip” carried out R&D on intelligent stowage, operation stimulation and other functions, conducted 5G private network expansion verification, and introduced vehicle-road collaborative testing. The construction of data base of China Merchants Port, business process platform, data indicator platform and global monitoring center has been finished on the “SMP” platform, and was officially applied into the operation analysis of enterprises. “CM ePort” initiated the R&D of 3.0 version, which was smoothly put into trial operation on Shenzhen West Port Area and Machong Port. The Company continued to push forward the construction of Mawan Smart Port and Mawan autonomous driving project was successfully selected as the first batch of intelligent transportation pilot application projects of the Ministry of Communications, and the smart port solution was included in the Recommendations of Scientific & Technological Innovation of Central Enterprise and won the only Special Award for Scientific and Technological Progress issued by the China Ports Association in 2021. CMIT was approved by the Ministry of Communications for TOS project, and the smart port solution of China Merchants Port delivered phased outcomes.

**(5) Extending new node of value chain by business expansion.** By continuous using its edge as the hub of supply chain of ports, the Company expanded the supply chain extension services with technological revolution. With respect of domestic business, the Company increased its efforts in expanding Combined Port in the Guangdong-Hong Kong-Macao Greater Bay Area to strengthen the building of cargo collection, distribution and transport system, and build a collaborative alliance featuring multifaceted businesses with the West Shenzhen homebase port as core under the coordinated port framework. In 2022, 12 coordinated ports have been put into operation and a total of 25 coordinated ports have been put into operation, which served more than 4,700 import and export enterprises in the Greater Bay Area and completed serving approximately 5,300 barges and approximately 7,000 large vessels, and handled 0.26 million TEUs, which further strengthened the collaborative alliance featuring multifaceted businesses with the West Shenzhen homebase port as core. With respect of oversea business, based on the port in Djibouti, the Company opened new logistics channel for sea and air combined transportation between China and major cities on the African continent, together with its strategic partners, cutting about 50% transport time compared to whole sea transportation and about 50% transport cost compared to whole air transportation. This new logistics channel has delivered goods to 16 major cities in 14 African countries, which further enhanced the Company’s service capability in international logistics supply chain.

**(6) Exploring new industrial pattern by comprehensively development.** The Company constantly pushed forward the innovation of business mode by leverage of the comprehensive development segment, focused on customer development and promoted industry-driven investment. HIPG Industrial Park was occupied by 40 contracted enterprises, covering many key industrial projects such as tire factory, cement plant and yacht assembly site. It constantly provides flexible and diversified land service mode, and continuously enriches the industrial park, thus to improve the industrial chain in the park. Djibouti Free Trade Zone was occupied by 287 contracted enterprises, increased 91 contracted enterprises as compared to the beginning of the year. The online Djimart e-commerce platform was upgraded to enable online payment function through



UnionPay, which, together with offline exhibition of "Made in Liaocheng", consolidated the development of services and products of different ports, provided customized services and products to customers and accelerated the transformation of business mode from land warehouse lease to the provision of overall solutions for customers.

**(7) Deepening management reform by smart operation.** The Company steadfastly drove forward the digitalization development and transformation, thoroughly implemented the construction of "digital investment port" and formally initiated "SMP". Through business process and information sharing module along with the intelligent analysis and decision supporting modules, "SMP" built a one-stop comprehensive management platform of CMPort, supporting the business analysis of all modules, namely containers, bulk cargos, logistics park, comprehensive development and intelligent technology, which satisfied the requirements of corporate management of all levels. As the core smart tool for building of port data management system and data asset management, "SMP" takes digital technology as the key force and applies smart tools to drive the transformation of means, modes and concepts of the operation and management of CMPort.

**(8) Building new image for the port by green development.** The Company deeply and thoroughly implements the innovative, coordinated, green, open and shared development concept, adheres to the human-oriented and green development philosophy and sticks to the principle of mutual negotiation, joint construction and sharing, so as to comprehensively establish the ESG system of CMPort, push forward the green, high quality and sustainable development both home and abroad and continuously improve the Company's ESG rating. In 2022, the Company was selected in the ESG·Pioneer 50 Index of Central Enterprises from 426 central enterprises, ranking 12<sup>th</sup> in the index list, which fully demonstrated the recognition from the SASAC on the Company's work. Besides, the Company also won the ESG Golden Bull Award·Responsible Investment Pioneer Award (ESG金牛奖·责任投资先锋奖) in 2022, fully demonstrating the high recognition from the industry on the Company's practice of ESG concept on port investment and operation and management.

### 3. Revenue and Cost Analysis

#### (1) Breakdown of Operating Revenue

Unit: RMB

	2022		2021		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	16,230,489,127.55	100%	15,283,808,174.60	100%	6.19%
By operating division					
Port operations	15,626,802,064.84	96.28%	14,635,410,073.74	95.76%	6.77%
Bonded logistics service	445,592,537.09	2.75%	464,573,743.50	3.04%	-4.09%
Property development and investment	158,094,525.62	0.97%	183,824,357.36	1.20%	-14.00%
By operating segment					
Mainland China, Hong Kong and	12,105,380,701.20	74.58%	11,550,563,244.63	75.57%	4.80%

Taiwan					
Other countries and regions	4,125,108,426.35	25.42%	3,733,244,929.97	24.43%	10.50%

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

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
<b>By operating division</b>						
Port operations	15,626,802,064.84	9,153,516,391.90	41.42%	6.77%	6.81%	-0.02%
<b>By operating segment</b>						
Mainland China, Hong Kong and Taiwan	12,105,380,701.20	7,762,369,545.92	35.88%	4.80%	5.79%	-0.60%
Other countries and regions	4,125,108,426.35	1,888,092,167.02	54.23%	10.50%	10.48%	0.01%

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

Applicable  Not applicable

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

Yes  No

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

Applicable  Not applicable

**(5) Breakdown of Cost of Sales**

Unit: RMB

Operating division	Item	2022		2021		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Port operations	Loading and unloading	9,153,516,391.90	94.85%	8,570,124,838.35	94.73%	6.81%

	services					
Bonded logistics service	Logistics service	280,270,213.56	2.90%	257,835,741.37	2.85%	8.70%
Other	Properties	216,675,107.48	2.25%	218,875,602.77	2.42%	-1.01%

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

Yes  No

In February 2022, CMPort established Port Development (Hongkong) Company Limited, a wholly-owned subsidiary. In March 2022, CMPort invested all of its shares in CMPort Holdings (1,627,635,473 shares, accounting for 42.995% of its total share capital) as the contribution.

Guangdong Shunkong Port-related Development and Construction Co., Ltd. (hereinafter referred to as "Shunkong"), established in July 2020, is a wholly-owned subsidiary of Guangdong Shunkong Urban Investment and Properties Co., Ltd. (hereinafter referred to as "Shunkong Urban Investment") with a registered capital of RMB30 million. On 30 March 2022, Shunkong Urban Investment put up for sale a 51% interest in Shunkong with a capital increase requirement at GuangDong United Assets and Equity Exchange (Zhuhai Branch), while Shunkong Urban Investment still retained the other 49% interest. In August, CMPort completed a capital injection of RMB50 million, including a registered capital increase of RMB31.22 million, and held the 51% interest in Shunkong upon the completion of the capital injection. Shunkong has completed the ownership change with the industrial and commercial administration and the amendments to its articles of association regarding shareholders' meetings in November, and CMPort has included Shunkong in its consolidated financial statements since November 2022.

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

Applicable  Not applicable

### (8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	3,298,081,685.23
Total sales to top five customers as % of total sales of the	20.32%

Reporting Period (%)	
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	1,672,365,283.13	10.30%
2	Customer B	602,173,227.52	3.71%
3	Customer C	398,313,333.51	2.45%
4	Customer D	362,060,760.88	2.23%
5	Customer E	263,169,080.19	1.62%
Total	--	3,298,081,685.23	20.32%

Other information about major customers:

Applicable  Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	772,123,028.78
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	10.64%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	320,072,413.80	4.41%
2	Supplier B	188,020,076.50	2.59%
3	Supplier C	94,366,537.53	1.30%
4	Supplier D	86,745,902.24	1.20%
5	Supplier E	82,918,098.71	1.14%
Total	--	772,123,028.78	10.64%

Other information about major suppliers:

Applicable  Not applicable

#### 4. Expense

Unit: RMB

	2022	2021	Change (%)	Reason for any significant change
Administrative expense	1,765,094,736.51	1,729,160,558.50	2.08%	-
Finance costs	2,258,713,672.42	1,545,338,597.29	46.16%	Net exchange

				loss resulting from foreign exchange adjustment increased year on year primarily due to the impact of exchange rate fluctuations.
R&D expense	287,706,178.70	217,905,635.67	32.03%	Mainly due to the increase in R&D expenditure this year

## 5. R&D Investments

Main R&D project	Project purpose	Project progress	Objective to be achieved	Expected impact on the Company
Intelligent bulk cargo wharves	It aims to address the difficulties of the production organization and intelligent management of the bulk cargo wharves and focus on efficiency improvement, cost control, security guarantee, standardized management, and environmental protection to drive sustainable and green development of the port.	The main construction is completed at present.	Its objective is to realize routine dual-flow loading, unloading, and mixing, significantly improve loading capacity while improving the capabilities of the wharves and mixing operation, and reduce wharf operating personnel.	The implementation capacity can be driven to improve and a green port can be constructed through technical transformation, thus creating intelligent bulk cargo wharves.
Smart port	It aims to guarantee the port's production safety through intelligent supervision and smart services by utilizing new digital technologies like the Internet of Things, 5G, digital twin technology, RPA, cloud computing, and intelligent communication and control.	It is now under development.	Its objective is to meet the demands for routine management, emergency management, monitoring management, intelligent forecasting and early warning, and digital twin technology for the port's safe production and realize intelligent management of the production safety of the port.	It is conducive to expanding the market in terms of the intelligent management of the port's production safety, facilitating port enterprises for digital transformation and upgrade, and constructing a smart port.

R&D of the CM ePort V 3.0 product	As the port business handling platform for external customers of each port of the CM Port Group, it aims to maximally realize the online processing of offline business processes of the port's customers.	At present, three wharves have been launched for operation and are now under expansion and optimization.	Its objective is to realize the online operation of the ship service module, documentation service module, container service module, bulk cargo service module, commercial service module, regulation service module, inquiry services, and customer services.	The dispersive customer service demands of each wharf will be integrated to become the unified external customer service portal of the CM Port Group.
5G smart port innovation laboratory	By taking the construction project of Haixing Smart Port as an opportunity, it aims to jointly carry out research on 5G smart port technology, standards and industry, and collectively explore and study the technological application of 5G smart port and the innovative application scenarios of 5G technologies at the Haixing Smart Port, thus forming technical standards for 5G smart port.	It was accepted in October 2022.	Its objective is to form a solution to the 5G smart port application scenarios of the CM Port Group that can be replicated and promoted.	By studying the integrated development of 5G technologies and smart port business as well as the industry application technical standards of 5G smart port, it can promote the exchange and in-depth cooperation of 5G technology for each party, drive the construction of 5G smart port, make the port more information-based, promote the development of the 5G industry, drive the replicable application of relevant technologies and results of 5G smart port at domestic and international ports.
Unmanned container truck system	It aims to cooperate with professional manufacturers to carry out R&D of unmanned container trucks at wharves, build the automatic system of wharf horizontal transportation, and realize the systematic and normal operation of unmanned container trucks replacing manned container trucks at wharves.	It is now under test.	Its objective is to replace manned container trucks with unmanned container trucks to carry out systematic and normal operation at wharves.	The large-scale application of unmanned container trucks for operation can effectively improve the efficiency and safety of port transportation and alleviate the recruitment difficulties of container truck drivers.
Function enhancement	Based on the Mawan Smart Port	It is now under development.	Its objective is to visualize the positions	It will improve the overall efficiency of

of the intelligent whole-field dispatching module of tractors	system, it aims to utilize such technologies as AI, 5G, Beidou positioning, and digital twin technology to dispatch tractors within the whole field of the three ports of West Shenzhen to improve tractor efficiency.		of all tractors at the port in the transportation process and optimize and improve the efficiency of tractors in West Shenzhen ports.	tractors in West Shenzhen ports as well as the safe production environment, save energy, reduce carbon emissions, and reduce the cost of a single container.
The safe alignment protection system of the quay crane tractors	It aims to work together with professional manufacturers to carry out R&D of the alignment protection system of the quay crane tractors, improve the alignment efficiency and accuracy of tractors under the quay crane, and reduce the risks of smashing tractor trucks and containers, thus improving the quality and efficiency.	Part transformation is completed at present.	Its objective is to improve the accuracy of the tractor alignment and promote safe and efficient production. It will add a function to prevent smashing tractors and containers to avoid smashing risks through technologies. The addition of the function of preventing smashing tractors and containers will make the production environment safer.	The addition of the safe protection function of the alignment of the quay crane tractors will improve the alignment efficiency and accuracy of tractors under the quay crane as well as the operation efficiency, thus making the production environment safer.
Customs clearance project for the Greater Bay Area Blockchain	It aims to connect all customs offices in the Greater Bay Area, achieve mutual connectivity, mutual trust and mutual recognition among customs areas, and realize dynamic and real-time monitoring of goods declaration, release, inspection and arrival and departure at hub ports.	It is now under customized development, optimization and expansion.	Its objective is to establish core port logistics data standards and platforms with blockchain network technology as the basis of scientific and technological innovation to simplify the cargo clearance procedures, enhance the comprehensive competitive strength of ports, and realize the innovation of supervision technology and mode.	It will facilitate the expansion of waterway transport transfer business in the Guangdong-Hong Kong-Macao Greater Bay Area, improve the dominant role and core competitiveness of Shenzhen Western Port Area in the market, innovate the technology application of smart port scenarios, extend and expand intelligent financial services, and contribute to the sustainable and healthy development of intelligent port new ecology.

## Details about R&amp;D personnel:

	2022	2021	Change (%)
Number of R&D personnel	1,028	1,091	-5.77%
R&D personnel as % of total employees	6.51%	7.24%	-0.73%
Education background	——	——	——
Bachelor's degree	665	634	4.89%
Master's degree	73	61	19.67%
Doctoral degree	2	1	100.00%
Others	288	395	-27.09%
Age structure	——	——	——
Below 30	209	148	41.22%
30~40	401	433	-7.39%
Over 40	418	510	-18.04%

Note: The data of R&D personnel from 2022 will be counted according to the index definition of Ministry of Transport.

## Details about R&amp;D investments:

	2022	2021	Change (%)
R&D investments (RMB)	295,509,765.04	266,564,896.92	10.86%
R&D investments as % of operating revenue	1.82%	1.74%	0.08%
Capitalized R&D investments (RMB)	38,808,729.08	48,659,261.25	-20.24%
Capitalized R&D investments as % of total R&D investments	13.13%	18.25%	-5.12%

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

## 6. Cash Flows

Unit: RMB



Item	2022	2021	Change (%)
Subtotal of cash generated from operating activities	17,929,072,211.60	16,732,952,290.22	7.15%
Subtotal of cash used in operating activities	11,008,694,821.25	10,222,625,719.74	7.69%
Net cash generated from/used in operating activities	6,920,377,390.35	6,510,326,570.48	6.30%
Subtotal of cash generated from investing activities	43,633,757,210.28	20,517,516,799.74	112.67%
Subtotal of cash used in investing activities	57,597,705,841.12	25,089,524,501.76	129.57%
Net cash generated from/used in investing activities	-13,963,948,630.84	-4,572,007,702.02	-205.42%
Subtotal of cash generated from financing activities	59,806,176,788.35	26,888,597,909.66	122.42%
Subtotal of cash used in financing activities	52,289,938,319.06	27,838,280,286.14	87.83%
Net cash generated from/used in financing activities	7,516,238,469.29	-949,682,376.48	891.45%
Net increase in cash and cash equivalents	839,954,233.26	828,736,911.07	1.35%

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

Cash generated from investing activities rose 112.67% year-on-year, primarily driven by the increased principals received from structured deposits.

Cash used in investing activities rose 129.57% year-on-year, primarily driven by the increased equity investment expenditures and structured deposits purchases.

Net cash generated from investing activities declined 205.42% year-on-year, primarily driven by a faster growth in cash used in investing activities than in cash generated from investing activities.

Cash generated from financing activities rose 122.42% year-on-year, primarily driven by the receipt of funds raised through a private placement of A-stock shares and the increased borrowings received.

Cash used in financing activities rose 87.83% year-on-year, primarily driven by the increased debt

repayments.

Net cash generated from financing activities rose 891.45% year-on-year, primarily driven by a larger increase in cash generated from financing activities than in cash used in financing activities.

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

Applicable  Not applicable

## V Analysis of Non-main Businesses

Unit: RMB

	Amount	As % of total profit	Main source/reason	Recurrent or not
Investment income	7,377,655,506.33	78.95%	Share of the profit of joint ventures and associates, mainly Shanghai Port	Yes
Change in fair value gain or loss	-129,033,650.11	-1.38%	-	Not
Asset impairment	-22,159,020.20	-0.24%	-	Not
Non-operating income	279,274,452.77	2.99%	LCT's provision for container volume compensation	Not
Non-operating expense	220,442,254.68	2.36%	-	Not
Other income	241,648,070.42	2.59%	Mainly for government subsidies	Not
Gain/loss on disposal of assets	55,130,095.52	0.59%	-	Not

## VI Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2022		1 January 2022		Change in percentage (%)	Main reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		

Monetary assets	13,615,928,739.40	6.89%	12,772,349,406.77	7.26%	-0.37%	-
Accounts receivable	1,276,149,689.44	0.65%	1,320,577,577.81	0.75%	-0.10%	-
Inventory	225,122,821.48	0.11%	194,920,136.12	0.11%	0.00%	-
Investment real estate	5,123,690,119.56	2.59%	5,298,238,414.88	3.01%	-0.42%	-
Long-term equity investment	92,364,293,919.05	46.76%	70,353,451,824.52	39.98%	6.78%	Increased investments, and the impact of share of profits of and dividends from investee enterprises
Fixed assets	32,033,326,083.50	16.22%	31,710,513,230.29	18.02%	-1.80%	-
Projects under construction	2,413,844,407.64	1.22%	2,557,584,953.92	1.45%	-0.23%	-
Right assets	9,342,642,222.33	4.73%	8,743,077,542.19	4.97%	-0.24%	-
Short-term borrowings	7,164,338,366.18	3.63%	13,651,452,805.36	7.76%	-4.13%	Decreased borrowings
Contract liability	141,899,551.03	0.07%	196,784,525.26	0.11%	-0.04%	-
Long-term payables	12,390,099,177.85	6.27%	7,144,839,870.89	4.06%	2.21%	Increased long-term borrowings
Lease liability	948,350,914.04	0.48%	1,055,194,906.09	0.60%	-0.12%	-
Held-for-trading financial assets	2,998,781,599.63	1.52%	6,921,831,502.55	3.93%	-2.41%	Changes in structured deposits
Assets held for sale	0.00	0.00%	337,442,757.28	0.19%	-0.19%	Land in Shantou transferred out of this item for no longer satisfying the recognition conditions for assets held for sale
Non-current assets due within one year	902,225,293.93	0.46%	102,356,461.97	0.06%	0.40%	Increased long-term receivables due within one year
Other current assets	185,903,140.53	0.09%	339,684,297.41	0.19%	-0.10%	Decreased overpaid input tax
Other non-current financial assets	1,745,740,896.41	0.88%	809,515,244.87	0.46%	0.42%	Increased shareholding in Antong Holdings by

						way of attending auction and acquisition in the current period
Taxes payable	917,933,169.09	0.46%	2,162,719,251.68	1.23%	-0.77%	Payment of land readiness tax
Non-current liabilities due within one year	11,641,223,688.95	5.89%	8,268,209,284.17	4.70%	1.19%	Repayment of bonds and loans due within one year
Other current liabilities	3,161,147,525.96	1.60%	2,158,497,775.85	1.23%	0.37%	Increased short-term commercial papers payable

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

√ Applicable □ Not applicable

Asset	Source	Asset value (RMB'0,000)	Location	Operations	Control measures to protect asset safety	Return generated (RMB'0,000)	As % of the Company's net asset value	Material impairment risk (yes/no)
Equity assets	Acquired via share offering	15,039,518.09	Hong Kong	Port investment and operations	Appointing director, supervisor and senior management /According to the political, economic and legal environment of different countries and regions, establish a targeted internal control system and early warning system.	777,127.24	83.02%	No
Other information	N/A							

## 2. Assets and Liabilities at Fair Value

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes through equity	Impairment allowance made in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
Held-for-trading financial assets (exclusive of derivative financial assets)	6,921,831,502.55	34,417,357.38	-	-	36,954,000,000.00	40,874,000,000.00	-37,467,260.30	2,998,781,599.63
Other non-current financial assets	809,515,244.87	-163,451,007.49	-	-	1,086,762,170.29	-	12,914,488.74	1,745,740,896.41
Other equity instrument investment	180,251,798.43	-	-7,180,686.41	-	-	1,125,837.00	-	171,945,275.02
Subtotal of financial assets	7,911,598,545.85	-129,033,650.11	-7,180,686.41	0.00	38,040,762,170.29	40,875,125,837.00	-24,552,771.56	4,916,467,771.06

Receivables financing	238,429,402.71	-	-	-	-	-	-74,662,489.61	163,766,913.10
Total of the above	8,150,027,948.56	-129,033,650.11	-7,180,686.41	0.00	38,040,762,170.29	40,875,125,837.00	-99,215,261.17	5,080,234,684.16
Financial liabilities	0.00	-	-	-	-	-	-	0.00

Details of other changes:

N/A

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

Yes  No

### 3. Restricted Asset Rights as at the Period-End

The restricted monetary assets were RMB9,309,145.94 of security deposits.

The carrying value of fixed assets as collateral for bank loans was RMB341,870,382.84.

The carrying value of construction in progress as collateral for bank loans was RMB4,298,598.5.

The carrying value of intangible assets as collateral for bank loans was RMB222,040,259.68.

The carrying value of equities and interests as collateral for bank loans was RMB3,162,859,514.29.

## VII Investments Made

### 1. Total Investment Amount

Investment Amount in 2022 (RMB)	Investment Amount in 2021 (RMB)	Change (%)
19,688,903,358.82	2,444,270,974.39	705.51%

### 2. Major Equity Investments Made in the Reporting Period

Investee	Principal operations	Way of investment	Investment amount	The Company's interest	Funding source	Joint investor	Term of investment	Type of investment	Progress as of the balance sheet date	Expected return	Gain/loss in the current period	Any legal matter involved	Date of disclosure (if any)	Index to disclosed information (if any)
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Ningbo Zhoushan Port Company Limited	Port operations	Acquisition	14,113,777,882.23	20.98%	Own funds and bond financings	None	Long-term	Equity	Equity ownership transferred		351,607,511.90	No	14 July 2021	See Announcement No. 2021-057 on www.cninfo.com.cn
Total	--	--	14,113,777,882.23	--	--	--	--	--	--	0.00	351,607,511.90	--	--	--

### 3. Major Non-Equity Investments Ongoing in the Reporting Period

Applicable  Not applicable

### 4. Financial Investments

#### (1) Securities Investments

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes recorded into equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying value	Accounting item	Funding source
Stock	06198	Qingdao Port	124,405,138.80	Fair value method	145,443,863.52	-19,124,576.60	-	-	-	-10,639,288.83	139,233,775.66	Other non-current financial assets	Own funds

Stock	601298	Qingdao Port	331,404,250.30	Fair value method	637,280,000.00	-8,960,000.00	-	-	-	28,716,800.00	628,320,000.00	Other non-current financial assets	Own funds
Stock	600377	Jiangsu Expressway	1,120,000.00	Fair value method	8,620,000.00	-	12,041.97	-	8,632,041.97	-	-	Other equity investment	Own funds
Stock	400032	Petrochemical A1	3,500,000.00	Fair value method	382,200.00	-	-	-	-	-	382,200.00	Other equity investment	Own funds
Stock	400009	Guangjia n1	27,500.00	Fair value method	17,000.00	-	-	-	-	-	17,000.00	Other equity investment	Own funds



Stock	600179	Antong Holdings	391,956.73	Fair value method	157,196.79	-136,462,315.91	-	1,086,762,170.29	-	-	950,457,051.17	Trading financial assets, other non-current financial assets	Own funds
Total		460,848,845.83	--		791,900,260.31	-164,546,892.51	12,041.97	1,086,762,170.29	8,632,041.97	39,356,088.83	1,718,410,026.83	--	--

## (2) Investments in Derivative Financial Instruments

Applicable  Not applicable

## 5. Use of Funds Raised

### (1) Overall Usage of Funds Raised

Unit: RMB'0,000

Year	Way of raising	Total funds raised	Total funds used in the Current Period	Accumulative fund used	Total funds with usage changed	Accumulative funds with usage changed	Proportion of accumulative funds with usage changed	Total unused funds	The usage and destination of unused funds	Amount of funds raised idle for over two years
2019	Private placement	221,282.91	35,020.11	1,000,197.22	0	18,599.73	8.41%	0	N/A	0

2022	Private placement	1,066,912.64	1,460,375.00	1,460,375.00	0	0	0%	306,587.84	Deposited in funds raising account	0
Total	--	1,288,195.55	1,495,395.11	2,460,572.22	0.00	18,599.73	-	306,587.84	--	0
Explanation of overall usage of funds raised										

**(I) Funds Raised through the Private Placement of Shares in 2019**

Pursuant to the Reply of China Securities Regulatory Commission on the Approval of Shenzhen Chiwan Wharf Holdings Limited Offering Shares to China Merchants Investment Development Company Limited for Asset Acquisition and Raising the Matching Funds (ZJXK [2018] No. 1750), the Company issued, in a private placement, a total of 128,952,746 shares of RMB-denominated ordinary shares (A-shares) to two entities including China-Africa Development Fund at RMB17.16/share, raising a total of RMB2,212,829,121.36 (with the net amount after deducting issuance costs being RMB2,185,997,340.15). Following the arrival of the aforesaid funds on 23 October 2019, BDO China Shu Lun Pan Certified Public Accountants LLP issued a Capital Verification Report (XKSZ [2019] No. ZI10673).

As of 31 December 2022, a total of RMB10,001,972,225.09 of raised funds had been used, including: (1) RMB582,722,414.48 as the replacement for the self-financings that had been in advance input into project to be financed by raised funds; (2) RMB1,192,418,029.40 used after the arrival of the raised funds, including an investment of RMB1,192,418,029.40 in the Haixing Harbor Renovation Project (Phase II) (2019: RMB324,533,139.29; 2020: RMB424,734,590.46; 2021: RMB262,949,228.42; 2022: RMB180,201,071.23); (3) RMB26,831,781.21 for paying issuance costs; (4) RMB7,130,000,000.00 for purchasing structured deposits (2019: RMB1,200,000,000.00; 2020: RMB2,650,000,000.00; 2021: RMB3,280,000,000.00); (5) RMB1,070,000,000.00 for purchasing seven days call deposits (2021: RMB900,000,000.00; 2022: RMB170,000,000.00).

As of 31 December 2022, the interest income in the account of raised funds minus service charges stood at RMB8,783,139.80 (2019: RMB795,775.14; 2020: RMB1,142,652.22; 2021: RMB513,577.57; 2022: RMB6,331,134.87). The amount of structured deposits redeemed was RMB7,130,000,000.00 (2019: RMB100,000,000.00; 2020: RMB2,950,000,000.00; 2021: RMB4,080,000,000.00). The amount of income from structured deposits was RMB41,738,931.50 (2019: RMB302,465.75; 2020: RMB28,538,767.13; 2021: RMB12,897,698.62). The amount of seven days call deposits redeemed was RMB1,070,000,000.00 (2021: RMB900,000,000.00; 2022: RMB170,000,000.00). And the amount of income from seven days call deposits was RMB7,856,335.42 (2021: RMB4,756,502.08; 2022: RMB3,099,833.34).

The Proposal on the Conclusion of the Investment Project with Funds Raised through Share Offering for Asset Acquisition and Use of the Surplus Raised Funds for Permanent Supplementation of Working Capital was approved at the 9<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Board of Directors in 2022 and the 3<sup>rd</sup> Extraordinary General Meeting of 2022 dated 29 November 2022 and 23 December 2022, respectively. As such, it was agreed that the surplus raised funds can be used to permanently supplement the working capital. As of 31 December 2022, the Company had transferred the surplus raised funds of RMB469,235,302.99 to the account of its own funds for permanent supplementation of the working capital. Therefore, the balance of the raised funds was nil and the account of raised funds has been cancelled.

**(II) Funds Raised through the Private Placement of Shares in 2022**

Pursuant to the Reply of China Securities Regulatory Commission on the Approval of the Private Placement of China Merchants Port Group Co., Ltd. (ZJXK [2022] No. 1657), the Company issued, in a private placement, a total of 576,709,537 shares of RMB-denominated ordinary shares (A-shares) to specified investors at a fixed price of RMB18.50/share, raising a total of RMB10,669,126,434.50, with the net amount after deducting issuance costs (exclusive of tax) being RMB10,632,533,330.40. The actual amount deposited in the raised funds account was RMB10,642,126,434.50 (inclusive of to-be-deducted other issuance costs of RMB9,593,104.10). Following the arrival of the aforesaid funds at the Company's specialized account for raised funds (account No. 755901118610707) at the Shenzhen Xinshidai sub-branch of China Merchants Bank Co., Ltd., Deloitte Touche Tohmatsu Certified Public Accountants LLP verified the funds raised in the private placement on 16 September 2022 and issued a Capital Verification Report (DSB (Y) Z (22) No. 00471).

As of 31 December 2022, a total of RMB14,603,750,000.00 of raised funds had been used, including: (1) RMB7,600,000,000.00 used after the arrival of the raised funds, including debt repayments of RMB7,600,000,000.00; (2) RMB3,750,000.00 for paying issuance costs; (3) RMB4,900,000,000.00 for purchasing structured deposits; RMB200,000,000.00 for purchasing seven days call deposits; and RMB1,900,000,000.00 for purchasing term deposits. As of 31 December 2022, the interest income from the raised funds minus service charges stood at RMB17,445,775.40; structured deposits redeemed were RMB4,100,000,000.00, and income from cash management was RMB10,056,182.64.

As of 31 December 2022, the Company's unspent balance of raised funds was RMB3,065,878,392.54.

**(2) Commitment Projects of Fund Raised**

Unit: RMB'0,000

Committed investment project and super raise fund arrangement	Change or not (including partial changes)	Committed investment amount	Investment amount after adjustment (1)	Investment amount in the Reporting Period	Accumulative investment amount as of the period-end (2)	Investment schedule as the period-end (3) = (2)/(1)	Date of reaching intended use of the project	Realized income in the Reporting Period	Whether reached anticipated income	Whether occurred significant changes in project feasibility
Committed investment project										
1. Supporting transformation	Yes	18,599.73	N/A	N/A	N/A	N/A	N/A	N/A (Note 1)	N/A	N/A

project of Han Port										
2. Transformation project of Haixing Harbor (Phase II)	No	200,000.00	218,599.73	18,020.11	177,514.04 (Note 3)	81.21	28 June 2021	8,333.15	No (Note 2)	No
3. Replenishing working capital and repaying debt	No	1,063,253.33	1,063,253.33	760,000.00	760,000.00	71.48%		N/A	N/A	N/A
Subtotal of committed investment project	--	1,281,853.06	1,281,853.06	778,020.11	937,514.04	--	--	8,333.15	--	--
Super raise fund arrangement										
N/A										
Subtotal of super raise fund arrangement	--	N/A	N/A	N/A	N/A	--	--	0	--	--
Total	--	1,281,853.06	1,281,853.06	778,020.11	937,514.04	--	--	8,333.15	--	--
Condition and reason for not reaching the schedule and anticipated income (by specific items)	<p>Note 1: Based on the estimated construction progress of supporting transformation project of Han Port, USD79 million and USD281 million were planned to be used to build an oil wharf and a tank area respectively in 2019 and 2020; USD12.48 million and USD179.6 million were planned to be used to acquire quay cranes, yard cranes and other operating equipment respectively in 2019 and 2020. The funds were estimated to be fully spent by 2020. So far the project has been delayed. According to the Company's overall development planning, in order to further optimize its internal resource allocation, increase the utilization efficiency of funds and safeguard shareholders' rights and interests, the Company used RMB185,997,300 of the fund raised in transformation project of Haixing Harbor (Phase II).</p> <p>Note 2: The Transformation project of Haixing Harbor (Phase II) obtained the port operation license on 24 June 2021, passed the acceptance check by the competent port administration on 28 June 2021 and has been put into operation. This project generated income of RMB83.3315 million in 2022. However, as the project is currently in the early stage of operation and business is gradually picking up, the anticipated income has not yet been reached.</p> <p>Note 3: As of 31 December 2022, the Company had invested a total of RMB1,775.1404 million, representing a saving of RMB410.8569 million from the total committed investment of raised funds of RMB2,185.9973 million. After the conclusion of the raised funds investment project, the Company used the balance of RMB410.8569 million, as well as the cash management income of RMB58.3784 million from the raised funds account, amounting to a total of RMB469.2353 million, for permanent replenishment of working capital. The Proposal on the Conclusion of the Investment Project with the Funds Raised through the Private Placement of Shares for Asset Acquisition and Using the Surplus Raised Funds to Permanently Replenish Working Capital was approved at the 9<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Board of Directors in 2022 and the 6<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Supervisory Committee in 2022 dated 29 November 2022, and later at the 3<sup>rd</sup> Extraordinary General Meeting of 2022 dated 23 December 2022. As such, the Company was agreed to conclude the investment project with the funds raised through the private placement of shares for asset acquisition and use the surplus funds raised to permanently replenish its working capital.</p>									
Notes of condition of significant changes occurred in project feasibility	N/A									
Amount, usage and schedule of super raise fund	N/A									

Changes in implementation address of investment project	N/A
Adjustment of implementation mode of investment project	N/A
Upfront investment and transfer of investment project	<p>Advance investment and replacement of the Company's 2019 private offering fund raising project: BDO China Shu Lun Pan Certified Public Accountants LLP verified the upfront investment with self-pooled funds in raised funds investment projects, and issued the XKSSBZ [2019] No. 10423 The Audit Report on the Upfront Investment with Self-Pooled Funds in raised Funds Investment Project of Shenzhen Haixing Harbor Development Co., Ltd. dated 12 November 2019. As of 31 October 2019, the upfront investment with self-pooled funds in raised funds investment projects amounted to RMB582.7224 million. In December 2019, pursuant to the Proposal on the Swap of Raised Funds and Upfront Investment of Self-Pooled Funds approved at the 11<sup>th</sup> Extraordinary Meeting of the 9<sup>th</sup> Board of Directors in 2019, the Company has completed the swap of the aforesaid funds.</p>
Use of idle raised funds for cash management purposes	<p>(I) Funds Raised through the Private Placement of Shares in 2019  On 22 November 2019, the 11<sup>th</sup> Extraordinary Meeting of the 9<sup>th</sup> Board of Directors in 2019 reviewed and approved the Proposal on the Implementation of Cash Management by the Usage of Idle Raised Funds, which agreed the Company to carry out cash management by using idle funds of no more than RMB1.2 billion. The quota was valid within 12 months of the date when the said proposal was approved by the Board. And the cash management amount would be returned to the account of raised funds upon the expiry.  On 30 November 2020, the Second Extraordinary Meeting of the 10<sup>th</sup> Board of Directors in 2020 and the Second Extraordinary Meeting of the 10<sup>th</sup> Supervisory Committee in 2020 reviewed and approved the Proposal on the Implementation of Cash Management by the Usage of Idle Raised Funds, which agreed the Company to carry out cash management by using idle funds of no more than RMB800 million. The quota was valid within 12 months of the date when the said proposal was approved by the Board. And the cash management amount would be returned to the account of raised funds upon the expiry.  On 23 December 2021, the 13<sup>th</sup> Meeting of the 10<sup>th</sup> Board of Directors in 2021 and the 7<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Supervisory Committee in 2021 reviewed and approved the Proposal on the Implementation of Cash Management by the Usage of Idle Raised Funds, which agreed the Company to carry out cash management by using idle funds of no more than RMB600 million on a rolling basis within 12 months of the approval of the said proposal by the Board of Directors.  As of 31 December 2022, the Company has purchased RMB7,130 million of structured deposits and RMB1,070 million of seven days call deposits (2019: RMB1,200 million of structured deposits; 2020: RMB2,650 million of structured deposits; 2021: RMB3,280 million of structured deposits and RMB900 million of seven days call deposits; 2022: RMB170 million of seven days call deposits) at CMB Shenzhen New Times Sub-branch with temporarily idle raised funds. The purchased RMB7,130 million of structured deposits and RMB1,070 million of seven days call deposits have been redeemed (2019: RMB100 million of structured deposits; 2020: RMB2,950 million of structured deposits; 2021: RMB4,080 million of structured deposits and RMB900 million of seven days call deposits; 2022: RMB170 million of seven days call deposits). The amount of income from structured deposits was RMB41.7389 million (2019: RMB0.3024 million; 2020: RMB28.5388 million; 2021: RMB12.8977 million). The amount of income from seven days call deposits was RMB7.8563 million (2021: RMB4.7565 million; 2022: RMB3.0998 million).</p> <p>(II) Funds Raised through the Private Placement of Shares in 2022  On 29 September 2022, the 7<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Board of Directors in 2022 and the 4<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Supervisory Committee in 2022 reviewed and approved the Proposal on the Implementation of Cash Management by the Usage of Idle Raised Funds, which agreed the Company to carry out cash management by using idle funds of no more than RMB10 billion on a rolling basis. The quota was valid within 12 months of the date when the said proposal was approved by the Board. And the cash management amount would be returned to the account of raised funds upon the expiry. The Company disclosed the Announcement on the Implementation of Cash Management by the Usage of Idle Raised Funds with details of the cash management.  In 2022, the Company used idle raised funds for cash management purposes. As of 31 December 2022, it had purchased, with temporarily idle raised funds, RMB4,900 million of structured deposits, RMB200 million of seven days call deposits, and RMB1,900 million of term deposits, in 2022. In 2022, RMB4,100 million of structured deposits were redeemed. In the year, structured deposits generated an income of RMB10.0562 million.</p>
Amount of surplus in project implementation and the reasons	<p>The reasons for the surplus in the Company's 2019 private offering fund raising project are as follows:  (1) Due to the long implementation period of the projects, during the implementation, the Company strictly followed the relevant regulations on the use of the raised funds, and used the raised funds prudently in accordance with the principles of use for specified purposes only, reasonable, effective and frugal under the premise of ensuring quality and progress. It strictly controlled the procurement process and payment progress, strengthening the control, supervision and management of the cost of each link. And it reduced the cost through commercial negotiation, price inquiry and comparison, saving construction expenses for the projects.  (2) The Company conducted cash management of idle raised funds, including structured deposits and seven days call deposits, in accordance with the law, without affecting the implementation of the raised funds investment projects, which improved the efficiency of the idle raised funds and generated income in the duration of the raised funds.  (3) The construction contracts of some of the projects have instalment payment terms, and outstanding project warranties are subject to a certain period of time before payment.  The Proposal on the Conclusion of the Investment Project with the Funds Raised through the Private Placement of Shares for Asset Acquisition and Using the Surplus Raised Funds to Permanently Replenish Working Capital was approved at the 9<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Board of Directors in 2022 and the 6<sup>th</sup> Extraordinary Meeting of the 10<sup>th</sup> Supervisory Committee in 2022 dated 29 November 2022, and later at the 3<sup>rd</sup> Extraordinary General Meeting of 2022 dated 23 December 2022. As such, the Company</p>

	was agreed to conclude the investment project with the funds raised through the private placement of shares for asset acquisition and use the surplus funds raised to permanently replenish its working capital. The Company has disclosed in December 2022 the aforesaid matter in detail. In December 2022, the Company transferred the unused raised funds of RMB410,856,896.27 and the cash management income of RMB58,378,406.72, totalling RMB469,235,302.99, to the account of its own funds for permanently replenishing working capital. And the raised funds account has been cancelled.
Usage and destination of unused funds	Unused fund was deposited in the fund-raising account.
Problems incurred in fund using and disclosure or other condition	N/A

### (3) Re-purposed Raised Funds

Applicable  Not applicable

The company did not change the project of raising funds in the Reporting Period.

## VIII Sale of Major Assets and Equity Investments

### 1. Sale of Major Assets

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Sale of Major Equity Investments

Applicable  Not applicable

## IX Major Subsidiaries

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

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shanghai International Port (Group) Co., Ltd.	Joint stock company	Business related to port, container and terminal	23,284,144,750.00	181,801,705,598.86	121,167,048,431.51	37,279,806,723.63	20,588,311,777.65	17,910,112,648.83

China Merchants Port Holdings Company Limited	Subsidiary	Port business, bonded logistics and property investment	46,668,174,018.78 (HKD)	150,395,180,920.03	106,480,928,048.93	10,926,649,847.41	8,653,197,640.92	7,771,272,424.87
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Subsidiaries obtained or disposed in the Reporting Period:

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Port Development (Hongkong) Company Limited	Newly incorporated	No significant impact
Guangdong Shunkong Port-related Development and Construction Co., Ltd.	Asset acquisition	No significant impact
Asia General Investment Corporation	Newly incorporated	No significant impact
Merit Bravo Enterprises Limited	Newly incorporated	No significant impact
Golden Matrix Holdings Limited	De-registered	No significant impact
Shantou Port Huaxing Engineering Management Co., Ltd.	De-registered	No significant impact
Zhanjiang Port Haichuan Trading Co., Ltd.	De-registered	No significant impact

Notes of major holding companies and joint stock companies

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

## X. Structured Bodies Controlled by the Company

Applicable  Not applicable

## XI Outlook for the Future Development of the Company

### 1. Layout and trends of the industry

In terms of international economy and trade, the Russia-Ukraine Conflict is likely to further escalate and the global financing tightening could aggravate the debt distress and disturb the process of economic recovery. It is expected that the growth of global economy will enter into the slowdown phase. Economies are facing potential crises in energy, food and debt, which have increased the uncertainty of global economy. The continuous geopolitical tensions and the rise of “unilateralism” and “protectionism” have increased the risk of the reconstruction of industrial and supply chains. The significant increase of events caused by extreme weathers and climates will also constitute a threat to international production and transportation activities. However, the pent-up demand of many economies and the declining inflation acceleration might lead to a robust economic boost, which will alleviate adverse risks.

For domestic economy and trade, China continues to advance the “14<sup>th</sup> Five-Year Plan” in a strong and orderly manner, consistently adheres to the general principle of “making progress while ensuring stability” in economic work and promotes reform and stimulates vitality and consolidates the basis for economic recovery and development by making a big push to ensure “stability on the six fronts and security in the six areas”. With policies to stabilize economy gradually implemented and effects of trade agreements continuously released, the liquidity of transnational trade elements will be further improved, the momentum of import and export of commodities will be strengthened, economy and trade will stay within a reasonable ambit and the steady development of port industry will be promoted.

In recent years, across the world are spreading unprecedented changes. Port, as a major carrier and part of international trade flow, has played a significant role in global trade and transport systems. Global port operators have seized opportunities of the times, made efforts to improve the quality of port services, continuously enlarged the sphere of influence of the ports, strengthened the collaborative effects with other logistics participants and provided clients with higher-quality and more comprehensive logistics solutions. Resources competition among international ports will continue, which will bring new opportunities and challenges to the port industry. In the future, the port industry will develop towards the following trends:

(1) Globalization of port network. With the pushed process of international economic integration and the exacerbated competition in port markets globalization, the demand for port transformation and upgrade is no longer solely pursuing the maximization of port handling capacity and corporate economic benefits. Instead, it makes the maximization of the long-term value of ports a target. The Company should continue to complete and enrich the globalization layout of ports, identify acquisition projects with investing potential, actively explore ports with strategic significance, and further improve the competence, influence and sustainability of the corporate.

(2) Integration of port services. The prominent problem of global supply chain and the acceleration of regionalization and localization of industrial chain have further promoted the business extension and reform of the port industry. While focusing on the major port business, the Company should actively expand port extension business, carry out innovative port commercial modes, put forward professional and customized logistics solutions and provide clients with logistics services that are more flexible, secure and efficient.

(3) Digitalization of port operation. Port digitalization extent is outperforming the effect of the upgrade of physical infrastructure in increasing the port production efficiency. The breakthrough and innovation of digital techniques will accelerate the upgrade of the industry from “digitalization” to “digital intelligence” and continuously empower the core businesses, such as the production, management, services and ecology of the port. Digital technology infuses the port enterprises with new momentum.

(4) Green and low-carbon ports. Port is a traditional tremendous source of energy consumption and carbon emission. Governments around the world and international institutions have made a new request for green transformation to achieve the “Double Reduction” goal for energy consumption and total amount of emission. In IMO Preliminary Strategy for Greenhouse Gas Emission Reduction from Ships, the International Maritime Organization required that, the average carbon emission intensity per unit of transport work of global shipping industry shall decrease by at least 40% by 2030, compared with 2008. The green and low-carbon transformation of port industry not



only complies with the strategic demand by the country, but also makes important contribution to the global green environment and sustainable development.

## 2. Development strategy

The Company is committed to becoming a world-class comprehensive port service provider, base itself in a new stage of development, implement the new development philosophy fully and faithfully, and serve and integrate itself into the new national development paradigm. In pursuit of high-quality growth, it will accelerate technological leadership and innovation-driven development, achieve global scientific layout and balanced development, provide first-class comprehensive port service professional solutions, seek more returns for shareholders, support local economic and industrial development, and contribute to the development of the port industry.

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

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

Thirdly, in respect of innovation strategies, the Company will adhere to the principle of “driving through technology and embracing changes”, under which the Company could support the future port development through increasing the investment in innovation and holding the technology high ground. By means of technological innovation and innovative management, it will significantly enhance the efficiency and effectiveness of port operation, which will help the Company transform from "scale-driven" to "quality-driven" and the business structure change from "simple port handling and storage" to "comprehensive services based on the main port business", supporting the Company's new leapfrog development with innovation, and continuously improving the Company's driving force of development.

Fourthly, for the digital strategy, the Company firmly grasps the development opportunities of "industrial digitization" and "digital industrialization", uses digitization as an entry point to empower the Company's production and operation, market expansion, operation management, and capital operation. In line with the development trends of the times and the industry, the Company uses digital technology to carry out all-round transformation of traditional port terminals to promote industrial optimization and upgrading. Relying on the stock assets and business of the ports, with the core purpose of improving quality and efficiency, the Company improves the scientization and elaboration of production operation, customer service, operation management and decision-making, and promotes the comprehensive upgrade of port management and service intelligence.

Fifthly, for the low-carbon strategy, the Company will firmly grasp the development opportunity of green industrial transformation, thoroughly implement the concept of green development, actively fulfil social responsibilities, continuously optimize the energy structure of the ports, improve the modern green port management system and mechanism, enrich the green energy supply scenarios, widely promote the concept of green investment and strive to building a new generation of green and smart ports with low energy consumption and low pollution.

### 3. Business plans for 2023

In 2023, the Company will continue to uphold the underlying principle of pursuing progress while ensuring stability, strive to build a comprehensive port service system with stronger innovation and higher added value based on the two-wheel drive model of "endogenous growth" and "innovation upgrading", promote the Company to achieve leapfrog and higher-quality development in terms of the construction of homebase ports, technological innovation, market expansion, operation management, comprehensive development, capital operation, etc.

As for the construction of homebase ports, the West Shenzhen homebase port will continue to optimize the layout of the logistics supply chain in the Guangdong-Hong Kong-Macao Greater Bay Area, improve the hardware level of collection and transportation infrastructures, improve the level of port infrastructures and operating efficiency, optimize regional competition and cooperation relationships, clear resource bottlenecks, optimize customer service, consolidate and enhance the status of the homebase port. Meanwhile, the Company will continue to build an integrated operation model of the homebase port in Sri Lanka to achieve rapid business development, seize the window period, accelerate business cooperation with shipping companies, and continue to build CICT+HIPG "Twin Star", a world-class shipping centre in South Asia.

In terms of technological innovation, the Company will commit to innovation-driven development and promote industrial transformation and upgrade by innovation and technology. Leveraging on the Research Institute of CMPort for Technological Innovation and Development, the Company will develop the ecosystem for technology and innovation, and generate smart solutions for ports to build the integrated platform for industry, education and research. Through "CMCore" platform, the Company will develop three major leading products for the industry, including Container Terminal Operation System ("CTOS"), Bulk Cargo Terminal Operation System ("BTOS") and Logistic Park Operation System ("LPOS"), striving to intelligentize the production and operation within the terminals. CTOS has successfully obtained approval from the Ministry of Transport of the PRC for a major project, and will promote a research on structural upgrades within this year. The "CM ePort" platform will innovate the service models by improving the information service system and adopting the "Port + Internet" approach for the port. The "CM ePort" version 3.0 has completed the full coverage of domestic major ports, so as to explore and develop an open platform for intelligent ports.

In terms of market expansion, the Company will be transformed from a tradesman to an itinerant trader, with a customer-centric and market-oriented approach to comprehensively enhance its business development space. The Company will improve customer service level, focus on the expansion of high-value and high-quality goods, increase customer loyalty by bundling supply of goods, establish regional alliance organizations, expand the coverage of logistics supply chain,

provide "customized" terminal service, and improve customer satisfaction. The Company will intensify its efforts in market expansion. For the bulk cargo business, the Company will develop integrated bulk commodity business. For the container business, the Company will strengthen the business collaboration between its ports, expand the Southeast Asian market, create high-quality routes, increase the concentration of routes, and increase the proportion of local cargo sources. The Company will mobilize the potential of business innovation, strengthen the research and development of bonded and commercial extension platforms, increase the business expansion of cross-border e-commerce logistics, strengthen internal coordination in supply chain extension, make resources interoperable and complement each other, and form the synergy of customer diversion and service upgrading.

In terms of operation management, the Company will speed up the construction of an operation management and control system of "empowerment, professionalism and value", comprehensively improve the level of operation management, and promote endogenous growth. The Company will further improve the online business management process through "SMP" to support the Company's business decision-making. The Company will continue to optimize the life cycle management system of projects, improve resource allocation standards and management standards oriented by lean management, build resource dynamics and performance monitoring platform based on EAMIS (Enterprise Assets Management Information System), accelerate the construction of investment management information system, and realize the systematization, normalization and standardization of asset management. The Company will strengthen international management, operation monitoring and analysis and evaluation, and further improve the interconnection among overseas ports to ensure the safety and stability of the supply chain.

In terms of comprehensive development, the Company will continue to develop innovative businesses around the main business, and actively take measures to tap the potential. For domestic comprehensive development, the Company will do a good job in planning and construction, focus on bonded logistics innovation business, extend to cold chain, smart technology industrial park and other businesses, and actively explore new growth points for customer service in the park. For overseas comprehensive development, the Company will continue to improve the comprehensive development model of "Port-Park-City", and provide customized comprehensive service solutions and industrial incubation functions on the basis of the existing park development and investment attraction model. Meanwhile, the Company will strengthen the internal coordination of the business to form the synergy of attracting customers, improving capabilities and upgrading services.

In terms of capital operation, the Company will continue to improve capital operation, promote the creation of financial value, and prevent investment risks. The Company will improve the capital operation ability of stock assets, improve tax planning and fund management capabilities, further explore and increase the value of stock assets, explore the mode of combining light and heavy assets, improve operation plans of investment, merger and acquisition, continue to optimize the dual-platform structure, and enhance profitability and control.

#### **4. Possible risks and counter measures**

##### **(1) Risk of macroeconomic fluctuations**

For international risks, the world economic situation in 2023 is still complicated. Risks such as inflation, food and energy crises, social unrest, and restructuring of industrial and supply chains

caused by Black Swan events such as the Russia-Ukraine conflict and political turmoil in many countries cannot be ignored. Although frequent interest rate hikes in developed economies such as Europe and the United States can curb inflation, they will also lead to a strengthening of a single currency, a tightening of the global financial environment, an increase in the cost of imports in international trades, and a rising financial risks in emerging market economies, which is not conducive to the recovery of the global economy. Such risks of uncertainties will shock China's foreign trade market, container shipping market, and bulk commodity demand, and pose certain challenges to the Company's overseas investment and layout planning.

For domestic risks, the element of China's long-term economic cycle of seeking progress while maintaining stability remains solid, but economic development is still facing triple pressures of shrinking demand, supply shocks, and weakening expectations. In addition, factors such as the ongoing tug-of-war in trade between China and the United States and the transfer of some industries to emerging economies have also brought uncertainties to China's economic growth. In addition, the implementation of technological innovation support policies in the national level amplified the necessity and urgency of the digital transformation and upgrade in the shipping industry.

Facing the risk of macroeconomic fluctuations, especially large fluctuations in international exchange rates, and rising prices of energy and commodity, the Company will scientifically identify, actively respond to, and actively seek changes. Firstly, the Company will fully implement the national "14th Five-Year" development plan, seize the opportunity of entering a new development stage, fully promote the endogenous growth, innovation and upgrading of the port business, so as to promote the high-quality development of the Company. Secondly, the Company will thoroughly implement national strategies such as the unified national market, the Guangdong-Hong Kong-Macao Greater Bay Area and the integration of the Yangtze River Delta, and actively participate in the construction of a new pattern of domestic and international double-circle development. Thirdly, the Company will seize the opportunity of a new round of high-level opening-up policy, actively integrate into the development trend of economic globalization, promote the "improvement of quality and efficiency" of port-related businesses, and continuously improve the quality of port service. Fourthly, the Company will continue to strengthen the construction of risk identification, early warning and resolution capabilities, keep an eye on international geopolitical trends, continue to follow up on the evolution of the restructuring of the global industrial chain and supply chain, actively study the evolvement rule of the trade pattern, adjust the Company's business strategy in a timely manner and prevent the impact of major external risk events.

## **(2) Policy risks**

There are various policy risks in the port industry. For international risks, although the busy ports in Europe and the United States have entered the stage of labor negotiations, the problem has not been completely resolved, and there are signs of spreading to other parts of the logistics supply chain. A series of events such as EU countries' trade sanctions against Russia have brought unpredictable policy risks to the port industry. For domestic risks, under the new pattern of domestic and foreign double-circle development, China adheres to the opening-up policy and has launched a series of powerful import and export policies to help the port industry grow from more trade exchanges. Meanwhile, national strategies such as the domestic and international double circle, the Guangdong-Hong Kong-Macao Greater Bay Area, and the integration of the Yangtze River Delta will bring favourable policies to the development of the port industry.

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

### (3) Operation management risks

Amidst the period of opportunities of domestic and overseas regional ports integration, the Company has swiftly strengthened its main port business and successfully optimized the layout of the global port network. At the same time, the Company faces unfavourable conditions of ports in certain regions such as challenging operation management, relatively low investment returns, low operational efficiency and etc. The main risks include: (1) the global operation and management environment is becoming increasingly complex, which further increases the decision-making risk, decision-making difficulty and decision-making cycle of port green space and acquisition projects; (2) the frequent interest rate hikes in European and American countries have caused the exchange rates of the U.S. dollar and the euro to resonate upward, and the renminbi and other currencies have been under pressure, increasing the risk of exchange rate fluctuations; (3) the international operation and management system needs to be improved, and it is necessary to actively respond to it, actively improve the overall operating efficiency, and meet the needs brought about by the rapid development and expansion of the enterprise; (4) it is still necessary to continue to build a sound corporate risk control system, and comprehensively improve the ability to deal with risks such as risk assessment, risk identification, and risk treatment.

In terms of the Company's internal operation management risks, the Company will: (1) continue to increase the loyalty of existing customers, actively develop new customers and seize market opportunities based on three improvement elements, namely "market, resources, services"; (2) improve internal control and compliance systems, strengthen legal empowerment business capabilities, ensuring effective risk identification and control and consolidating the foundation of risk control; and (3) optimize risk warning system to precisely keep abreast of the development situation, identify important or major risks early with an aim to seize the prime opportunities for risk control.

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

Date	Place	Way of communication	Type of communication party	Object of communication	Index to basic information of researches
1 April 2022	China Merchants Port Building	Conference call	Institution	Representatives from institutions, such as Tianfeng Securities, Industrial Securities, Capital Securities, Essence Securities,	Main discussions: the basic condition of operations, investments made and the financial

				Sealand Securities, China International Capital Corporation Limited (CICC), China Galaxy Securities, CITIC Securities, Haitong Securities, Huatai Securities, Founder Securities, Shenwan Hongyuan Securities, Guotai Junan Securities, the Lichang Research Center, Greewoods, Golden Eagle, Changjiang Securities, China Securities, Zhesang Securities, Pacific Securities, Essence Securities, and HSBC Qianhai	condition of the Company; Materials provided: None Index: SZSE EasyIR ( <a href="http://irm.cninfo.com.cn/irms/index">http://irm.cninfo.com.cn/irms/index</a> )
22 June 2022	China Merchants Port Building	One-on-one meeting	Institution	Shenzhen Qianhai Wanli Investment Management Co., Ltd., Chengnuo Assets, Shenzhen Mission Hills Investment Holding Co., Ltd., Rozz Asset Management, Lingchuang Investment Group Co., Ltd., Guoren P&C, Shenzhen New Thinking Investment Management Co., Ltd., Huachuang Securities, and Shenzhen Qianrong Asset Management Co., Ltd.	
27 July 2022	China Merchants Port Building	One-on-one meeting	Institution	QianMing Assets, Morning Bell Assets, Banyan Investment, JM Investment, Zhifuquan Fund, Junying Investment, Huifu Fund, QHYJ Investment, Jinhuiyang Investment, Jinglai Investment, Huatai Securities, Xinyuan Century	
31 August 2022	China Merchants Port Building	Conference call	Institution	Shenwan Hongyuan Securities, Sealand Securities, China International Capital Corporation Limited, Guotai Junan Securities, China Galaxy Securities, CITIC Securities, Haitong Securities, Tianfeng Securities,	

				Industrial Securities, Capital Securities, Essence Securities, Great Wall Securities, Guosen H&S, Nanjing Securities	
1 January 2022-31 December 2022	China Merchants Port Building	By phone, or written inquiry (the EasyIR platform of SZSE or email)	Individual 1	Individual investors	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None
Times of communications					105
Number of institutions communicated with					57
Number of individuals communicated with					101
Number of other communication parties					0
Tip-offs or leakages of substantial supposedly-confidential information during communications					No

## Part IV Corporate Governance

### I General Information of Corporate Governance

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

#### 1. Establishment of systems:

(1) Corporate governance mechanisms and rules that the Company has already established: Articles of Association of the Company, Rules of Procedure for General Meetings, Rules of Procedure for the Board of Directors, Working Articles of Audit Committee of the Board of Directors, Working Rules of Annual Report for Audit Committee of the Board of Directors, Working Articles for Nomination, Remuneration and Evaluation Committee of the Board of Directors; Working Articles of Strategy and Sustainability Committee of the Board of Directors, Working System for Independent Directors, Working Rules of Annual Report for Independent Directors, Rules of Procedure for the Supervisory Committee, Working Articles of Chief Executive Officer, Management System for Company Shares held by Directors, Supervisors and Senior Executives and Its Changes, Management System of Outward Investment, Management System of Related-party Transactions, Management System of Fund-raising, Management Rules on Information Disclosure, Rules of Accountability for Significant Mistakes in Annual Report Information Disclosure, Management System on Inside Information and Insiders, Internal Audit System, Management System of Investors' Relations, Specific System for Engaging Accountants, Management Method of Financial Tools, Management System on Person in Charge of Finance and CFO, Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument, Management System of External Guarantees, Working Articles of Board Secretary, Management System of Securities Investments, Management System of Subsidiaries, Management Method of



Donations, Rules of Procedures for Office Meeting, Management System on the Authorization of the Board of Directors, Liabilities Management System, etc. There isn't difference between the actual circumstances of the Company and all established systems.

(2) System establishment and revisions: As per the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, between the beginning of the Reporting Period and the date of disclosure of this report, the Company revised 19 systems and created 7 new systems, with the relevant information disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn), demonstrating sound and effective systems. And details are as follows:

Mechanism	Approval
Articles of Association of the Company, and Rules of Procedure for the Board of Directors	Approved at the 1 <sup>st</sup> Extraordinary General Meeting of 2022 on 27 May 2022
Working Articles of Audit Committee of the Board of Directors, Working Articles of Strategy Committee of the Board of Directors, Working Articles of Chief Executive Officer, Working Articles of Board Secretary, Management System for Company Shares held by Directors, Supervisors and Senior Executives and Its Changes, Internal Audit System, and Management System of Investors' Relations	Approved at the 6 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors on 29 August 2022
Articles of Association of the Company, Rules of Procedure for General Meetings, Rules of Procedure for the Board of Directors, Rules of Procedure for the Supervisory Committee, Working System for Independent Directors, Management System of Related-party Transactions, Management System of Fund-raising, Management System of Securities Investments, and Management System of External Guarantees	Approved at the 2 <sup>nd</sup> Extraordinary General Meeting of 2022 on 26 September 2022
Working Articles of Strategy and Sustainability Committee of the Board of Directors, Management System of Outward Investment, and Rules of Procedures for Office Meeting	Approved at the 9 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors on 29 November 2022
Articles of Association of the Company, and Rules of Procedure for the Board of Directors	Approved at the 3 <sup>rd</sup> Extraordinary General Meeting of 2022 on 23 December 2022
Management Method of Donations	Approved at the 1 <sup>st</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2023 on 19 January 2023, and subject to final approval by a general meeting
Management System on the Authorization of the Board of Directors	Approved at the 1 <sup>st</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022 on 28 January 2022

Performance Appraisal Methods for Managers, and Management Methods for Total Remunerations	Approved at the 6 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors on 29 August 2022
Management Methods for the Remunerations of Managers, Management Methods for Professional Managers, Management Methods for the Tenure and Contract-based System, and Liabilities Management System	Approved at the 1 <sup>st</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2023 on 19 January 2023

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

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

4. Directors and the Board of Directors: the Company elected directors in strict accordance with the Articles of Association. Number and composition of members of the Board were in compliance with relevant laws and regulations. During the Reporting Period, the Company optimized the structure of the Board of Directors, adding two non-independent directors and one independent director to the original nine, which achieves the reform of diversifying the Board. The Board of Directors of the Company has 12 members now, of whom four are independent directors. During the Reporting Period, the Board of Directors implemented six powers including rights to make decisions on medium- and long-term development, select and engage Management members, evaluate performance of Management members, manage the remuneration of Management members, manage the distribution of employees and manage major financial affairs in accordance with the Implementation of the Functions and Powers of the Board of Directors formulated at the beginning of this year, strengthening the ability of the Board of Directors to exercise their rights and fulfil their responsibilities. All directors of the Company fulfilled their responsibilities loyally and diligently, actively attending the Board Meeting and the General Meeting, expressing views and discussing on proposals submitted to and deliberated by the Board during the Reporting Period. Proposals deliberated by the Board were all agreed. The Board of Directors of the Company has set

up the Audit Committee, the Nomination, Remuneration and Evaluation Committee, and the Strategy and Sustainable Development Committee. During the Reporting Period, each committee gave full play to its professional functions, researched each professional affairs, offered views and advice, assisted the Board in carrying out works, and actively came up with ideas, providing strong guarantee for the scientific and efficient decision-making of the Board.

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

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

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

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

Indicate by tick market whether there is any material incompliance with the laws, administrative regulations and regulations issued by the CSRC governing the governance of listed companies.

Yes  No

No such cases in the Reporting Period.

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

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

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

## **III Horizontal Competition**

Applicable  Not applicable

## **IV Annual and Special General Meetings Convened during the Reporting Period**

### **1. General Meeting Convened during the Reporting Period**

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Index to disclosed information
The 2021 Annual General Meeting	Annual General Meeting	88.89%	21 April 2022	22 April 2022	For the resolution announcement (No. 2022-040), see <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
The 1 <sup>st</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	88.84%	27 May 2022	28 May 2022	For the resolution announcement (No. 2022-051), see <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
The 2 <sup>nd</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	88.97%	26 September 2022	27 September 2022	For the resolution announcement (No. 2022-078), see <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
The 3 <sup>rd</sup> Extraordinary General Meeting of 2022	Extraordinary General Meeting	91.54%	23 December 2022	24 December 2022	For the resolution announcement (No. 2022-101), see <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

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

Applicable  Not applicable

## V Directors, Supervisors and Senior Management

### 1. General Information

Name	Office title	Incumbent/Former	Gender	Age	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for share change
Deng Renjie	Chairman of the Board	Incumbent	Male	53	December 2018	May 2023	0	0	0	0	0	N/A

Wang Xiufeng	Vice Chairman of the Board and CEO	Incumbent	Male	52	August 2021	May 2023	0	0	0	0	0	N/A
Yan Gang	Vice Chairman of the Board	Incumbent	Male	50	November 2021	May 2023	0	0	0	0	0	N/A
Zhang Rui	Director	Incumbent	Male	57	April 2022	May 2023	0	0	0	0	0	N/A
Liu Weiwu	Director	Incumbent	Male	58	May 2021	May 2023	0	0	0	0	0	N/A
Xu Song	Director, Chief Operation Officer, and General Manager	Incumbent	Male	51	October 2020	May 2023	0	0	0	0	0	N/A
Wu Changpan	Director	Incumbent	Male	53	December 2022	May 2023	0	0	0	0	0	N/A
Lyu Yiqiang	Director	Incumbent	Male	46	December 2022	May 2023	0	0	0	0	0	N/A
Gao Ping	Independent director	Incumbent	Male	67	May 2020	May 2023	0	0	0	0	0	N/A
Li Qi	Independent director	Incumbent	Female	52	May 2020	May 2023	0	0	0	0	0	N/A
Zheng Yongkuan	Independent director	Incumbent	Male	45	May 2021	May 2023	0	0	0	0	0	N/A
Chai Yueting	Independent director	Incumbent	Male	59	December 2022	May 2023	0	0	0	0	0	N/A
Yang Yuntao	Chairman of the Supervisory Committee	Incumbent	Male	56	October 2021	May 2023	0	0	0	0	0	N/A
Fu Bulin	Supervisor	Incumbent	Male	51	April 2022	May 2023	0	0	0	0	0	N/A
Gong Man	Supervisor	Incumbent	Female	34	May 2020	May 2023	0	0	0	0	0	N/A
Xu Jia	Supervisor	Incumbent	Male	41	May 2020	May 2023	0	0	0	0	0	N/A
Tu Xiaoping	CFO	Incumbent	Male	57	May 2021	May 2023	0	0	0	0	0	N/A
Lu Yongxin	Deputy General Manager	Incumbent	Male	53	December 2018	May 2023	0	0	0	0	0	N/A
Li Yubin	Deputy General Manager and Board Secretary	Incumbent	Male	51	December 2018	May 2023	0	0	0	0	0	N/A

Liu Bin	Deputy General Manager	Incumbent	Male	54	September 2022	May 2023	0	0	0	0	0	N/A
Liu Libing	General Counsel	Incumbent	Male	49	August 2020	May 2023	0	0	0	0	0	N/A
Yan Shuai	Former Director	Former	Male	50	December 2018	February 2022	0	0	0	0	0	N/A
Song Dexing	Former Director	Former	Male	60	December 2018	May 2022	0	0	0	0	0	N/A
Hu Qin	Former Supervisor	Former	Female	56	December 2018	February 2022	0	0	0	0	0	N/A
Zhang Yiming	Former Deputy General Manager	Former	Male	59	May 2021	April 2022	0	0	0	0	0	N/A
Total	--	--	--	--	--	--	0	0	0	0	0	--

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

Yes  No

#### Change of Directors, Supervisors and Senior Management

Name	Office title	Type of change	Date of change	Reason for change
Yan Shuai	Director	Resigned	25 February 2022	Job change
Hu Qin	Supervisor	Resigned	25 February 2022	Retirement
Zhang Yiming	Deputy General Manager	Resigned	11 April 2022	Job change
Zhang Rui	Director	Elected	21 April 2022	Elected
Yan Gang	Director	Elected	21 April 2022	Elected
Fu Bulin	Supervisor	Elected	21 April 2022	Elected
Song Dexing	Director	Resigned	25 May 2022	Job change
Yan Gang	COO, GM	Resigned	25 May 2022	Reappointment
Yan Gang	Vice Chairman	Elected	27 May 2022	Elected
Xu Song	Deputy General Manager	Resigned	25 May 2022	Reappointment
Xu Song	COO, GM	Appointed	27 May 2022	Appointed
Xu Song	Director	Elected	26 September 2022	Elected
Liu Bin	Deputy General Manager	Appointed	29 September 2022	Appointed
Wu Changpan	Director	Elected	23 December 2022	Elected
Lyu Yiqiang	Director	Elected	23 December 2022	Elected
Chai Yueting	Independent Director	Elected	23 December 2022	Elected

## 2. Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the

incumbent directors, supervisors and senior management:

**Deng Renjie, Chairman of the Board**, graduated from Beijing Electronic Science & Technology Institute with a bachelor's degree in computing, and later from Dalian Maritime University with a master's degree in international law. Currently, he serves as the Chairman of the Board of the Company, the Deputy General Manager of China Merchants Group Co., Limited, and the Chairman of the Board & Non-executive Director of China Merchants Port Holdings Company Limited. He is also the Vice President of China Communications and Transportation Association, as well as the Executive Director and Vice President of the 9<sup>th</sup> Council of China Highway & Transportation Society. Meanwhile, he used to be Researcher of General Office of the Ministry of Communications, Deputy Director of General Office of Hunan Provincial Party Committee, Deputy Secretary General of Hunan Provincial Party Committee, Deputy Secretary General of Party Committee of Xinjiang Autonomous Region, General Manager Assistant & Head of Office of China Merchants Group Co., Limited, and Chairman of the Board of China Merchants Expressway Network & Technology Holdings Co., Ltd., Chairman of the Board of Liaoning Port Group Co., Ltd., etc. He was the Vice Chairman of the Board of the Company from December 2018 to January 2020, and has been the Chairman of the Board of the Company since February 2020.

**Wang Xiufeng, Vice Chairman of the Board & CEO**, senior accountant, and senior engineer, graduated from Northeast University with a bachelor's degree in industrial accounting, and obtained master's degree in business administration from Tsinghua University. Currently, he is the Vice Chairman of the Board & CEO of the Company, as well as the Vice President and CEO of China Merchants Port Holdings Company Limited. He previously served as the General Manager of China 22MCC Group Corporation Ltd., Chairman of MCC Jingtang Construction Ltd., Vice President of China Metallurgical Group Corporation, Director of Anhui Wantong Expressway Company Limited, a director of Henan Zhongyuan Expressway Co., Ltd., Vice Chairman of Shandong Hi-Speed Company Limited, Director of Xingyun Shuju (Beijing) Technology Co., Ltd., CFO of CMG Huajian Expressway Investment Co., Ltd., and Chairman and General Manager of China Merchants Expressway Network & Technology Holdings Co., Ltd. Mr. Wang has been CEO of the Company from August 2021 and Vice Chairman of the Board of the Company since September 2021.



**Yan Gang, Vice Chairman of the Board**, graduated from Xiamen University with a bachelor's in international trade, and completed an MBA program co-created by the Maastricht School of Management (Maastricht, the Netherlands) and Shanghai Maritime University. He now serves as Vice Chairman of the Board of the Company, non-executive director of China Merchants Port Holdings Company Limited, member of Commercial (Third) Functional Constituency of the Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China, and member of the Maritime and Port Development Committee of Hong Kong Maritime and Port Board. He served as the senior logistic manager in Neptune Orient Lines Limited and Hong Kong Swire Group, Chief Commercial Supervisor, Deputy General Manager, Executive Deputy General Manager and General Manager of Shekou Container Terminals Limited, Deputy General Manager, Chief Commercial Officer and Managing Director of China Merchants Port Holdings Company Limited, Chief Representative of the Representative Office of China Merchants Group Limited in the Baltic Sea, General Manager of Great Stone Industrial Park, Deputy General Manager, Chief Operating Officer and General Manager of China Merchants Port Group Co., Ltd., and the member of the Pilotage Advisory Committee of Marine Department of the Government of the Hong Kong Special Administrative Region and the Logistic Service Advisory Committee of Hong Kong Trade Development Council. He has served as a Director of the Company since April 2022 and Vice Chairman of the Board of the Company since May 2022.

**Zhang Rui, Director**, intermediate accountant, Executive Master of Business Administration degree from Shanghai University of Finance and Economics. He now serves as Director of the Company, the Head (Director level) of the Human Resource Department (Party Committee Organization Department) of China Merchants Group Limited, and Supervisor of China Merchants Steamship Co., Ltd. Mr. Zhang served as a Deputy General Manager of Audit Department, General Manager and Deputy General Manager of Property Rights Management Department, Director of Comprehensive Transportation Department and Overseas Business Department in China Merchants Group Limited, General Manager of China Merchants Logistics Group Co., Ltd., Deputy General Manager of Sinotrans Limited, Chairman of the Board and General Manager of China Yangtze Shipping Group Co., Ltd., Executive Director of Shanghai Changjiang Steamship Co., Ltd., Nanjing Changjiang Oil Transportation Corporation and China Yangtze Shipping Co., Ltd.,

Chairman of the Board of China Yangtze Shipping Co., Ltd. and Nanjing Port (Group) Co., Ltd. and China Merchants Nanjing Oil Transportation Co., Ltd., and Supervisor of China Merchants Group (Beijing) Limited. He has served as a Director of the Company since April 2022.

**Liu Weiwu, Director** and intermediate accountant, graduated from the Economics Department of Xi'an Highway Institute with a bachelor's degree in engineering, and obtained a master's degree in business administration from Macau University of Science and Technology. He is currently a Director of the Company, and the Head of the Finance Department (Property Rights Department) of China Merchants Group Limited. He previously served as the Head of Treasury Division of Financial Department of Guangzhou Ocean Shipping Company, the Manager of Financial Department of Hong Kong Ming Wah Shipping Company Limited, the Deputy General Manager of the Finance Department of China Merchants Group Limited, and the Chief Financial Officer, the Deputy General Manager and a director of China Merchants Energy Shipping Co., Ltd., Director of China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd., China Merchants Taipingwan Development&Investment Co., Ltd., China Merchants Industry Holdings Co., Ltd., China Merchants Group Finance Co., Ltd., China Merchants Zhangzhou Development Zones Co., Ltd., China Merchants Expressway Network & Technology Holdings Co., Ltd., Non-executive Director of Sinotrans Limited, Director of China Merchants Investment Development Co., Ltd., and Director of China Merchants Testing Technology Holding Co., Ltd. He has served as a director of the Company since May 2021.

**Xu Song, Director, COO & General Manager**, holds a bachelor's degree in Material Management of the Huazhong University of Science and Technology, Master of Business Administration (MBA) of the Dongbei University of Finance & Economics, Master of International Business (MIB) of the Coventry University, and Ph.D. in Transportation Planning and Management of the Dalian Maritime University. He is also a Senior Economist. Currently, he serves as the Director, COO & General Manager of the Company, as well as the Non-executive Director & Managing Director of China Merchants Port Holdings Company Limited. He used to work as Deputy General Manager at Dalian Port Container Co., Ltd.; Deputy General Manager and General Manager at Dalian Port Jifa Logistics Co., Ltd.; General Manager at Dalian Port Container Co., Ltd.; General Manager at Dalian Port Northern Huanghai Sea Port Cooperative Management Company; General Manager at Dalian

Port (PDA) Company Limited; Deputy General Manager, director, and General Manager of Dalian Port; Deputy General Manager of Liaoning Port Group Co., Ltd.; and Deputy General Manager of the Company. He has been COO and General Manager of the Company since May 2022 and Director of the Company since September 2022.

**Wu Changpan, Director**, graduated from the Power Plant and Power System major of Hangzhou Electric Power College and Human Resource major of Central China Normal University. He now serves as a Director of the Company and Director of Investment Development Department in Zhejiang Provincial Seaport Investment & Operation Co., Ltd. and Ningbo Zhoushan Port Group Co., Ltd. Mr. Wu has served as Deputy Director and Director of Comprehensive Office of Zhejiang Electric Power Construction Company, Deputy Director and Director of Comprehensive Office of Zhejiang Electric Power Construction Co., Ltd., Deputy Director and Director of Investment and Development Department of Ningbo Zhoushan Port Group Co., Ltd. He has served as a Director of the Company since December 2022.

**Lyu Yiqiang, Director**, graduated from the Management School of Wuhan University of Transportation and Technology with bachelor's degree in management engineering and the School of Economics&Management in Shanghai Maritime University with master's degree in business administration. He now serves as a Director of the Company and the Director of Production Safety Department in Zhejiang Provincial Seaport Investment & Operation Co., Ltd. and Ningbo Zhoushan Port Group Co., Ltd. Mr. Lv has served in the warehouse yard team and as a staff member of Material Division of Beilun Container Company of Ningbo Port Authority, a Market Director of Commerce Department and Duty Manager of Operations Department of Ningbo Beilun International Container Terminals, Deputy Head of Container Division of Business Department of Ningbo Port Company Limited, General Manager of Ningbo Xingang International Shipping Agency Co., Ltd., Deputy General Manager of Zhejiang Yiwu Port Co., Ltd., and General Manager of Suzhou Modern Terminals Co., Ltd. He has served as a Director of the Company since December 2022.

**Gao Ping, Independent Director**, obtained Executive Master of Business Administration from the University of International Business and Economics (UIBE). He is also a senior engineer and senior

political worker. Currently, he serves as an Independent Director in the Company. His former titles included first mate, Management Section Chief, and HR Manager at Shanghai Ocean Shipping Co., Ltd., HR General Manager at COSCO Container Lines Co., Ltd., General Manager at the Crew Department of COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at Shenzhen Ocean Shipping Co., Ltd. under COSCO (H.K.) Shipping Co., Ltd., General Manager at the Organization Department/HR Department of China COSCO SHIPPING Corporation Limited (COSCO SHIPPING Group), Deputy General Manager at COSCO Shipping Lines Co., Ltd., member of 11th and 12th Shanghai Committees of the Chinese People's Political Consultative Conference (CPPCC), and Deputy Director of the Committee for Economic Affairs of the Shanghai Committee of the CPPCC.

**Li Qi, Independent Director**, graduated from Guanghua School of Management, Peking University with a PhD degree in Business Administration. Currently, she serves as an Independent Director in the Company, as well as an associate professor at the Department of Accounting of the Guanghua School of Management, Peking University. She worked as a teaching assistant and lecturer at the Department of Accounting and Assistant to the Dean of the Guanghua School of Management, Peking University. She has been an independent director of the Company since May 2020.

**Zheng Yongkuan, Independent Director**, graduated from China University of Political Science and Law with bachelor's degree in law, a master's degree in civil and commercial law and doctor degree in civil and commercial law. He is now an Independent Director in the Company, as well as a professor of Law School, Head of Civil and Commercial Law Teaching and Research Section and Director of Tort Law Research Center in Xiamen University. He is also a director of Civil Law Research Institute of China Law Society, Vice President of Civil and Commercial Law Research Institute of Fujian Law Society, arbitrator of Xiamen Arbitration Commission, arbitrator of Quanzhou Arbitration Commission, a lawyer of Fidelity Law Firm, and an Independent Director of Fujian Deer Technology Corp. He has been an assistant professor and associate professor in Law School, Xiamen University. He has served as an independent director of the Company since May 2021.

**Chai Yueting, Independent Director**, graduated from the Department of Automation of Tsinghua University with a master's degree and a doctoral degree in engineering. He now serves as an

Independent Director of the Company, doctoral mentor in automation in Tsinghua University, Director of National Engineering Laboratory for E-Commerce Technologies, Leader of the Expert Team for Modern Services of the Ministry of Science and Technology of the People's Republic of China, E-Commerce Standardization Team of the Standardization Administration and Expert Team of Expert Advisory Committee for Development of National E-Commerce Demonstration Cities, editor of the international, academic journal International Journal of Crowd Science, and Independent Director of Xinfangsheng Digital Intelligence Technology Co., Ltd. Mr. Chai has served as a member of the 2nd and 3rd Expert Advisory Committee of State Informatization. He serves as an Independent Director of the Company since December 2022.

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

**Fu Bulin, Supervisor**, intermediate accountant, graduated from the Accounting Department of Shanghai Maritime University with a bachelor's degree in economics, and a master's degree in business management from the University of South Australia. He now serves as a Supervisor of the Company and Deputy Director of Audit Department in China Merchants Group Limited. Mr. Fu has

served as an Accounting Department Chief of the China Merchants Zhangzhou Development Zones Co., Ltd., Deputy Director, Manager and Senior Manager of Audit Department of the China Merchants Group Limited, and Assistant of the General Manager of Audit Department, Assistant of the Head of Risk Management Department and Deputy Director of the Audit Centre of China Merchants Group Limited. He serves as a Supervisor of the Company since April 2022.

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

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

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

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

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

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

Representative Office of China Merchants Group in Djibouti, and the Chief Digital Officer of China Merchants Port Group Co., Ltd. Li Yubin has been the Deputy General Manager of the Company since December 2018 and the Board Secretary of the Company since April 2021.

**Liu Bin, Deputy General Manager**, graduated from Zhongnan University of Economic and Law with a bachelor's degree in economic law and a master's degree in business management from Dalian University of Technology. He now serves as the Deputy General Manager of the Company and Deputy Chief Economist of China Merchants Port Holdings Company Limited. Mr. Liu has served as the Deputy General Manager of Business Management Department, Ministry of Commerce and Corporate Strategy and Development Department and General Manager of Administration Department, Human Resource Department and Supervision Department in China Merchants Port Holdings Company Limited, Director and General Manager of Shenzhen Chiwan Wharf Holdings Limited. He serves as a Deputy General Manager of the Company since September 2022.

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

Offices held concurrently in shareholding entities:



□ Applicable √ Not applicable

Offices held concurrently in other entities:

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Deng Renjie	China Merchants Group Co., Limited	Deputy General Manager	March 2015		Yes
Deng Renjie	China Merchants Group (H.K.) Limited	Director	December 2015		No
Deng Renjie	Liaoning Port Group	Chairman of the Board	November 2018	September 2022	No
Deng Renjie	China Transportation Association.	Vice President	December 2018		No
Deng Renjie	China Merchants Steamship Co., Ltd.	Director	March 2020		No
Deng Renjie	China Merchants Inspection and Certification Co. Ltd.	Executive director & GM	October 2020		No
Deng Renjie	The 9 <sup>th</sup> Council of China Highway and Transportation Society	Executive Member, Vice President	September 2021		No
Deng Renjie	China Merchants Testing Technology Holdings Ltd.	Chairman of the Board	December 2021		No
Wang Xiufeng	Liaoning Port Group Co., Ltd.	Director	October 2021		No
Wang Xiufeng	China Merchants Taiping Bay Development Investment Co., Ltd.	Director	February 2022		No
Wang Xiufeng	China Merchants Northeast Asia Development Investment Co., Ltd.	Director	February 2022		No
Wang Xiufeng	China Nanshan Development (Group) Incorporation	Director	February 2022		No
Wang Xiufeng	Shenzhen Chiwan Industrial Development Co. Ltd.	Director	February 2022		No
Wang Xiufeng	Shanghai International Port (Group) Co., Ltd.	Vice Chairman of the Board	June 2022		No
Yan Gang	Terminal Link S.A.S.	Director	November 2021		No
Zhang Rui	China Merchants Group Co., Limited	Minister of HR Department (CPC Organization Department) (Group Director Level)	December 2021		Yes
Zhang Rui	China Yangtze Shipping Co., Ltd.	Executive Director	March 2018	March 2022	No
Zhang Rui	Nanjing Port (Group) Co., Ltd.	Chairman of the Board	May 2021	March 2022	No

Zhang Rui	Nanjing Tanker Corporation	Chairman of the Board	September 2021	April 2022	No
Zhang Rui	China Merchants Steamship Co., Ltd.	Supervisor	February 2022		No
Zhang Rui	China Merchants Group (Beijing) Co., Ltd.	Supervisor	February 2022	September 2022	No
Liu Weiwu	China Merchants Group Co., Limited	Minister of Financial Management Department (Property Right Department)	December 2020		Yes
Liu Weiwu	China Aerospace Science and Technology Corporation	Independent non-executive director	June 2018		Yes
Liu Weiwu	Liaoning Port Group	Director	March 2021		No
Liu Weiwu	China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Director	March 2021	September 2022	No
Liu Weiwu	China Merchants Taiping Bay Development Investment Co., Ltd.	Director	March 2021	September 2022	No
Liu Weiwu	China Merchants International Finance Co., Ltd.	Director	March 2021		No
Liu Weiwu	China Merchants Industry Holdings Co., Ltd.	Director	March 2021	September 2022	No
Liu Weiwu	China Merchants Group Finance Co., Ltd.	Director	March 2021	September 2022	No
Liu Weiwu	China Merchants Zhangzhou Development Zone Co., Ltd.	Director	March 2021	November 2022	No
Liu Weiwu	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Director	April 2021	December 2022	No
Liu Weiwu	China Merchants Shared Service Co. Ltd.	Executive director	April 2021		No
Liu Weiwu	China Merchants Securities Co., Ltd.	Non-executive director	June 2021		No
Liu Weiwu	China Merchants Life Insurance Company Limited	Non-executive director	June 2021		No
Liu Weiwu	Sinotrans Limited	Non-executive director	June 2021	September 2022	No
Liu Weiwu	China Merchants Port Investment Development Company Limited	Director	June 2021	September 2022	No
Liu Weiwu	China Merchants Union(BVI)Limited	Director	October 2021		No
Liu Weiwu	China Merchants Testing Technology Holdings Ltd.	Director	November 2021	September 2022	No
Xu Song	Liaoning Port Co., Ltd.	Director	November 2021		No
Xu Song	Zhangzhou China Merchants Xiamen Port Affairs Co., Ltd.	Chairman of the Board	June 2022		No
Wu Changpan	Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Director of Investment Development	September 2022		Yes

Wu Changpan	Ningbo Zhoushan Port Group Co.,Ltd.	Director of Investment Development	September 2022		Yes
Wu Changpan	East Harbor Investment Development Group Co., Ltd.	Director	June 2017		No
Wu Changpan	Zhejiang Zhongao Modern Industrial Park Co., Ltd.	Director	April 2016		No
Wu Changpan	Zhejiang Zhidi Holdings Co., Ltd.	Director	August 2019		No
Lyu Yiqiang	Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Director of Production Safety Department	December 2021		Yes
Lyu Yiqiang	Ningbo Zhoushan Port Group Co.,Ltd.	Director of Production Safety Department	December 2021		Yes
Lyu Yiqiang	Hangzhou Port Group Co., Ltd.	Director	June 2022		No
Lyu Yiqiang	Zhejiang Four Port Linkage Development Co., Ltd.	Director	March 2023		No
Lyu Yiqiang	Ningbo Electronic Port Co., Ltd.	Director	February 2023		No
Li Qi	Peking University	Associate Professor	August 2005		Yes
Li Qi	Guangdong Nanyue Bank Co.,Ltd.	Independent Director	November 2020		Yes
Li Qi	Lianlian Digital Technology Co., Ltd.	Independent Director	December 2020		Yes
Zheng Yongkuan	Xiamen University	Professor	August 2019		Yes
Zheng Yongkuan	Civil Law Research Institute of China Law Society	Director	June 2017		No
Zheng Yongkuan	Civil and Commercial Law Research Institute of Fujian Law Society	Vice President	November 2020		No
Zheng Yongkuan	Xiamen Arbitration Commission	Arbitrator	April 2008		No
Zheng Yongkuan	Quanzhou Arbitration Commission	Arbitrator	January 2019		No
Zheng Yongkuan	Fidelity Law Firm	Lawyer	December 2017		No
Zheng Yongkuan	Fujian Deer Technology Corp.	Independent Director	April 2022		Yes
Chai Yueting	Tsinghua University	Professor	August 1991		Yes
Chai	General Expert Group of Modern Service	Group Leader	May 2018		No

Yueting	Industry, Ministry of Science and Technology				
Chai Yueting	E-Commerce Standardization Work Group of Standardization Administration	Group Leader	August 2016		No
Chai Yueting	Expert Group of National E-Commerce Model City Creation Work Expert Advisory Committee	Group Leader	January 2015		No
Chai Yueting	Beijing Block Chain Expert Group	Member	June 2020		No
Chai Yueting	International Journal of Crowd Science	Editor	January 2017		No
Chai Yueting	Xinfang Shengshuzhi Technology Co., Ltd.	Independent Director	November 2022		Yes
Yang Yuntao	China Merchants Group Co., Limited	Minister of Risk Management Department/Legal Compliance Department/Audit Department	September 2021		No
Yang Yuntao	China Yangtze Shipping Group Co., Ltd.	Chairman of the Supervisory Committee	October 2021		No
Yang Yuntao	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Supervisor	March 2022		No
Yang Yuntao	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Chairman of the Supervisory Committee	March 2022		No
Fu Bulin	China Merchants Group Co., Limited	Vice Minister of Audit Department	September 2017		Yes
Fu Bulin	China Merchants Sharing Service Co. Ltd.	Supervisor	November 2021		No
Fu Bulin	China Merchants Investment Development Co., Ltd.	Supervisor	October 2022		No
Tu Xiaoping	China Nanshan Development (Group) Incorporation	Chairman of the Supervisory Committee	February 2022		No
Tu Xiaoping	Shenzhen Chiwan Industrial Development Co. Ltd.	Chairman of the Supervisory Committee	February 2022		No
Tu Xiaoping	Shenzhen China Merchants Qianhai Industrial Development Co., L	Director	April 2022		No
Lu Yongxin	Tin-can Island Container Terminal Ltd	Vice Chairman of the Board	July 2019		No
Lu Yongxin	LOME CONTAINER TERMINAL S.A.	Chairman of the Board	November 2019		No
Lu Yongxin	Kumport Liman Hizmetleri ve Lojistik San. ve Tic. A.Ş.	Chairman of the Board	December 2019	April 2022	No

Lu Yongxin	Terminal Link S.A.S.	Director	March 2020		No
Li Yubin	Silk Road Yishang Information Technology Co., Ltd.	Chairman of the Board	January 2019		No
Li Yubin	Shenzhen Gangteng Internet Technology Co., Ltd.	Chairman of the Board	January 2022		No
Li Yubin	Asia Airfreight Terminal Company Limited	Vice Chairman of the Board	December 2022		No
Li Yubin	Laos Vientiane Saysettha Operation and Management Co., Ltd.	Director	June 2022		No
Li Yubin	Tianjin Haitian Bonded Logistics Co., Ltd.	Vice Chairman of the Board	June 2022		No
Liu Bin	Chiwan Shipping (Hong Kong) Company Limited	Director	July 2017		No
Liu Bin	Shenzhen Goodten Interlink Technology Co., Ltd.	Director	January 2022		No
Liu Libing	Shanghai International Port (Group) Co., Ltd.	Supervisor	October 2022		No
Note	Offices of directors, supervisor, and senior management held concurrently in other entities exclude offices held in the Company and subsidiaries within the consolidation scope.				

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

Applicable  Not applicable

### 3. Remuneration of Directors, Supervisors and Senior Management

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

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

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

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

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

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

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company (RMB'0,000)	Any remuneration from related party
Deng Renjie	Chairman of the Board	Male	53	Incumbent	0	Yes
Wang Xiufeng	Vice Chairman of the Board and CEO	Male	52	Incumbent	240	No
Yan Gang	Vice Chairman of the Board	Male	50	Incumbent	217	No
Zhang Rui	Director	Male	57	Incumbent	0	Yes
Liu Weiwu	Director	Male	58	Incumbent	0	Yes
Xu Song	Director, COO, GM	Male	51	Incumbent	251	No
Wu Changpan	Director	Male	53	Incumbent	0	Yes
Lyu Yiqiang	Director	Male	46	Incumbent	0	Yes
Gao Ping	Independent director	Male	67	Incumbent	15	No
Li Qi	Independent director	Female	52	Incumbent	15	No
Zheng Yongkuan	Independent director	Male	45	Incumbent	15	No
Chai Yueting	Independent director	Male	59	Incumbent	0.4	No
Yang Yuntao	Chairman of the Supervisory Committee	Male	56	Incumbent	0	Yes
Fu Bulin	Supervisor	Male	51	Incumbent	0	Yes
Gong Man	Supervisor	Female	34	Incumbent	67	No
Xu Jia	Supervisor	Male	41	Incumbent	62	No
Tu Xiaoping	CFO	Male	57	Incumbent	216	No
Lu Yongxin	Deputy General Manager	Male	53	Incumbent	345	No
Li Yubin	Deputy General Manager and Secretary of the Board	Male	51	Incumbent	255	No
Liu Bin	Deputy General Manager	Male	54	Incumbent	32	No
Liu Libing	General Counsel	Male	49	Incumbent	179	No
Yan Shuai	Former Director	Male	50	Former	0	Yes

Song Dexing	Former Director	Male	60	Former	0	Yes
Hu Qin	Former Supervisor	Female	56	Former	0	Yes
Zhang Yiming	Former Deputy General Manager	Male	59	Former	122	No
Total	--	--	--	--	2,031.4	--

Note: The above-mentioned total before-tax remuneration includes the three-year strategic deferred bonus for 2019-2021 that was released by the Company during the Reporting Period.

## VI Performance of Duty by Directors in the Reporting Period

### 1. Board Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Meeting resolutions
The 1 <sup>st</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	28 January 2022	29 January 2022	The meeting deliberated on and passed: 1. <i>Proposal on Adjusting the Exercise Price of the Stock Options under the Company's Stock Option Incentive Plan (Phase I)</i> 2. <i>Proposal on Adjusting the Number of Recipients and the Volume of Stock Options Granted regarding the Company's Stock Option Incentive Plan (Phase I)</i> 3. <i>Proposal on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Company's Stock Options (First Grant) under the Stock Option Incentive Plan (Phase I)</i> 4. <i>Proposal on Cancelling Some Stock Options under the Company's Stock Option Incentive Plan (Phase I)</i> 5. <i>Proposal on Establishing the Management System on the Authorization of the Board of Directors</i>
The 2 <sup>nd</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	28 February 2022	1 March 2022	The meeting deliberated on and passed: <i>Proposal on the By-election of Mr Zhang Rui as a Director</i>
The 5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors	29 March 2022	31 March 2022	The meeting deliberated on and passed: 1. <i>Proposal on the 2021 Report on the Work of the Board of Directors</i> 2. <i>Proposal on the 2021 Report on Business Operations</i> 3. <i>Proposal on the 2021 Report on Financial Accounts</i> 4. <i>Proposal on the 2021 Profit Distribution and Dividend Payout Plan</i> 5. <i>Proposal on the Annual Report 2021 and Abstract</i> 6. <i>Proposal on the 2021 Corporate Social Responsibility Report</i> 7. <i>Proposal on the 2021 Annual Internal Control Evaluation Report</i> 8. <i>Proposal on Anti-fraud Risk Assessment Report for 2021</i> 9. <i>Proposal on the 2021 Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance</i> 10. <i>Proposal on the 2021 Law-Based Development Report (including the Report on the Development of the Compliance Management System)</i> 11. <i>Proposal on the 2022 Investment Plan</i> 12. <i>Proposal on the Company's Five-Year Strategic Plan for 2022-2026</i> 13. <i>Proposal on the Confirmation of the Continuing Related-Party Transactions in 2021 and the Estimation of Such Transactions in 2022</i>

			<p>14. <i>Proposal on Business at China Merchants Bank Such as Deposits at and Loans and Related-Party Transactions in 2022</i></p> <p>15. <i>Proposal on Confirming External Guarantee Progress of the Company in 2021 and the Expected New External Guarantee Line in the Next 12 Months</i></p> <p>16. <i>Proposal on Bank Credit Line and Financing Plan for Financial Institutions in 2022</i></p> <p>17. <i>Proposal on Reviewing the General Authorization of the Company to Issue Bond Products</i></p> <p>18. <i>Proposal on the Risk Assessment Report of China Merchants Group Finance Co., Ltd. Dated 31 December 2021</i></p> <p>19. <i>Proposal on the Renewal of the Financial Service Agreement by China Merchants Group Finance Co., Ltd. and Related-Party Transactions</i></p> <p>20. <i>Proposal on the Special Report on Deposit and Usage of Raised Fund in 2021</i></p> <p>21. <i>Proposal on Renewal of Appointment of Accounting Firm for 2022</i></p> <p>22. <i>Proposal on the Renewal of Liability Insurance for Directors Supervisors and Senior Management</i></p> <p>23. <i>Proposal on the Schedule and Agenda of the 2021 Annual General Meeting</i></p> <p>24. <i>Proposal on Adjusting the Company's Organisational Structure</i></p>
The 3 <sup>rd</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	28 April 2022	30 April 2022	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> <li><i>Proposal on the First Quarter Report 2022</i></li> <li><i>Proposal on the Report on the Use of the Fund Raised by the Company in the Previous Round</i></li> </ol>
The 4 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	10 May 2022	11 May 2022	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> <li><i>Proposal on the Adjustment of a Partially-owned Subsidiary's Security for Its Equity-participating Company</i></li> <li><i>Proposal on the Schedule and Agenda of the First Extraordinary General Meeting in 2022</i></li> </ol>
The 5 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	16 May 2022	17 May 2022	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> <li><i>Proposal on Amending the Articles of Association of the Company</i></li> <li><i>Proposal on Revising the Rules of Procedure of the Board of Directors</i></li> </ol>
The 6 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	27 May 2022	28 May 2022	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> <li><i>Proposal on Co-opting Mr Yan Gang as the Vice Chairman of the 10th Board of Directors</i></li> <li><i>Proposal on the By-election of Mr Xu Song as a Director</i></li> <li><i>Proposal on Appointment of Mr Xu Song as the Chief Operating Officer and General Manager</i></li> </ol>
The 6 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors	29 August 2022	31 August 2022	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> <li><i>The Proposal on the Semi-Annual Report 2022 and Abstract</i></li> <li><i>Proposal on the Risk Assessment Report of China Merchants Group Finance Co., Ltd. Dated 30 June 2022</i></li> <li><i>Proposal on the Special Report on Deposit and Usage of Raised Fund in H1 2022</i></li> <li><i>Proposal on the 2022 Semi-Annual Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance</i></li> <li><i>Proposal on the Formulation of the Administrative Programme for the Selection and Engagement of Management Members</i></li> <li><i>Proposal on the Formulation of the Measures for Appraising the Business</i></li> </ol>



			<p><i>Performance of Management Members</i></p> <p>7. <i>Proposal on the Formulation of the Gross Pay Management Measures</i></p> <p>8. <i>Proposal on the Confirmation of the Land Occupancy Right to the Chiwan Port Area and Related-Party Transactions</i></p> <p>9. <i>Proposal on Amending the Articles of Association of the Company</i></p> <p>10. <i>Proposal on Revising the Rules of Procedure for General Meetings</i></p> <p>11. <i>Proposal on Revising the Rules of Procedure for the Board of Directors</i></p> <p>12. <i>Proposal on Revising the Working Articles of Audit Committee of the Board of Directors</i></p> <p>13. <i>Proposal on Revising the Working Articles of Strategy Committee of the Board of Directors</i></p> <p>14. <i>Proposal on Revising the Working System for Independent Directors</i></p> <p>15. <i>Proposal on Revising the Working Articles of Chief Executive Officer</i></p> <p>16. <i>Proposal on Revising the Working Articles of Board Secretary</i></p> <p>17. <i>Proposal on Revising the Management System for Company Shares held by Directors, Supervisors and Senior Executives and Its Changes</i></p> <p>18. <i>Proposal on Revising the Management System of Related Transactions</i></p> <p>19. <i>Proposal on Revising the Management System of Fund-raising</i></p> <p>20. <i>Proposal on Revising the Management System of Securities Investments</i></p> <p>21. <i>Proposal on Revising the Management System of External Guarantees</i></p> <p>22. <i>Proposal on Revising the Internal Audit System</i></p> <p>23. <i>Proposal on Revising the Management System of Investors' Relations</i></p> <p>24. <i>Proposal on Convening the Company's 2nd Extraordinary General Meeting in 2022</i></p>
The 7 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	29 September 2022	30 September 2022	<p>The meeting deliberated on and passed:</p> <p>1. <i>Proposal on the Appointment of Mr Liu Bin as Vice General Manager</i></p> <p>2. <i>Proposal on the Use of Idle Raised Funds for Cash Management</i></p>
The 8 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	28 October 2022	-	<p>The meeting deliberated on and passed:</p> <p><i>Proposal on the Third Quarter Report 2022</i></p>
The 9 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	29 November 2022	30 November 2022	<p>The meeting deliberated on and passed:</p> <p>1. <i>Proposal on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries and Related-Party Transactions</i></p> <p>2. <i>Proposal on the Closing of the Investment Project of Offering Shares to Purchase Assets and Raise the Supporting Funds and the Permanent Replenishment of Working Capital with the Surplus Funds Raised</i></p> <p>3. <i>Proposal on Amending the Articles of Association of the Company</i></p> <p>4. <i>Proposal on Revising the Rules of Procedure for the Board of Directors</i></p> <p>5. <i>Proposal on Revising the Working Articles of Strategy Committee of the Board of Directors</i></p> <p>6. <i>Proposal on Revising the Management System of Foreign Investment</i></p> <p>7. <i>Proposal on Revising the Rules of Procedures for Office Meeting</i></p> <p>8. <i>Proposal on the Schedule and Agenda of the Third Extraordinary General Meeting in 2022</i></p>
The 10 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022	8 December 2022	9 December 2022	<p>The meeting deliberated on and passed:</p> <p>1. <i>Proposal on the Acceptance of the Shares of Antong Holdings Co., Ltd. and Related-Party Transactions</i></p> <p>2. <i>Proposal on the By-election of Director</i></p> <p>3. <i>Proposal on the By-election of Independent Director</i></p> <p>4. <i>Proposal on the Results of Performance Appraisal of Management Members for 2021 and for 2019-2021 and Remuneration Encashment</i></p>

## Programme

**2. Attendance of Directors at Board Meetings and General Meetings**

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Deng Renjie	12	3	9	0	0	No	4
Wang Xiufeng	12	3	9	0	0	No	4
Yan Gang	9	2	7	0	0	No	4
Zhang Rui	9	2	7	0	0	No	4
Liu Weiwu	12	3	9	0	0	No	4
Xu Song	4	0	4	0	0	No	2
Wu Changpan	0	0	0	0	0	No	1
Lyu Yiqiang	0	0	0	0	0	No	1
Gao Ping	12	3	9	0	0	No	4
Li Qi	12	3	9	0	0	No	4
Zheng Yongkuan	12	3	9	0	0	No	4
Chai Yueting	0	0	0	0	0	No	1
Yan Shuai	1	0	1	0	0	No	0
Song Dexing	6	1	5	0	0	No	1

Why any director failed to attend two consecutive board meetings:

None

**3. Objections Raised by Directors on Matters of the Company**

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

Yes  No

No such cases in the Reporting Period.

**4. Other Information about the Performance of Duty by Directors**

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

Yes  No

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

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

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

Profile of Specialized Committee under the Board as at the end of the period			
No.	Specialized Committee	Member	Convener
1	Strategy and Sustainable Development Committee	Deng Renjie, Wang Xiufeng, Yan Gang, Zhang Rui, Xu Song, Gao Ping, Li Qi, Chai Yueting	Deng Renjie
2	Audit Committee	Li Qi, Liu Weiwu, Zheng Yongkuan	Li Qi
3	Nomination, Remuneration and Evaluation Committee	Gao Ping, Deng Renjie, Zheng Yongkuan	Gao Ping

Committee	Member	Number of meetings convened	Date of the meeting	Meeting	Contents	Other information about the performance of duty	Details about matters with objections (if any)
Strategy and Sustainable	Deng Renjie, Wang Xiufeng,	1	29 March 2022	The 1 <sup>st</sup> Meeting of the Strategy Committee of the	The meeting reviewed: 1. Proposal on Report on the Performance of Duty by the Strategy	Unanimous	None

ble Develop ment Commit tee	Song Dexing, Gao Ping, Li Qi			10 <sup>th</sup> Board of Directors for 2022	Committee of the Board of Directors in 2021; 2. Proposal on the Company's Five- year Strategic Plan for 2022-2026	vote	
Audit Commit tee of the Board of Director s	Li Qi, Liu Weiwu, Zheng Yongkuan	5	29 March 2022	The 1 <sup>st</sup> Meeting of the Audit Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: 1. Proposal on the Report on Performance of Duty by the Audit Committee of the Board of Directors in 2021; 2. Proposal on Work Report of Accounting Firm for 2021; 3. Proposal on the Financial Report of 2021; 4. Proposal on Renewal of Appointment of Accounting Firm for 2022; 5. Proposal on Anti-fraud Risk Assessment Report for 2021; 6. Proposal on Internal Auditing Report for 2021; 7. Proposal on Internal Auditing Plan for 2022; 8. Proposal on Inspection Report on the Deposit and Usage of Raised Fund in 2021; 9. Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance for 2021; 10. Proposal on the 2021 Law-Based Development Report (including the Report on the Development of the Compliance Management System)	Una nim ous vote	None
			28 April 2022	The 2 <sup>nd</sup> Meeting of the Audit Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: 1. Proposal on Internal Audit Report for the First Quarter of 2022; 2. Proposal on Inspection Report on the Deposit and Usage of Raised Fund in the First Quarter of 2022	Una nim ous vote	None
			29 August 2022	The 3 <sup>rd</sup> Meeting of the Audit Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: 1. Proposal on Financial Report for H1 2022; 2. Proposal on Internal Audit Report for the Second Quarter of 2022; 3. Proposal on Inspection Report on the Deposit and Usage of Raised Fund in H1 2022; 4. Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance for H1 2022	Una nim ous vote	None
			28 October 2022	The 4 <sup>th</sup> Meeting	The meeting reviewed:	Una	None

				of the Audit Committee of the 10 <sup>th</sup> Board of Directors for 2022	1. Proposal on Internal Audit Report for the Third Quarter of 2022; 2. Proposal on Inspection Report for the Deposit and Usage of Raised Fund for the Third Quarter of 2022	unanimous vote	
			28 December 2022	The 5 <sup>th</sup> Meeting of the Audit Committee of the 10 <sup>th</sup> Board of Directors for 2022	Meet with accountants to negotiate the schedule for the audit of the 2022 Annual Financial Report	Meeting and communication with accountants	None
Nomination, Remuneration and Evaluation Committee of the Board of Directors	Gao Ping, Deng Renjie, Zheng Yongkuan	6	28 February 2022	The 1 <sup>st</sup> Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: Proposal on the Inspection of Director Candidates	Unanimous vote	None
			29 March 2022	The 2 <sup>nd</sup> Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: 1. Proposal on Performance of Duty by the Nomination, Remuneration and Evaluation Committee of the Board of Directors in 2021; 2. Proposal on the Remuneration of the Directors, Supervisors and Senior Management in 2021;	Unanimous vote	None
			27 May 2022	The 3 <sup>rd</sup> Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: 1. Proposal on the Inspection of Director Candidates; 2. Proposal on the Appointment of Mr. Xu Song as COO and GM	Unanimous vote	None
			29 August 2022	The 4 <sup>th</sup> Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: 1. Proposal on the Formulation of the Administrative Programme for the Selection and Engagement of Management Members; 2. Proposal on the Formulation of the Measures for Appraising the Business Performance of Management Members; 3. Proposal on the Formulation of the Gross Pay Management Measures	Unanimous vote	None
			29 September 2022	The 5 <sup>th</sup> Meeting of the Nomination,	The meeting reviewed: Proposal on the Appointment of Mr. Liu Bin as Deputy General Manager	Unanimous	None

			Remuneration and Evaluation Committee of the 10 <sup>th</sup> Board of Directors for 2022		vote	
		8 December 2022	The 6 <sup>th</sup> Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 <sup>th</sup> Board of Directors for 2022	The meeting reviewed: 1. Proposal on the Inspection of Director Candidates; 2. Proposal on the Inspection of Independent Director Candidates; 3. Proposal on the Results of Performance Appraisal of Management Members for 2021 and for 2019-2021 and Remuneration Encashment Programme	Unanimous vote	None

### VIII Performance of Duty by the Supervisory Committee

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

Yes  No

The Supervisory Committee raised no objections in the Reporting Period.

### IX Employees

#### 1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent as at the end of the period	310
Number of in-service employees of major subsidiaries as at the end of the period	15,491
Total number of in-service employees	15,801
Total number of paid employees in the Reporting Period	15,801
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	9,588
<b>Functions</b>	
<b>Function</b>	<b>Employees</b>
Production	8,499
Sales	587
Technical	3,531
Financial	551
Administrative	2,633
Total	15,801
<b>Educational backgrounds</b>	

Educational background	Employees
Master's degree and above	562
Bachelor's degree	4,090
Junior college	4,063
Technical secondary school and below	7,086
Total	15,801

## 2. Employee Remuneration Policy

The port sector has sped up the integration and global layout over the past few years. Concurrently, the smart port has been constantly upgraded and gradually diversified. As a result, endogenous growth, transformation, and upgrading have set stricter requirements for and posed challenges to workforce supply. The Company, in 2022, thoroughly delved into the supply and demand of workforce and formulated a new workforce plan in accordance with the new 10-year development strategy. Focusing on the core of position value, the Company refined seven workforce management mechanisms, built four teams, and improved four guarantees. Additionally, to vigorously support and guarantee the implementation of the workforce plan, the Company continued to optimize the remuneration incentive mechanism and explored a diverse incentive system.

The Company fully promoted the tenure system and contractual management to achieve full coverage and rigid encashment in 2022. Additionally, it refined the market-oriented remuneration allocation mechanism, strengthened performance and remuneration benchmarking, persisted in prioritizing efficiency and emphasizing fairness, and laid equal emphasis on incentives and restraints. Moreover, the Company encouraged Management members at all levels to increase the proportion of performance-based remuneration and fully apply the appraisal result, thereby reasonably widening the remuneration gap. Resource allocation was optimized by strengthening performance orientation and giving priority to excellent teams and employees who have created value, the talent that has made remarkable contributions, and the difficult, dirty, dangerous, and tiring front-line positions in remuneration allocation. Furthermore, the performance-based bonus scheme for Senior Management members was optimized on an ongoing basis through the comparison with themselves and peers and the complementation of short-term KPI appraisal and medium- and long-term strategic assessment. The Company paid the Senior and Middle Management members the deferred bonuses based on their strategic assessment results in 2022, in order to motivate core employees in a targeted manner and contribute to the achievement of its strategic goals.

### 3. Employee Training Plans

CMPort, in 2022, vigorously planned and implemented various talent development projects with a focus on its talent development strategies and business development requirements. It also invested more in the development of talent at four major levels to help employees constantly improve themselves according to the Company's development, thereby boosting the talent building of the Company. The talent development project focused on the cultivation of young talent and the development of the internal trainer system.

The Company conducted various training programmes by combining online live streaming, online courses, and offline intensive training to speed up the construction of the Company's talent at four major levels.

First, the 2022 Young Cadre Class Project was initiated to help young talent improve comprehensive quality and build a pool of talent featuring excellent quality and competence. This would guarantee the supply of a constant amount of qualified talent for the business development of CMPort. In 2022, intensive training and practice were conducted at multiple levels, through multiple channels, and in multiple forms for 106 existing registered excellent young cadres to sharpen up the comprehensive competence and professionalism of young cadres of CMPort. They could also learn about how to cope with problems at work and about the process of executing the action plan from actions and crystallize their knowledge and experience by learning about the method of organisational experience extraction. Moreover, the training and practice would contribute to the sharing and pass-down of knowledge and experience, thereby maximizing the benefits of organisational performance.

Second, the project of training Management members of CMPort to be internal trainers was launched to constantly develop the internal trainer team of the CMPort and improve the team members' capabilities. Additionally, the Company promoted internal trainer empowerment and developed industry courses. It engaged 25 internal trainers from CMPort, extracted effective organisational experience, and developed specialized courses. Concurrently, the Company trained internal employees by delivering courses to the front-line employees. It also disseminated corporate culture and expertise, publicized and implemented the Company's strategies and policies, and improved quality and efficiency by sharing quality training resources, thereby addressing difficulties at work overall. This project vigorously promoted the Company's construction of echelons of management talent and professionals, enhanced brand value, and strengthened and improved the Company's internal training system.

Third, the financial team was encouraged to study independently. Based on a review of the financial



talent, the Company provided targeted high-quality external platform resources for financial training to support financial talent at all levels in sharpening up professionalism and broadening their horizons. It also encouraged employees to study independently to improve their expertise.

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

#### 4. Labor Outsourcing

Total man-hours (hour)	N/A
Total remuneration paid (RMB)	1,668,643,588.24

### X Final Dividend Plan of the Company for the Reporting Period

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

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

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

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

Applicable  Not applicable

### 3. Final Dividend Plan for the Reporting Period

Bonus shares/10shares (share)	0
Cash dividend/10 shares (RMB) (tax inclusive)	4.5
Bonus issue from capital reserves (share/10 shares)	0
Share base (share)	2,499,074,661
Total cash dividends (RMB) (tax inclusive)	1,124,583,597.45
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including other forms) (RMB)	1,124,583,597.45
Distributable profits (RMB)	2,277,016,134.29
Cash dividends (including other forms) as % of total profits to be distributed (%)	100%
Details of the cash dividends	
As the Company is in the mature stage of development with significant capital expenditures arrangement, when distributing profits, the proportion of cash dividends in this profit distribution shall be 40% at least.	
Details of final dividend plan for the Reporting Period	
As audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the consolidated net profit attributable to the Company as the parent for 2022 stood at RMB3,337,446,222.82 and the net profit of the Company as the parent at RMB407,348,871.48.	
(1) According to the Company Law and the Articles of Association of the Company, when distributing the current year's after-tax profits, the Company shall draw 10% of the profits for the company's statutory reserve fund. This withdrawal of surplus reserve for the Company is RMB40,734,887.15. The accumulative distributable profit of the Company as the parent at the end of 2022 was RMB2,277,016,134.29.	
(2) Base on the total 2,499,074,661 shares as at the end of 2022, a cash dividend of RMB4.50 (tax included) is to be distributed for every 10 shares, totalling RMB1,124,583,597.45.	
After the above-mentioned distribution, the retained earnings of the Company as the parent will be RMB1,152,432,536.84.	
The above profit distribution plan still needs to be submitted to the 2022 Annual General Meeting for approval.	

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

### 1. Equity incentive

The Company's review and approval procedures carried out in connection with the Stock Option Incentive Plan are as follows:

(1) The 1st Extraordinary Meeting of the 10th Board of Directors in 2022 and 1st Extraordinary Meeting of the 10th Supervisory Committee in 2022 of the Company, held on 28 January 2022, reviewed and approved the Proposal on Adjusting the Exercise Prices of the Stock Option Incentive Plan (Phase I) of the Company, the Proposal on Adjusting the Numbers of Qualified Awardees and Stock Options to Be Granted of the Stock Option Incentive Plan (Phase I) of the Company, the Proposal on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Stock

Options (the First Batch to be Granted) of the Stock Option Incentive Plan (Phase I) of the Company, and the Proposal on Cancelling Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company. Independent directors gave independent opinions of agreement. The Supervisory Committee of the Company verified the proposals and gave opinions. For details, see the relevant announcements disclosed by the Company on Cninfo (www.cninfo.com.cn) (Announcement No. 2022-007, 2022-008, 2022-009, and 2022-010).

(2) On 14 February 2022, upon the review and confirmation of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation of above stock options. For more details, please refer to the Announcement on Completing the Cancellation of Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company (Announcement No. 2022-011) disclosed by the Company on Cninfo (www.cninfo.com.cn).

### Equity Incentives for Directors and Senior Management

Name	Office title	Share options held at the period-begin	Share options granted in the Reporting Period	Shares feasible to exercise during the Reporting Period	Shares exercised during the Reporting Period	Exercise price of exercised shares during the Reporting Period (RMB/share)	Share options held at the period-end	Market price at the period-end (RMB/share)	Number of restricted shares held at the period-begin	Number of released shares for the Reporting Period	Number of restricted shares newly granted during the Reporting Period	The grant price of restricted shares (RMB/share)	Number of restricted shares held at the period-end
Yan Gang	Vice Chairman of the Board	170,000	-	-	-	-	102,000	-	-	-	-	-	-
Xu Song	Director, COO, GM	240,000	-	-	-	-	240,000	-	-	-	-	-	-
Lu Yongxin	Deputy General Manager	240,000	-	-	-	-	144,000	-	-	-	-	-	-
Li Yubin	Deputy General Manager and Secretary of the	240,000	-	-	-	-	144,000	-	-	-	-	-	-

	Board												
Liu Libing	General Counsel	50,000	-	-	-	-	50,000	-	-	-	-	-	-
Total	--	940,000	-	-	-	--	680,000	--	-	-	-	--	-
Remark (if any)	On 14 February 2022, upon the review and confirmation of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation of above stock options. 68,000 shares, 96,000 shares and 96,000 shares of share options respectively held by Mr. Yan Gang, Mr. Lu Yongxin and Mr. Li Yubin had been cancelled. Mr. Yan Shuai, the former director, resigned as a director of the Company on 25 February 2022, and all options held by him have been cancelled.												

### Appraisal of and Incentive for Senior Management

In 2022, the Company fully took the tenure system and contractual management as an opportunity to realize comprehensive coverage and rigid remuneration realization. The Company has a mature assessment mechanism and system covering all senior management personnel. The annual comprehensive assessment combines qualitative and quantitative methods with the dimensions including performance, competence, self-discipline, etc. The assessment results of senior management serve as an important basis for appointment and motivation. The Company adjusts and determines the post salary of senior management based on the factors including operation status, position served and assessment results, and determines the performance bonus of senior management through the factors including annual comprehensive ability assessment, annual key performance indicators appraisal and three-year strategic appraisal results.

The Company continuously optimizes the appraisal and distribution plan for performance bonuses of senior management and strives to be "superior to the market average and peers". Senior executives are expected to compare with themselves chronologically and with their peers horizontally. Short-term KPI assessment and long-term strategy assessment complement each other. The comprehensive assessment results of corporate performance are linked with the performance bonuses of senior executives so as to give full play to the incentive and guiding effects of remuneration. Accordingly, senior executives pay attention to the short-term performance in the current period or year and the mid- and long-term development of the Company. Moreover, in 2022, the Company paid the Senior Management members the deferred bonuses based on the results of their strategic assessments for the last three years, in order to motivate core managerial employees in a targeted manner and contribute to the achievement of its strategic goals.

## 2. Employee Stock Ownership Plans

Applicable  Not applicable

### 3. Other Incentive Measures for Employees

Applicable  Not applicable

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

### 1. Establishment and Implementation of Internal Control System

During the Reporting Period, to boost operational efficiency and results, the Company continuously improved and optimized its existing internal control system in strict compliance with laws, regulations, and external regulatory requirements and taking into consideration its actual status. In the process, it was guided by risk management, based itself on procedure streamlining, and focused on critical control activities.

During the Reporting Period, the Company prepared the Handbook of Internal Control Workflow of CMPort, in which it specified the workflow of the principal business and corresponding authority and responsibilities and regulated critical control processes, including the setting of internal institutions, the responsibilities and authority for major positions, and the approval procedures. By refining the internal control workflow, the Company's internal control management was substantially improved. CMPort achieved full coverage of internal control management during the Reporting Period. It supervised and inspected the internal control systems of eight subordinate companies. Concurrently, all subordinate companies optimized their internal control systems, conducted internal control self-assessments on a quarterly basis, and prepared the internal control weakness checklist in accordance with the annual internal control plan of CMPort and "three cycles", including procurement, sales, and investment. By the end of 2022, all internal control weaknesses are rated as general weaknesses, and no material weaknesses were identified. For the general weaknesses, the Company designated the person responsible for the remediation, developed a remediation plan, and followed up on the remediation progress regularly.

The Company prepared the 2022 Internal Control Assessment Report in accordance with the Basic Rules for Enterprise Internal Control and its supporting guidelines, other regulatory requirements for internal control, and the Company's internal control policies and assessment methods. The conclusion of the report is as follows: By the identification of material weaknesses in the internal control over the Company's financial reporting, as at the base day of the internal control assessment

report (31 December 2022), no material weaknesses were identified in the internal control over the Company's financial reporting. Therefore, the Board of Directors believed that the Company had maintained effective internal control over financial reporting in all material respects as per the Basic Rules for Enterprise Internal Control and relevant regulations. According to the identification of material weaknesses in the Company's internal control over non-financial reporting, there were no material weaknesses in the internal control over non-financial reporting as at the base day of the internal control assessment report. Between the base day and the issuance day of the internal control assessment report, there were no factors that affected the assessment conclusion about the effectiveness of the internal control.

## 2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes  No

### XIII Management and Control over Subsidiaries for the Reporting Period

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

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

Disclosure date of the internal control self-evaluation report	4 April 2023
Index to the disclosed internal control self-evaluation report	For details, see <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
Evaluated entities' combined assets as % of consolidated total assets	100.00%
Evaluated entities' combined operating revenue as % of consolidated operating revenue	100.00%

Identification standards for internal control weaknesses				
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting		
Nature standard	If a defect or defect group give rise to the following events which cannot be prevented or found and made rectification, the defect or defect group are recognized as significant defects: (1) Malpractices of directors, supervisors and senior management; (2) The Company make correction to the financial report issued; (3) Certified Public Accountant find that there is a significant error in the financial report, however, the internal control did not discover it when conducting internal control; (4) The Audit Committee under the Board and Internal Audit Service's supervision to the internal control is invalid.	Great defect	Significant defect	Common defect
		Development direction substantially deviates from the strategic goals, and investment direction, business structure and business model are completely unable to support the realization of strategic goals	Development direction partly deviates from the strategic goals, and investment direction, business structure and business model are unable to support the realization of strategic goals at a larger extent	Development direction slightly deviates from the strategic goals, and investment direction, business structure and business model are unable to fully support the realization of strategic goals
		Strategy implementation is blocked, almost all indicators of strategy implementation cannot completed as planned	Strategy implementation is blocked, most of indicators of strategy implementation cannot completed as planned	Strategy implementation is blocked, part of indicators of strategy implementation cannot completed as planned
		Lead to break off of common business/service or it takes half year or above to recover the break off of common business/service	Lead to break off of common business/service or it takes three months or half year below to recover the break off of common business/service	Some daily business is influenced, lead to break off of common business/service or it takes three months below to recover the break off of common business/service
		Badly damage the working enthusiasm of all the employees, will give rise to large scale group events or heavy damage to enterprises culture and enterprises cohesion	In a large extent, damage the working enthusiasm of all the employees, reduce work efficiency, have greatly adverse effect to enterprises culture and enterprises cohesion	damage the working enthusiasm of all the employees, reduce work efficiency, have some adverse effect to enterprises culture and enterprises cohesion
		The employee's ability and professional skills universally cannot meet the enterprise development needs by a large margin	The employee's ability and professional skills in some significant fields cannot meet the enterprise development needs	The employee's ability and professional skills in some fields cannot meet the enterprise development
		Negative news spread in the field of the entire business (including extending to industry chain),or was paid attention by the national media or public media, the recovery of reputation will take more than six months	Negative news spread in the field of the entire business, or was paid attention or reported by the local media the recovery of reputation will take three to six months	Negative news spread in the field of the entire business, have small damage to the reputation of the enterprise, the recovery of reputation will take three months below
		The enterprise's internal confidential information	The enterprise's internal confidential information	The enterprise's internal confidential information

		leakage which badly affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management	leakage which affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management in a large extent	leakage which affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management in a general extent
Quantitative standard	The judging standard was the net profits attributable to the parent Company's shareholders in the consolidated financial statements audited in last year. Misstatement amount $\geq 5\%$ above of judging standard was great defect; $5\%$ judging standard $> 1\%$ misstatement amount was significant defect; misstatement amount $< 1\%$ below of judging standard was general standard.	The judging standard was the net profits attributable to the parent Company's shareholders in the consolidated financial statements audited in last year.		
		Great defect	Significant defect	Common defect
		Have a significant adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 20% above (Including 20%)	Have a greater adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 10% to 20% (Including 10%)	Have an adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 10% below
		Had significant adverse impact to the annual operation profits or cause decrease of annual operation profits when at 5% (including 5%) above of judging standard	Had larger adverse impact to the annual operation profits or cause decrease of annual operation profits when at 1% (including 1%) to 5% judging standard	Had adverse impact to the annual operation profits or cause decrease of annual operation profits when at 1% below of judging standard
		Had significant adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 10% (including 10%) above of judging standard	Had larger adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 5% (including 5%) to 10% above of judging standard	Had adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 5% below of judging standard
		Great investment mistake incurred which cause direct economy losses when at 5% (including 5%) above of judging standard or the return on investment more than 40% lower than expected	Larger investment mistake incurred which cause direct economy losses when at 1% (including 1%) to 5% of judging standard or the return on investment less than 30% (including 30% to 40%) lower than expected	Great investment mistake incurred which cause direct economy losses when at 1% below of judging standard or the return on investment less than 30% lower than expected
		10 death or above , or 50 people serious injury, or direct economy losses when at 5% (including 5%) above of judging standard	3 deaths above to 10 deaths below , or more than 10 people but less than 50 people serious injury, or direct economy losses when at 1% (including 1%) to 5% of judging standard	less than 3 deaths or above , or less than 10 people serious injury, or direct economy losses when at 1% below of judging standard
		Asset integrity cannot be ensured, when assets losses at 5% (including 5%) above of judging standard	Asset integrity cannot be ensured, when assets losses at 1% (including 1%) to 5% of judging standard	Asset integrity cannot be ensured, when assets losses at 1% below of judging standard



	A large number of great commercial disputes, civil lawsuits and negative influences can't eliminate in a short period of time, may pay compensation at 5% (including 5%) above of judging standard	Several commercial disputes, civil lawsuits, and had obviously influence in a certain area and period, may pay compensation at 1% (including 1%) to 5% of judging standard	Irreconcilable commercial disputes, civil lawsuits happened sometimes, cause a certain influences in local, may pay compensation at 1% below of judging standard
	A serious violation of laws and regulations, investigated by government department and legal department, cause prosecution and class action, may pay compensation at 2% (including 2%) above of judging standard	A serious violation of laws and regulations, investigated by government department and legal department, may pay compensation at 0.5% (including 0.5%) to 2% of judging standard	Violation of laws and regulations, investigated by government department and legal department, may pay compensation at 0.5% below of judging standard
Number of material weaknesses in internal control over financial reporting			0
Number of material weaknesses in internal control not related to financial reporting			0
Number of serious weaknesses in internal control over financial reporting			0
Number of serious weaknesses in internal control not related to financial reporting			0

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

Opinion paragraph in the independent auditor's report on internal control	
We believe that China Merchants Port Group Co., Ltd. has maintained effective internal control over financial reporting in all material respects as of 31 December 2022 as per the Basic Rules for Enterprise Internal Control and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	4 April 2023
Index to such report disclosed	For details, see <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

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

Yes  No

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

Yes  No

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

Upon a comprehensive self-inspection, the Company has adhered to the combination of the leadership of the Communist Party of China and corporate governance throughout operations and complied with relevant laws, regulations, and normative documents, such as improving the internal governance mechanism, refining the governance system, and disclosing information in an open and transparent manner.

## Part V Environmental and Social Responsibility

### I Major Environmental Issues

#### 1. Policies and industry standards pertaining to environmental protection

During the Reporting Period, the Company and its subsidiaries with heavy pollutant discharge needs abode by laws and regulations related to environmental protection throughout routine production and operation, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *Law of the People's Republic of China on Noise Pollution Prevention and Control*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, and the *Law of the People's Republic of China on Environmental Impact Assessment*. They also strictly complied with national and industry standards pertaining to environmental protection, such as *Soil Environmental Quality—Standards for Soil Contamination Risk Control of Land for Construction (Provisional) (GB36600-2018)*, *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)*, *Emission Standard of Air Pollutant for Bulk Petroleum Terminals (GB20950-2020)*, and *Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)*

#### 2. Administrative permit for the purpose of environmental protection

The environmental impacts of the construction projects of domestic enterprises controlled by the Company were assessed as required. Additionally, all domestic pollutant discharge units have obtained administrative permits for pollutant discharge as per laws and regulations and discharged pollutants by the administrative permits for pollutant discharge in a legal and compliant manner. Information on the review, approval, and record conducted by the ecological and environmental authorities for the units of the Company with heavy pollutant discharge needs is as follows:

(1) *Review Opinions of the Current Environmental Impact Assessment Report of the First Branch of Zhanjiang Port (Group) Co., Ltd.* (Document Z.X.H.J. [2018] No. 12).

(2) *Review Opinions of the Current Environmental Impact Assessment Report of the Third Branch of Zhanjiang Port (Group) Co., Ltd.* (Document Z.H.C.J. [2018] No. 31).

(3) *Record Opinions of the Environmental Impact Assessment Report of the Current Status of Crude Oil Storage Tank Farms of Zhanjiang Port Petrochemical Terminal Co., Ltd.* (ZH.X.H.J. [2019] No.

5

(4) *Approval for the Environmental Impact Assessment Report of the 1# Tank Farm Change Project of Zhanjiang Port Petrochemical Terminal Co., Ltd.* (ZH.H.J.X. [2021] No. 26)

### 3. The regulations for industrial emissions and the particular requirements for controlling pollutant emissions those are associated with production and operational activities

Name of the company or subsidiary company	Types of major and characteristic pollutants	Names of major and characteristic pollutants	Discharge method	Outlet quantity	Outlet distribution	Discharge concentration (mg/kg)	Pollutant discharge standards	Total discharge	Total discharge approved	Excessive discharge
The third branch of Zhanjiang Port (Group) Co., Ltd. (Key soil supervision unit)	Soil pollutants	Arsenic	--	--	--	0.33	<i>Soil Environmental Quality—Standards for Soil Contamination Risk Control of Land for Construction (Provisional) (GB36600-2018)</i> — Standards for Category II Land Use	--	--	No excessive discharge
	Soil pollutants	Cadmium	--	--	--	ND		--	--	
	Soil pollutants	Chromium (hexavalent)	--	--	--	ND		--	--	
	Soil pollutants	Copper	--	--	--	3		--	--	
	Soil pollutants	Lead	--	--	--	56		--	--	
	Soil pollutants	Mercury	--	--	--	0.020		--	--	
	Soil pollutants	Nickel	--	--	--	8		--	--	
	Soil pollutants	Petroleum hydrocarbons (C10-C40)	--	--	--	9		--	--	
Soil pollutants	pH (dimensionless)	--	--	--	7.10	--	--			

Soil pollutants	Moisture	--	--	--	21.4%		--	--
Soil pollutants	Carbon tetrachloride	--	--	--	ND		--	--
Soil pollutants	Chloroform	--	--	--	ND		--	--
Soil pollutants	Methyl chloride	--	--	--	ND		--	--
Soil pollutants	1, 1-Dichloroethane	--	--	--	ND		--	--
Soil pollutants	1, 2-Dichloroethane	--	--	--	ND		--	--
Soil pollutants	1, 1-Dichloroethylene	--	--	--	ND		--	--
Soil pollutants	Cis-1, 2-dichloroethylene	--	--	--	ND		--	--
Soil pollutants	Trans-1, 2-dichloroethylene	--	--	--	ND		--	--
Soil pollutants	Dichloromethane	--	--	--	ND		--	--
Soil pollutants	1, 2-Dichloropropane	--	--	--	ND		--	--
Soil pollutants	1, 1, 1, 2-Tetrachloroethane	--	--	--	ND		--	--
Soil pollutants	1, 1, 2, 2-Tetrachloroethane	--	--	--	ND		--	--
Soil pollutants	Tetrachloro	--	--	--	ND		--	--

		ethylene							
Soil pollutants		1, 1, 1-Trichloroethane	--	--	--	ND		--	--
Soil pollutants		1, 1, 2-Trichloroethane	--	--	--	ND		--	--
Soil pollutants		Trichloroethylene	--	--	--	ND		--	--
Soil pollutants		1, 2, 3-Trichloropropane	--	--	--	ND		--	--
Soil pollutants		Vinyl chloride	--	--	--	ND		--	--
Soil pollutants		Benzene	--	--	--	ND		--	--
Soil pollutants		Chlorobenzene	--	--	--	ND		--	--
Soil pollutants		1, 2-Dichlorobenzene	--	--	--	ND		--	--
Soil pollutants		1, 4-Dichlorobenzene	--	--	--	ND		--	--
Soil pollutants		Ethylbenzene	--	--	--	ND		--	--
Soil pollutants		Styrene	--	--	--	ND		--	--
Soil pollutants		Toluene	--	--	--	2.0		--	--
Soil pollutants		M-para-xylene	--	--	--	ND		--	--
Soil pollutants		O-xylene	--	--	--	ND		--	--
Soil pollutants		Nitrobenzene	--	--	--	ND		--	--
Soil pollutants		Aniline	--	--	--	ND		--	--
Soil pollutants		2-	--	--	--	ND		--	--

		Chlorophenol								
	Soil pollutants	Benzo (a) anthracene	--	--	--	ND		--	--	
	Soil pollutants	Benzo (a) pyrene	--	--	--	ND		--	--	
	Soil pollutants	Benzo (b) fluoranthene	--	--	--	ND		--	--	
	Soil pollutants	Benzo (k) fluoranthene	--	--	--	ND		--	--	
	Soil pollutants	1, 2-Benzophenanthrene	--	--	--	ND		--	--	
	Soil pollutants	Dibenzo (a, h) anthracene	--	--	--	ND		--	--	
	Soil pollutants	Indeno (1,2,3-cd) pyrene	--	--	--	ND		--	--	
	Soil pollutants	Naphthalene	--	--	--	ND		--	--	
The first branch of Zhanjiang Port (Group) Co., Ltd. (Key soil supervision unit)	Soil pollutants	Arsenic	--	--	--	6.71	<i>Soil Environmental Quality—Standards for Soil Contamination Risk Control of Land for Construction (Provisional) (GB36600-2018) — Standards for Category II Land Use</i>	--	--	No excessive discharge
	Soil pollutants	Cadmium	--	--	--	ND		--	--	
	Soil pollutants	Chromium (hexavalent)	--	--	--	ND		--	--	
	Soil pollutants	Copper	--	--	--	5		--	--	
	Soil pollutants	Lead	--	--	--	62		--	--	
	Soil pollutants	Mercury	--	--	--	0.054		--	--	
	Soil pollutants	Nickel	--	--	--	3		--	--	
	Soil pollutants	Carbon tetrachlorid	--	--	--	ND		--	--	

	e								
Soil pollutants	Chloroform	--	--	--	ND		--	--	
Soil pollutants	Methyl chloride	--	--	--	ND		--	--	
Soil pollutants	1, 1-Dichloroethane	--	--	--	ND		--	--	
Soil pollutants	1, 2-Dichloroethane	--	--	--	ND		--	--	
Soil pollutants	1, 1-Dichloroethylene	--	--	--	ND		--	--	
Soil pollutants	Cis-1, 2-dichloroethylene	--	--	--	ND		--	--	
Soil pollutants	Trans-1, 2-dichloroethylene	--	--	--	ND		--	--	
Soil pollutants	Dichloromethane	--	--	--	ND		--	--	
Soil pollutants	1, 2-Dichloropropane	--	--	--	ND		--	--	
Soil pollutants	1, 1, 1, 2-Tetrachloroethane	--	--	--	ND		--	--	
Soil pollutants	1, 1, 2, 2-Tetrachloroethane	--	--	--	ND		--	--	
Soil pollutants	Tetrachloroethylene	--	--	--	ND		--	--	
Soil pollutants	1, 1, 1-Trichloroethane	--	--	--	ND		--	--	



		hane							
Soil pollutants	1, 1, 2-Trichloroethane	--	--	--	ND		--	--	
Soil pollutants	Trichloroethylene	--	--	--	ND		--	--	
Soil pollutants	1, 2, 3-Trichloropropane	--	--	--	ND		--	--	
Soil pollutants	Vinyl chloride	--	--	--	ND		--	--	
Soil pollutants	Benzene	--	--	--	ND		--	--	
Soil pollutants	Chlorobenzene	--	--	--	ND		--	--	
Soil pollutants	1, 2-Dichlorobenzene	--	--	--	ND		--	--	
Soil pollutants	1, 4-Dichlorobenzene	--	--	--	ND		--	--	
Soil pollutants	Ethylbenzene	--	--	--	ND		--	--	
Soil pollutants	Styrene	--	--	--	ND		--	--	
Soil pollutants	Toluene	--	--	--	ND		--	--	
Soil pollutants	m-xylylene	--	--	--	ND		--	--	
Soil pollutants	o-xylylene	--	--	--	ND		--	--	
Soil pollutants	Nitrobenzene	--	--	--	ND		--	--	
Soil pollutants	Aniline	--	--	--	ND		--	--	
Soil pollutants	2-Chlorophenol	--	--	--	ND		--	--	
Soil pollutants	Benzo (a)	--	--	--	ND		--	--	

		anthracene								
	Soil pollutants	Benzo (a) pyrene	--	--	--	ND		--	--	
	Soil pollutants	Benzo (b) fluoranthene	--	--	--	ND		--	--	
	Soil pollutants	Benzo (k) fluoranthene	--	--	--	ND		--	--	
	Soil pollutants	1, 2-Benzophenanthrene	--	--	--	ND		--	--	
	Soil pollutants	Dibenzo (a, h) anthracene	--	--	--	ND		--	--	
	Soil pollutants	Indeno (1,2,3-cd) pyrene	--	--	--	ND		--	--	
	Soil pollutants	Naphthalene	--	--	--	ND		--	--	
	Soil pollutants	Petroleum hydrocarbons (C10-C40)	--	--	--	30		--	--	
	Soil pollutants	pH	--	--	--	3.56		--	--	
	Soil pollutants	Moisture content	--	--	--	34.9		--	--	
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Key soil supervision unit and	Soil pollutants	Arsenic	--	--	--	8.23	<i>Soil Environmental Quality—Standards for Soil Contamination Risk Control of Land for Construction (Provisional) (GB36600-2018) — Standards for</i>	--	--	No excessive discharge
	Soil pollutants	Cadmium	--	--	--	0.64		--	--	
	Soil pollutants	Chromium (hexavalent)	--	--	--	ND		--	--	
	Soil pollutants	Copper	--	--	--	43		--	--	
	Soil pollutants	Lead	--	--	--	36.3		--	--	

other key pollutant discharge unit)	Soil pollutants	Mercury	--	--	--	0.269	Category II Land Use	--	--	
	Soil pollutants	Nickel	--	--	--	21		--	--	
	Soil pollutants	Carbon tetrachloride	--	--	--	ND		--	--	
	Soil pollutants	Chloroform	--	--	--	ND		--	--	
	Soil pollutants	Methyl chloride	--	--	--	ND		--	--	
	Soil pollutants	1, 1-Dichloroethane	--	--	--	ND		--	--	
	Soil pollutants	1, 2-Dichloroethane	--	--	--	ND		--	--	
	Soil pollutants	1, 1-Dichloroethylene	--	--	--	ND		--	--	
	Soil pollutants	Cis-1, 2-dichloroethylene	--	--	--	ND		--	--	
	Soil pollutants	Trans-1, 2-dichloroethylene	--	--	--	ND		--	--	
	Soil pollutants	Dichloromethane	--	--	--	ND		--	--	
	Soil pollutants	1, 2-Dichloropropane	--	--	--	ND		--	--	
	Soil pollutants	1, 1, 1, 2-Tetrachloroethane	--	--	--	ND		--	--	
	Soil pollutants	1, 1, 2, 2-Tetrachloroethane	--	--	--	ND		--	--	

Soil pollutants	Tetrachloroethylene	--	--	--	ND	--	--
Soil pollutants	1, 1, 1-Trichloroethane	--	--	--	ND	--	--
Soil pollutants	1, 1, 2-Trichloroethane	--	--	--	ND	--	--
Soil pollutants	Trichloroethylene	--	--	--	ND	--	--
Soil pollutants	1, 2, 3-Trichloropropane	--	--	--	ND	--	--
Soil pollutants	Vinyl chloride	--	--	--	ND	--	--
Soil pollutants	Benzene	--	--	--	ND	--	--
Soil pollutants	Chlorobenzene	--	--	--	ND	--	--
Soil pollutants	1, 2-Dichlorobenzene	--	--	--	ND	--	--
Soil pollutants	1, 4-Dichlorobenzene	--	--	--	ND	--	--
Soil pollutants	Ethylbenzene	--	--	--	ND	--	--
Soil pollutants	Styrene	--	--	--	ND	--	--
Soil pollutants	Toluene	--	--	--	ND	--	--
Soil pollutants	M-para-xylene	--	--	--	ND	--	--
Soil pollutants	O-xylene	--	--	--	ND	--	--
Soil pollutants	Nitrobenzene	--	--	--	ND	--	--
Soil pollutants	Aniline	--	--	--	ND	--	--

Soil pollutants	2-Chlorophenol	--	--	--	ND	--	--
Soil pollutants	Benzo (a)anthracene	--	--	--	ND	--	--
Soil pollutants	Benzo (a)pyrene	--	--	--	ND	--	--
Soil pollutants	Benzo (b)fluoranthene	--	--	--	ND	--	--
Soil pollutants	Benzo (k)fluoranthene	--	--	--	ND	--	--
Soil pollutants	1, 2-Benzophenanthrene	--	--	--	ND	--	--
Soil pollutants	Dibenzo (a,h)anthracene	--	--	--	ND	--	--
Soil pollutants	Indeno (1,2,3-cd)pyrene	--	--	--	0.001	--	--
Soil pollutants	Naphthalene	--	--	--	ND	--	--
Soil pollutants	Petroleum hydrocarbons (C10-C40)	--	--	--	89	--	--
Soil pollutants	pH	--	--	--	8.24	--	--
Soil pollutants	2, 4-Dinitrophenol	--	--	--	ND	--	--
Soil pollutants	2, 4-Dichloroph	--	--	--	ND	--	--

	enol								
Soil pollutants	Di (2-ethylhexyl) phthalate	--	--	--	ND		--	--	
Soil pollutants	Benzyl butyl phthalate (BBP)	--	--	--	ND		--	--	
Soil pollutants	Di-n-octyl phthalate (DnOP)	--	--	--	ND		--	--	
Soil pollutants	Polychlorinated biphenyl (PCB) (total)	--	--	--	ND		--	--	

#### 4. Treatment of pollutants

During the Reporting Period, the pollution treatment facilities for wastewater and exhaust gas of the enterprises controlled by the Company ran normally, with pollutants discharged in a compliant manner. In 2022, there were 20 new wastewater treatment facilities, boosting the treatment capacity of sewage treatment facilities by 23.5%. Additionally, volatile organic compounds were vigorously treated by ensuring that facilities for volatile organic compounds ran normally. Moreover, sound-proof walls were well maintained to ensure that the noise at the plant boundary met the standards.

Information on units with heavy pollutant discharge needs controlled by the Company is as follows:

(1) The first branch of Zhanjiang Port has a production sewage treatment system, with a treatment capacity of 5,800 m<sup>3</sup>/d. The treated sewage is used for watering and dust control in the port area. The third branch of Zhanjiang Port has a production sewage treatment plant, with a treatment capacity of 4,500 m<sup>3</sup>/d. The treated sewage is used for watering and dust control in the port area. The above-mentioned facilities are in normal operation.

(2) Both the first and third branches of Zhanjiang Port use water spray, water mist spray, sprinklers,

and other facilities to meet the demand for dust control throughout the operation. The stockpiles are fully covered, and the dust control management of static storage and dynamic operation is strengthened to reduce dust emissions to the maximum. Specifically, the first branch owns a dust-free and sound-proof wall with a length of 160 meters and a height of 12 meters on the boundary of the plant. It is also equipped with 15 simple spray towers, 25 mobile remote fog machines, and two mobile dust suppression funnels. The third branch has two wind-proof dust suppression walls, 350 and 427 meters long, respectively. It also has four mobile spray guns, 14 spray towers, 12 fixed sprayers, three sprinkler systems, and one dry mist dust suppression system for bucket-wheel machines. The above-mentioned facilities are in normal operation.

(3) Zhanjiang Port Petrochemical Terminal Co., Ltd. has two production wastewater treatment systems and one domestic wastewater treatment system, both of which are in normal operation. It completed the inspection and acceptance of the oil and gas recycling equipment for three 1,000-ton berths and departure platforms. Moreover, it is advancing the implementation of the construction of the oil and gas recycling equipment for a 10,000-ton loading berth.

(4) The first and third branches of Zhanjiang Port as well as Zhanjiang Port Petrochemical Terminal Co., Ltd. provide seven special rooms for storing hazardous waste. All the rooms are protected against thunder, wind, rain, sunlight, and seepage and are equipped with surveillance equipment in the surrounding places. A qualified third party is entrusted to transport the waste in a timely and compliant manner.

#### **5. Environmental self-monitoring program**

During the Reporting Period, enterprises under the Company that are subject to the pollutant discharge permits formulated self-monitoring plans as per laws, regulations, and pollutant discharge permits and self-monitored soil. As a result, the monitoring results indicated that all indicators met the standards. Information on units with heavy pollutant discharge needs controlled by the Company is as follows:

(1) The first branch of Zhanjiang Port developed a soil self-monitoring plan, by which it conducted soil monitoring. The soil monitoring was completed in August 2022, and the monitoring report was submitted to the ecological and environmental authorities and released online.

(2) The third branch of Zhanjiang Port developed a soil self-monitoring plan, by which it conducted soil monitoring. The soil monitoring was completed in August 2022, and the monitoring report was submitted to the ecological and environmental authorities and released online.

(3) Zhanjiang Port Petrochemical Terminal Co., Ltd. developed a soil self-monitoring plan, by which it conducted soil monitoring. The soil monitoring was completed in August 2022, and the monitoring report was submitted to the ecological and environmental authorities and released online.

#### **6. Contingency plan for environmental emergencies**

During the Reporting Period, CMPort revised the Contingency Plan of CMPort for Environmental Emergencies, and all enterprises controlled by the Company prepared a contingency plan for environmental emergencies as required. Units with heavy pollutant discharge needs filed environmental emergencies at local ecological and environmental bureaus as required. Details are as follows:

(1) Contingency Plan for Environmental Emergencies of Zhanjiang Port (Group) Co., Ltd. Filing No. 440803-2020-0036-H

(2) Contingency Plan for Environmental Emergencies of the First Branch of Zhanjiang Port (Group) Co., Ltd. Filing No. 440803-2021-0025-M

(3) Contingency Plan for Environmental Emergencies of the Third Branch of Zhanjiang Port (Group) Co., Ltd. Filing No. 440802-2022-0002-L

(4) Contingency Plan for Environmental Emergencies of Zhanjiang Port Petrochemical Terminal Co., Ltd. Filing No. 440803-2021-0040-H

#### **7. Input in environmental governance and protection and payment of environmental protection tax**

The Company constantly increases its input into environmental protection to make sure that various



pollutants constantly meet the standards and thus contribute to business sustainability. During the Reporting Period, the Company spent RMB228.7 million on environmental protection and paid RMB4.8792 million for environmental protection tax in full in time as per laws and regulations.

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

CMPort vigorously responds to and implements the national requirements as well as the requirements of CMG for carbon peak and carbon neutrality by developing and releasing the *Action Plan of CMPort for Achieving Carbon Peak and Carbon Neutrality*. Additionally, it also proposes the goals of “achieving carbon peak by 2028 and carbon neutrality by 2060”. In 2022, CMPort implemented 55 carbon emission reduction projects, enabling an emission cut of 82,300 tons every year.

#### **9. Administrative penalties for environmental problems during the Reporting Period**

Applicable  Not applicable

#### **10. Other environmental information that should be disclosed**

None

#### **11. Other information related to environmental protection**

None

## **II Corporate Social Responsibility (CSR)**

Always upholding the principle of sustainable development and performing its social responsibilities proactively, the Company promotes its sustainable development with efforts in continuously strengthening environment governance, safeguarding the rights and interests of its employees, attaching importance to occupational health, participating in charitable activities, and responding to rural revitalization.

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

In 2022, the Company continued to build the “C-Blue” charity brand, carry out C-Blue Training Programme, provide care for left-behind children, and contribute to rural revitalisation. Domestically, the Company upgraded the “C-Blue Child Care Programme” to the “C-Blue Rural Education Charity Programme”. Focusing on charitable rural education, the Company conducted further explorations. First, it extended the programme coverage to Lianping County, Heyuan City, Guangdong Province, by fully leveraging the paired assistance channel of Nanshan District, Shenzhen City, providing educational assistance for approximately 7,000 teachers and students from rural schools in Wuhua County, Meizhou City, and Lianping County, Heyuan City. Second, the Company enriched the content of the C-Blue programme based on its programme experience by promoting a programme combo featuring school hardware upgrading and software assistance. Specifically, it developed growth classrooms, cloud classrooms, entertainment parks for young kids, and C-Blue Cultural Wall. Concurrently it launched C-Blue voluntary courses, reading and growth activities, faculty support empowerment, and growth camps. Third, the Company constantly integrated advantageous resources of charitable enterprises in Nanshan District, Shenzhen City, including relevant authorities, charitable institutions, and Tencent, thereby increasing the programmes’ visibility. At the same time, the Company encourages employees to contribute their time and professionalism to benefit communities and the environment by participating in voluntary services and activities. It works with communities nearby in launching charity activities. In 2022, 1,739 employees of the Company participated in voluntary activities. Overseas, the programme “China Merchants Silk Road Love Villages” jointly launched by Colombo International Container Terminals Ltd. (CICT) and Hambantota International Port Group (HIPG) delivered good results in Pannila and Kenda villages, Sri Lanka. Specifically, it created nearly 800 jobs for local people, improved the living environment in local villages and local villagers’ living standards, and thus developed new villages featuring happiness and harmony. Hambantota International Port Group Co. Ltd. and the Department of Wildlife Conservation worked to initiate the “Save Elephant Calves” programme to foster and protect baby elephants before they return to nature, such as providing baby elephants at elephant transit homes with food and other necessities. By doing so, the stability and growth of the elephant species can be safeguarded, and CMPort can contribute its due part to the conservation of the ecosystem of elephants in Sri Lanka and to the maintenance of biodiversity in regions where it operates.

Please refer to Sustainable Development Report of China Merchants Port Group Co., Ltd. in 2022 for the fulfilment of social responsibilities in the Reporting Period for details.

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

Zhanjiang Port, under the Company, vigorously responded to the call for poverty alleviation in 2022. It continued to participate in the “Guangdong Poverty Alleviation Day” by donating RMB600,000 to charitable organisations in Zhanjiang City to contribute to the rural revitalisation cause of the city. Its remarkable contributions earned it bronzes in the “Guangdong Poverty Alleviation Red Cotton Cup” and “Zhanjiang Municipal Poverty Alleviation Bauhinia Cup”. Zhanjiang Port is committed to doing practical and good things for villagers. For example, it repaired the facilities of the Macheng Village Committee, such as the escalator and guardrails of the water tower, using a targeted donation of RMB30,000, rooting out the safety hazard. Additionally, Zhanjiang Port organised three solicitude visits during the Spring Festival and Mid-autumn Festival, visiting 103 households in total, covering households placed under monitoring against falling into poverty, aged Party members, and children in need. The solicitude fund reached RMB46,000, delivering in-depth warmth and care to villagers. To resolve travel safety issues faced by villagers and beautify the rural environment, Zhanjiang Port applied for a targeted donation of RMB350,000 from the Zhanjiang Charity Federation to renovate the overall road facilities in the natural village, Xinglei Village, administered by the Macheng Village Committee. It paved the sidewalks with colourful bricks and retrofitted road lamps and chairs on both sides of the roads. With the funding support of the China Merchants Charity Foundation, the Youth League Committee of Zhanjiang Port launched voluntary services and activities in Macheng Village. It donated children’s books, sports equipment, and student desks and chairs equivalent to RMB25,000. At the same time, it visited left-behind children from ten households and children in single-parent families in need and brought them school supplies and nutritious food.

## Part VI Significant Events

### I Fulfilment of Commitments

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

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

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

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

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

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



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

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

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

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

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

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

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

		not provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.			
Directors and senior management of CMPort	Commitments when refinancing	<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the <i>Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets</i> (G.B.F. [2013 No. 110]), the <i>Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring</i> (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as a director and senior management member of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering:</p> <ol style="list-style-type: none"> <li>1. I will not transfer benefits to other units or individuals for free or under unfair conditions, nor will I damage the interests of the Company in other ways.</li> <li>2. I will regulate my personal business consumption behavior.</li> <li>3. I will not use the Company's assets to engage in investment and consumption activities unrelated to the performance of my duties.</li> <li>4. The salary system formulated by the board of directors or the remuneration committee is linked to the implementation of the Company's return compensation measures.</li> <li>5. If the Company intends to implement equity incentives, the exercise conditions of such equity incentive are linked to the implementation of the Company's return compensation measures.</li> <li>6. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make supplementary commitments in accordance with relevant regulations.</li> </ol>	13 July 2021	Effectively continuously	Ongoing
CMPort	Commitments when refinancing	<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, the fund raised in this non-public offering is RMB10,917,111,500. In order to further ensure the use of the funds raised in this non-public offering, the Company makes statements as follows:</p> <ol style="list-style-type: none"> <li>1. The Company intends to use the proceeds of this non-public share offering to supplement working capital and repay debts, and it does not involve real estate development projects.</li> <li>2. The fund raised by the Company in this non-public offering shall not be used for real estate development or in a disguised form.</li> </ol>	29 September 2021	Effectively continuously	Ongoing
CMPort	Commitments when refinancing	<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. The Company hereby makes commitments as follows:</p> <p>In connection with this non-public offering, the Company does not make a commitment on guarantee income or disguised guarantee income to Seaport Group, nor does it provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.</p>	29 September 2021	Effectively continuously	Ongoing
CMPort	Commitments when	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by	19 November 2021	Effectively continuously	Ongoing



		refinancing	<p>this non-public offering is RMB10,917,111,500. The Company hereby makes the following commitments regarding the Qualification Certificate of Real Estate Development Enterprise of the People's Republic of China (Number: SH.F.K.Z. (2017) No. 879) obtained by Shenzhen Jinyu Rongtai Investment Development Co., Ltd (hereinafter referred to as "Jinyu Rongtai"), a wholly-owned subsidiary of the Company:</p> <p>The Company will actively coordinate Jinyu Rongtai to handle the cancellation of the aforesaid real estate development qualification certificate. Within 30 days after approval of relevant laws and regulations, regulatory regulations and competent housing authorities, Jinyu Rongtai will apply to the competent housing department for the cancellation of real estate development qualification registration. Before the cancellation or expiration of the qualification, the Company and Jinyu Rongtai will not use the qualification to engage in real estate development and operation and other related businesses. After qualification cancellation or invalidity, qualification renewal or new real estate development qualification will not be handled.</p>		ly	
	CMPort	Commitments when refinancing	<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment &amp; Operation Group Co., Ltd. in a lump sum in cash. The Company makes commitments in connection with the fund raised in this non-public offering as follows:</p> <p>The proceeds from this non-public offering of shares will not flow into China Nanshan Development (Group) Co., Ltd. through any direct or indirect means.</p>	16 December 2021	Effectively continuously	Ongoing
	CMPort	Commitments when refinancing	<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment &amp; Operation Group Co., Ltd. in a lump sum in cash. The Company hereby makes commitments as follows:</p> <p>Prior to the completion of the use of the fund raised in this non-public offering or within 36 months after the fund is raised, no additional investment (including capital increase, loan, guarantee and capital investment in other forms) shall be made in industrial funds and M&amp;A funds that do not conform to the Company's upstream and downstream industrial chain or the Company's main business and strategic development direction.</p>	7 January 2022	Effectively continuously	Ongoing
Other commitment	CMPort	Commitments when subscribing shares of Ningbo Port	<p>Ningbo Port issued A shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort irrevocably makes the following statements and commitments:</p> <p>Ningbo Port's 2021 non-public offering of A-shares is Ningbo Port's non-public offering of A-shares to CMPort. After the completion of Ningbo Port's non-public offering of A-shares to CMPort, the business relationship and management relationship between Ningbo Zhoushan Port Group, Seaport Group and the subordinate enterprises controlled by them and Ningbo Port will not change substantially, and it will not lead to new or potential competition in the same industry between Ningbo Port and Ningbo Zhoushan Port Group, Seaport Group and the subordinate enterprises controlled by them. Assuming that 3,646,971,029 shares are issued (i.e., 23.07% of the total share capital prior to issuance), after the completion of Ningbo Port's non-public offering of A-shares to CMPort, CMPort holds 20.98% shares of Ningbo Port and 2.10% shares of Ningbo Port through China Merchants Ningbo. Thus, CMPort holds 23.08% shares of Ningbo Port in total. It will not lead to changes in the controlling shareholder and actual controller of Ningbo Port, so it will not lead to new or potential competition between Ningbo Port and CMPort and its controlling shareholder and actual controller.</p>	13 July 2021	Effectively continuously	Ongoing

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

		continuously in the market. CMPort will not intervene in Ningbo Port's business activities other than the exercise of its rights as a shareholder.			
CMPort	Commitments when subscribing shares of Ningbo Port	Ningbo Port issued A-shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort makes the following commitments: The fund used by CMPort to subscribe for the 2021 non-public offering of A-shares by Ningbo Port in accordance with the <i>Share Subscription Agreement between Ningbo Zhoushan Port Company Limited and China Merchants Port Group Co., Ltd.</i> is self-owned fund or self-raised fund. There is no external fund raising, proxy holding, structural arrangement or direct or indirect use of funds of Ningbo Zhoushan Port Company Limited and its related parties for this subscription. There is no financial support, compensation, promise of income or other arrangements by Ningbo Zhoushan Port Company Limited or its controlling shareholder or actual controller to CMPort directly or through its stakeholders.	13 July 2021	Effective continuously	Ongoing
CMPort	Commitments when subscribing shares of Ningbo Port	CMPort fully subscribed the shares issued through non-public offering by Ningbo Port with cash. It is expected that after the issuance, CMPort and its subsidiary China Merchants Ningbo will hold about 23.08% of shares of Ningbo Port in total. CMPort's statements on non-transfer within 36 months after completion of subscription are as follows: The shares non-publicly offered by Ningbo Port that CMPort subscribes shall not be transferred within 36 months from the date of the end of the non-public offering of A-shares by Ningbo Port to CMPort. The shares derived from the company's distribution of stock dividends and the conversion of capital reserve fund into equity regarding the shares subscribed for by CMPort through this non-public offering shall also comply with the above lock-in arrangement.	13 July 2021	Effective continuously	Ongoing
CMPort	Commitments when subscribing shares of Ningbo Port	CMPort makes the following commitments regarding the reduction of shares involved in the 2021 non-public offering of A-shares by Ningbo Port: 1. CMPort, its persons acting in concert and related parties controlled by CMPort have not reduced their holdings of shares of Ningbo Port from the six months prior to benchmark pricing date of Ningbo Port's 2021 non-public offering of A-shares to the date of issuance of this Letter of Commitment. 2. CMPort, its persons acting in concert and related parties controlled by CMPort will not have the plan to reduce their holdings of shares of Ningbo Port from the date of issuance of this Letter of Commitment to the six months after the completion of Ningbo Port's 2021 non-public offering of A-shares. 3. CMPort, its persons acting in concert and related parties controlled by CMPort will not violate Article 44 of the <i>Securities Law of the People's Republic of China</i> . 4. In case of any violation of the above commitments, the income from the reduction in holdings of shares of Ningbo Port obtained by CMPort, its persons acting in concert and related parties controlled by CMPort will all be owned by Ningbo Port, and they bear the legal liabilities arising therefrom according to law.	18 November 2021	Effective continuously	Ongoing
CMPort	Commitments when subscribing shares of Ningbo Port	Ningbo Port intends to offer 3,646,971,029 RMB-denominated ordinary shares (A shares) to CMPort in a non-public manner, and the Company intends to participate in the subscription as a strategic investor and undertakes as follows: In addition to becoming a strategic investor of Ningbo Port via subscribing for the shares offered in a non-public manner this time, the Company does not subscribe for the shares offered in a non-public manner by any listed company in the same industry as Ningbo Port as a strategic investor and will not do so within 36 months upon obtaining the shares offered by Ningbo Port in a non-public manner this time.	28 July 2022	Effective continuously	Ongoing

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

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

Applicable  Not applicable

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

Applicable  Not applicable

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

**III Irregularities in the Provision of Guarantees**

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

No such cases in the Reporting Period.

## VII YoY Changes to the Scope of the Consolidated Financial Statements

In February 2022, CMPort established Port Development (Hongkong) Company Limited, a wholly-owned subsidiary. In March 2022, CMPort invested all of its shares in CMPort Holdings (1,627,635,473 shares, accounting for 42.995% of its total share capital) as the contribution.

Guangdong Shunkong Lingang Development and Construction Co., Ltd. (hereinafter referred to as “Lingang Company”), incorporated in July 2020, is a wholly-owned subsidiary of Guangdong Shunkong Urban Investment and Real Estate Co., Ltd. (hereinafter referred to as the “Urban Investment Company”) with a registered capital of RMB30 million. Urban Investment Company transferred 51% of the shares in Lingang Company via the publicly listed capital injection transaction on 30 March 2022 at Guangdong United Assets and Equity Exchange (Zhuhai Branch) and retained 49% of the shares. CMPort bought shares through capital injection and contributed RMB50 million in total. The capital injection was completed in August, and the capital reached RMB31.22 million. CMPort holds 51% of the shares in Lingang Company after the capital injection is completed. Lingang Company completed the procedures for changing the registered business information and general meeting-related matters in the Articles of Association in November. It was incorporated by CMPort into the consolidated financial statements in November 2022.

## VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
The Company's payment to the domestic independent auditor (RMB'0,000)	724.56

How many consecutive years the domestic independent auditor has provided audit service for the Company	11
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Li Weihua, Wang Hongmei
How many consecutive years the certified public accountants have provided audit service for the Company	1
Name of the overseas independent auditor (if any)	Deloitte Touche Tohmatsu
The Company's payment to the overseas independent auditor (RMB'0,000) (if any)	358.72
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	11
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	Hu Jinghua
How many consecutive years the certified public accountants have provided audit service for the Company (if any)	2

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

Yes  No

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

Approved by the 5th Meeting of the 10th Board of Directors in 2022 and 2021 Annual General Meeting of the Company, the Company was allowed to continuously engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as the 2022 independent auditor for the audit of annual financial statements and internal control in the 2022. The audit price for 2022 annual financial statements was RMB10,372,800 and the price for internal control was RMB460,000. The total expense on aforesaid two audit work was RMB10,832,800.

### IX Possibility of Delisting after Disclosure of this Report

Applicable  Not applicable

### X Insolvency and Reorganization

Applicable  Not applicable

No such cases in the Reporting Period.

### XI Major Legal Matters

Applicable  Not applicable

No such cases in the Reporting Period.

Other legal matters

Basic situation of lawsuit (arbitration)	Lawsuit amount (RMB '0,000)	Whether form into estimated	Process of lawsuit (arbitration)	Trial results and influences of lawsuit	Situation of execution of judgment of	Disclosure date	Disclosure index

		liabilities		(arbitration)	lawsuit (arbitration)		
Summary of Brazil TCP Case (note)	2,7943.85	Partly	In progress	Relatively low risk	-	-	-
Summary of other matters not meeting the disclosure standards for major lawsuits (arbitrations)	107,869.37	Partly	In progress	Relatively low risk	-	-	-

Note: This represents the significant contingent liabilities arising from the litigations between TCP and its subsidiaries and local tax authority, employee or former employee of TCP and its subsidiaries in Brazil at as the year end. According to the latest estimates of the Company's management, the possible compensation is RMB279,438,527.06 but it is not likely to cause outflow of economic benefits from the Company. Therefore, the contingent liabilities arising from the above pending litigations are not recognized as provisions. The counter-bonification where the Company as the beneficiary will be executed by the former TCP shareholder that disposed the shares. According to the counter-bonification agreement, the former TCP shareholder need to make counter-bonification to the Company in respect of the above contingent liabilities, with the compensation amount not exceeding pre-determined amount and specified period.

## XII Punishments and Rectifications

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

## XIV Major Related-Party Transactions

### 1. Continuing Related-Party Transactions

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price (RMB'0,000)	Total value (RMB'0,000)	As % of the total value of all the same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Way of settlement	Obtainable market price for same-type transactions (RMB'0,000)	Disclosure date	Index to disclosed information
Liaoning Port Group Co., Ltd. and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party	Lease, labor cost, information service income, etc.	Market price	23,706.28	23,706.28	24.43%	25,110.39	No	Settled monthly	23,706.28	31 March 2022	www.cninfo.com.cn (Announcement No. 2022-027)

	der	, recei ve servi ce and lease from relat ed party											
Sinotrans Limited and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service from related party	Labor cost, demurrage, lease, etc.	Market price	18,484.87	18,484.87	19.05%	27,245.14	No	Settled monthly	18,484.87	31 March 2022	www.cninfo.com.cn (Announcement No. 2022-027)
Antong Holding Co., Ltd. and its subsidiaries	Affiliated legal person	Render service to related party, receive service and lease from related party	Labor cost, freight forwarding agent, Port service charge	Market price	12,430.84	12,430.84	12.81%	15,230.43	No	Settled monthly	12,430.84	31 March 2022	www.cninfo.com.cn (Announcement No. 2022-027)
China Nanshan Development (Group) Co., Ltd. and its subsidiaries	Affiliated legal person	Render service and lease to related party, receive service and lease from relat	Labor cost, lease expense of land and houses	Market price	15,631.52	15,631.52	16.11%	13,423.66	No	Settled monthly	15,631.52	31 March 2022	www.cninfo.com.cn (Announcement No. 2022-027)



		ed party										
Total			--	--	70,253.51	--	81,009.62	--	--	--	--	--
Large-amount sales return in detail			None									
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period			The Proposal on Recognition of 2021 Daily Related-party Transaction and the Forecast of 2022 Daily Related-party Transaction was reviewed and approved on the 2021 Annual General Meeting on 21 April 2022, which allowed the Company and subsidiaries to conduct daily business transaction including office leasing, providing or receiving labor services. The amount of daily related-party transactions in 2022 is estimated to be RMB1.02 billion. The significant difference between the actual occurrence and the forecast of the Company's daily connected transactions in 2022 is due to the actual market demand and business development needs of the Company. It belongs to the normal operation adjustment of the Company and has not had a great impact on the daily operation and performance of the Company. The transaction price is determined in accordance with market principles, and the pricing is fair, fair and just, without harming the interests of the Company and minority shareholders.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)			N/A									

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

Applicable  Not applicable

## 3. Related Transactions Regarding Joint Investments in Third Parties

Applicable  Not applicable

## 4. Credits and Liabilities with Related Parties

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

Yes  No

Credits receivable with related parties

Related party	Related relationship	Forming reason	Whether there is occupation on non-operating capital or not	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
China Merchants Bank	The ultimate controlling shareholder has major influence on it	Bank deposits/Structured deposit	No	346,432.58	9,015,082.74	8,932,711.90	1.65%-3.43%	10,542.70	428,803.42
Effects of credits with related parties on the Company's operating results and financial			The above credits receivable with related parties were mainly deposits in financial institutions which has no major influence on the Company's operating results and financial conditions.						

conditions	
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## Liabilities payable with related parties:

Related party	Related relationship	Forming reason	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
China Merchants Bank	The ultimate controlling shareholder has major influence on it	Borrowing	20,022.73	15,515.54	400.45	3.41%	897.04	35,137.82
Effects of liabilities with related parties on the Company's operating results and financial conditions		The above liabilities payable with related parties were mainly financial institution loans which had no major influence on the Company's operating results and financial conditions.						

## 5. Transactions with Related Finance Companies

## Deposit business

Related party	Related relationship	Daily maximum limits (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total deposited amount (RMB'0,000)	Total withdrawn amount (RMB'0,000)	
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	500,000.00	1.495%-2.1%	217,830.37	1,418,638.41	1,452,298.92	184,169.86

## Loan business

Related party	Related relationship	Loan limit (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total loan amount (RMB'0,000)	Total repaid amount (RMB'0,000)	
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	1,000,000.00	1.2%-5.5125%	397,422.90	64,666.53	364,105.53	97,983.90

## Credit or other finance business

Related party	Related relationship	Type of business	Total amount (RMB'0,000)	Actual amount (RMB'0,000)
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	Credit	1,000,000.00	97,983.90

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

Applicable  Not applicable

## 7. Other Major Related-Party Transactions

(1) The Company held the 5th meeting of the 10th Board of Directors on 29 March 2022, and reviewed and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2022, which was submitted to the 2021 Annual General Meeting of the Company for deliberation. The Company held the 2021 Annual General Meeting on 21 April 2022, and deliberated and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2022, agreeing the Company and its subsidiaries to open bank accounts with China Merchants Bank. In 2022, the maximum deposit balance of the Company and its subsidiaries with China Merchants Bank shall not exceed RMB15 billion, and the maximum credit balance shall not exceed RMB20 billion. It approved of the Company and its subsidiaries using the temporarily idle self-owned funds to buy structural deposits and low-risk wealth management products from China Merchants Bank within the upper limit on the deposit balance. For details, please refer to the Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2022 (Announcement No. 2022-028) disclosed by the Company on 31 March 2022, the Announcement on the Resolution of the 2021 General Meeting of Shareholders (Announcement No. 2022-040) disclosed by the Company on 22 April 2022 and other relevant announcements.

(2) The Company held the 5th Meeting of the 10th Board of Directors on 29 March 2022, reviewing and approving the Proposal on Renewing the Financial Service Agreement and Related Party Transactions with China Merchants Group Finance Co., Ltd. which was submitted to the 2021 Annual General Meeting of the Company for deliberation. The Company held the 2021 Annual General Meeting on 21 April 2022, reviewing and approving the Proposal on Renewing the Financial Service Agreement and Related Party Transactions with China Merchants Group Finance Co., Ltd. and agreeing with the renewal of the Financial Service Agreement, with a term of three years, with China Merchants Group Finance Co., Ltd. ("CMG Finance"). For details, please refer to the Announcement on the Renewing the Financial Service Agreement and Related Party Transactions with China Merchants Group Finance Co., Ltd. (Announcement No. 2022-030) disclosed by the Company on 31 March 2022, the Announcement on the Resolution of the 2021 General Meeting of Shareholders (Announcement No. 2022-040) disclosed by the Company on 22 April 2022 and other relevant announcements.

(3) The Company held the 6th Meeting of the 10th Board of Directors on 29 August 2022, at which the Proposal on the Confirmation of the Land Occupancy Right to the Chiwan Port Area and Related-Party Transactions was reviewed and approved. For details, please refer to the Announcement on the Confirmation of the Land Occupancy Right to the Chiwan Port Area and Related-Party Transactions (Announcement No.: 2022-069) disclosed by the Company on 31 August 2022.

(4) The Company held the 9th Extraordinary Meeting of the 10th Board of Directors in 2022 on 29 November 2022, at which, the Proposal on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries and Related-Party Transactions was reviewed and approved. For details, please refer to the Announcement on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries and Related-Party Transactions (Announcement No.: 2022-091) disclosed by the Company on 30 November 2022.

(5) The Company held the 10th Extraordinary Meeting of the 10th Board of Directors in 2022 on 8 December 2022, at which, the Proposal on the Acceptance of the Shares of Antong Holdings Co., Ltd. and Related-Party Transactions was reviewed and approved. For details, please refer to the Announcement on the Acceptance of the Shares of Antong Holdings Co., Ltd. and Related-Party Transactions (Announcement No.: 2022-095) disclosed by the Company on 9 December 2022.

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

Name of provisional reports	Disclosure date	Website
Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2022	31 March 2022	www.cninfo.com.cn
Announcement on the Renewing the Financial Service Agreement and Related Party Transactions with China Merchants Group Finance Co., Ltd.	31 March 2022	www.cninfo.com.cn
Announcement on the Confirmation of the Land Occupancy Right to the Chiwan Port Area and Related-Party Transactions	31 August 2022	www.cninfo.com.cn
Announcement on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries and Related-Party Transactions	30 November 2022	www.cninfo.com.cn
Announcement on the Acceptance of the Shares of Antong Holdings Co., Ltd. and Related-Party Transactions	9 December 2022	www.cninfo.com.cn

## XV Major Contracts and Execution thereof

### 1. Entrustment, Contracting and Leases

#### (1) Entrustment

Applicable  Not applicable

No such cases in the Reporting Period.

#### (2) Contracting

Applicable  Not applicable

No such cases in the Reporting Period.

**(3) Leases**

Applicable  Not applicable

No such cases in the Reporting Period.

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

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Terminal Link S.A.S.	N/A	6,649.01	11 June 2013	6,649.01	General guarantee	Not	Not	About 20 years	Not	Yes
Terminal Link S.A.S.	31 March 2022	11,261.76								
Kingston Freeport Terminal Limited	31 March 2022	5,118.98								
KHOR AMBAD OFZCO	30 March 2019	20,058.05	24 May 2019	12,018.24	Joint-liability	Not	Not	About 13 years	Not	Yes
KHOR AMBAD OFZCO	31 March 2021	7,000.00								
Total approved line for such guarantees in the Reporting Period (A1)			16,380.74	Total actual balance of such guarantees in the Reporting Period (A2)			-			
Total approved line for such guarantees at the end of the Reporting Period (A3)			43,087.80	Total actual balance of such guarantees at the end of the Reporting Period (A4)			18,667.25			
Guarantee between the Company to its subsidiaries										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Chiwan Wharf Holdings (Hong Kong) Limited	31 March 2021	150,000.00	26 Jul 2021	120,000.00	Joint-liability	Not	Not	About 1 year	Yes	Not
Chiwan Wharf Holdings (Hong Kong) Limited	31 March 2022	190,000.00	-	-	-	Not	Not	-	Not	Not

Kong) Limited											
Port Development (Hongkong) Company Limited	31 March 2022	200,000.00	-	-	-	Not	Not	-	Not	Not	
Zhanjiang Port (Group) Co., LTD	31 March 2021	200,000.00									
Total approved line for such guarantees in the Reporting Period (B1)			390,000.00		Total actual amount of such guarantees in the Reporting Period (B2)					-	
Total approved line for such guarantees at the end of the Reporting Period (B3)			540,000.00		Total actual balance of such guarantees at the end of the Reporting Period (B4)					-	
Guarantees provided between subsidiaries											
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not	
China Merchants International Terminal (Qingdao) Co., LTD	16 April 2020	50,000.00	1 January 2021	7,140.00	Joint-liability	Not	Not	About 2 years	Not	Not	
Shenzhen Jinyu Rongtai Investment development Co., LTD	N/A	80,000.00	12 January 2017	56,000.00	Joint-liability	Not	Not	About 10 years	Not	Not	
China Merchants International (China) Investment Co., LTD	N/A	2,500.00	30 June 2016	2,500.00	Joint-liability	Not	Not	About 10 years	Not	Not	
China Merchants Finance Company Limited	4 May 2012	348,230.00	4 May 2012	348,230.00	General guarantee	Not	Not	About 10 years	Yes	Not	
China Merchants Finance Company Limited	3 August 2015	348,230.00	3 August 2015	348,230.00	General guarantee	Not	Not	About 10 years	Not	Not	
CMHI	6 August	626,814.00	6 August	626,814.00	General	Not	Not	About 5	Not	Not	

Finance (BVI) Co., Ltd	2018		2018		guarantee			years		
CMHI Finance (BVI) Co., Ltd	6 August 2018	417,876.00	6 August 2018	417,876.00	General guarantee	Not	Not	About 10 years	Not	Not
CMHI Finance (BVI) Co., Ltd	26 September 2020	557,168.00	9 October 2020	417,876.00	General guarantee	Not	Not	About 3 years	Not	Not
				139,292.00	General guarantee	Not	Not	About 5 years	Not	Not
CMHI Finance (BVI) Co., Ltd	31 March 2022	348,230.00	2 June 2022	348,230.00	General guarantee	Not	Not	About 5 years	Not	Not
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	15,684.98	16 September 2012	15,684.98	General guarantee	Not	Not	About 13 years	Not	Not
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	4,875.22	-	-	-	-	-	-	-	-
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	17,411.50	16 September 2012	17,411.50	General guarantee	Not	Not	Infinite	Not	Not
Lome Container Terminals Co., Ltd	N/A	2,598.02	1 June 2015	467.64	General guarantee	Not	Not	About 9 years	Not	Not
Lome Container Terminals Co., Ltd	N/A	2,598.02	1 June 2015	467.64	General guarantee	Not	Not	About 9 years	Not	Not
Lome Container Terminals Co., Ltd	N/A	2,598.02	1 June 2015	467.64	General guarantee	Not	Not	About 9 years	Not	Not
TCP - TERMINAL DE CONTEI	N/A	31,021.05	19 April 2018	12,408.42	General guarantee	Not	Not	About 6 years	Not	Not

NERES DE PARANAGUA S/A.										
TCP - TERMINAL DE CONTEI NERES DE PARANAGUA S/A.	N/A	57,148.55	7 November 2016	57,148.55	General guarantee	Not	Not	About 6 years	Yes	Not
Shenzhen Haixin Port Development Co., LTD	30 March 2019	219,090.00	26 June 2019	21,690.84	Joint-liability	Not	Not	About 18 years	Not	Not
Zhanjiang Port (Group) Co., LTD	31 March 2021	80,000.00	9 October 2021	26,600.00	Joint-liability	Not	Not	About 3 years	Not	Not
China Merchants International Terminal (Qingdao) Co., LTD	31 March 2022	10,000.00				Not	Not			
China Merchants International Terminal (Qingdao) Co., LTD	31 March 2021	60,000.00				Not	Not			
Hambantota International Port Group Co. Ltd.	31 March 2021	100,000.00				Not	Not			
CMHI Finance (BVI) Co., Ltd	31 March 2021	800,000.00				Not	Not			
TCP - TERMINAL DE CONTEI NERES DE PARANAGUA S/A.	31 March 2021	10,000.00				Not	Not			
Total approved line for such guarantees in the Reporting Period (C1)			358,230.00		Total actual amount of such guarantees in the Reporting Period (C2)					348,230.00
Total approved line			2,816,694.79		Total actual balance of					2,459,156.66



for such guarantees at the end of the Reporting Period (C3)		such guarantees at the end of the Reporting Period (C4)	
Total guarantee amount (total of the three kinds of guarantees above)			
Total guarantee line approved in the Reporting Period (A1+B1+C1)	764,610.74	Total actual guarantee amount in the Reporting Period (A2+B2+C2)	348,230.00
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	3,399,782.59	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	2,477,823.91
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets		45.66%	
Of which:			
Balance of guarantees provided for shareholders, actual controller and their related parties (D)		18,667.25	
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)		2,346,935.50	
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)		-	
Total of the three amounts above (D+E+F)		2,365,602.75	
Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)		None	
Provision of external guarantees in breach of the prescribed procedures (if any)		None	

Particulars of guarantees adopting complex methods

Applicable  Not applicable

### 3. Cash Entrusted to Other Entities for Management

#### (1) Cash Entrusted for Wealth Management

Applicable  Not applicable

No such cases in the Reporting Period.

#### (2) Entrusted Loans

Overview of entrusted loans in the Reporting Period

Unit: RMB'0,000

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

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

Applicable  Not applicable

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

Applicable  Not applicable

### 4. Other Major Contracts

Applicable  Not applicable

No such cases in the Reporting Period.

## **XVI Other Significant Events**

### **(I) Private Placement of A-shares and Subscription of Shares in Ningbo Port**

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

On 26 August 2021, the Company disclosed that it had received the Reply on the Private Placement of A-shares of China Merchants Port Group Co., Ltd. (Guo Zi Chan Quan [2021] No. 457) issued by the State-owned Assets Supervision and Administration Commission of the State Council, which in principle consented to the plan of the Company for a private placement of no more than 576,709,537 A-shares to Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd. (SS). For further information, see Announcement No. 2021-070 on Approval of Private Placement of A-shares by SASAC of the State Council disclosed by the Company dated 27 August 2021.

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

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

On 26 October 2021, the Company received the Announcement on Receiving the Notice of Feedback on the Examination of Administrative License Project (No. 212745) issued by the China

Securities Regulatory Commission (hereinafter referred to as the "Feedback"), which tells that the China Securities Regulatory Commission has examined the application materials for an administrative license of Approval on Non-Public Offering of Shares (A-Share Main Board of Shanghai Stock Exchange and Shenzhen Stock Exchange and B Shares) by Listed Company of China Merchants Port Group Co., Ltd. submitted by the Company, and required the Company to make written descriptions and explanations on relevant issues, and submit a written reply to the administrative license acceptance department of the China Securities Regulatory Commission within 30 days.

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

On 5 July 2022, the Company received the Letter on Properly Preparing the Meeting of the Public Offering Review Committee of the China Securities Regulatory Commission on the Private Placement of China Merchants Port Group Co., Ltd. (hereinafter referred to as the "Letter") from the China Securities Regulatory Commission (CSRC). The Company, together with relevant intermediaries, conscientiously verified and addressed the issues mentioned in the Letter, as required by the CSRC. Upon research, demonstration, and analysis, it replied to the issues listed. For details, see the Reply to the Letter on Properly Preparing the Meeting of the Public Offering Review Committee of the China Securities Regulatory Commission on the Private Placement of China Merchants Port Group Co., Ltd. and the Announcement on the Reply to the Letter on Properly Preparing the Meeting of the Public Offering Review Committee of the China Securities Regulatory Commission on the Private Placement (Announcement No.: 2022-059) released by the Company on 14 July 2022.

The Public Offering Review Committee of the CSRC, on 25 July 2022, reviewed the application for the private placement of A Shares submitted in 2021 by the Company. The application has been approved, according to the result of the review meeting. For details, see the Announcement on the Approval of the Public Offering Review Committee of the China Securities Regulatory Commission for the Application for the Private Placement of A Shares in 2021 (Announcement No.: 2022-061) disclosed by the Company on 26 July 2022.

On 1 August 2022, the Company received the Reply of China Securities Regulatory Commission on the Approval of the Private Placement of China Merchants Port Group Co., Ltd. (ZJXK [2022] No. 1657) (hereinafter referred to as the "Reply"). For details, see the Announcement on the Approval of the China Securities Regulatory Commission for the Application for the Private Placement of A Shares in 2021 (Announcement No.: 2022-062) disclosed by the Company on 2 August 2022.

Pursuant to the Reply, the Company issued, in a private placement, a total of 576,709,537 shares of RMB-denominated ordinary shares (A-shares) at RMB18.50/share, raising a total of

RMB10,669,126,434.50, with the net amount after deducting issuance costs being RMB10,632,533,330.40. Following the arrival of the aforesaid funds, Deloitte Touche Tohmatsu Certified Public Accountants LLP verified the funds and issued a Capital Verification Report for China Merchants Port Group Co., Ltd. (DSB (Y) Z (22) No. 00471) on 16 September 2022. To regulate the management of raised funds and protect the interests of minority investors, the Company opened up a specialized account for raised funds at the Shenzhen branch of China Merchants Bank Co., Ltd. (hereinafter referred to as “CMB Shenzhen”). The Company, together with CMB Shenzhen and sponsors China International Capital Corporation Limited and China Merchants Securities Co., Ltd, signed the Quadripartite Supervision Agreement on the Funds Raised in the Private Placement of A Shares of China Merchants Port Group Co., Ltd. For details, see the Report on the Offering Results of the Private Placement of A Shares and the Announcement on Signing the Quadripartite Supervision Agreement on the Funds Raised (Announcement No.: 2022-077) disclosed by the Company on 23 September 2022.

On 12 October 2022, the A shares issued in the private placement were officially listed. For details, see the Announcement on the Listing of the Privately Placed A Shares and the Summary of the Announcement on the Listing of the Privately Placed A Shares (Announcement No.: 2022-084) disclosed by the Company on 10 October 2022.

## 2. Index to Disclosed Information

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

Announcement No.	Date of the announcement	Title of the announcement
2022-001	8 January 2022	Announcement on the Exit of Investment Fund
2022-002	15 January 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of December 2021
2022-003	15 January 2022	Reminder of the Issuance of 2022 Phase I Super-short-term Financing Bonds
2022-004	20 January 2022	Announcement on Issue Results of 2022 Phase I Super-short-term Financing Bonds
2022-005	29 January 2022	Announcement on Resolutions of the 1 <sup>st</sup> Special Meeting of the 10 <sup>th</sup> Board of Directors in 2022
2022-006	29 January 2022	Announcement on Resolutions of the 1 <sup>st</sup> Special Meeting of the 10 <sup>th</sup> Supervisory Committee in 2022
2022-007	29 January 2022	Announcement on Adjusting the Exercise Prices of the Stock Option Incentive Plan (Phase I) of the Company
2022-008	29 January 2022	Announcement on Adjusting the Numbers of Qualified Awardees and Stock Options to Be Granted of the Stock Option Incentive Plan (Phase I) of the Company
2022-009	29 January 2022	Announcement on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Stock Options (the First Batch to be Granted) of the Stock Option Incentive Plan (Phase I) of the Company
2022-010	29 January 2022	Announcement on Cancelling Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company
2022-011	15 February 2022	Announcement on Completing the Cancellation of Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company

2022-012	15 February 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of January 2022
2022-013	1 March 2022	Announcement on Resolutions of the 2 <sup>nd</sup> Special Meeting of the 10 <sup>th</sup> Board of Directors in 2022
2022-014	1 March 2022	Announcement on Resolutions of the 2 <sup>nd</sup> Special Meeting of the 10 <sup>th</sup> Supervisory Committee in 2022
2022-015	1 March 2022	Announcement on Resignation of Director and Supervisor and By-election of Director and Supervisor
2022-016	2 March 2022	Reminder of the Issuance of 2022 Phase II Super-short-term Financing Bonds
2022-017	5 March 2022	Announcement on Issue Results of 2022 Phase II Super-short-term Financing Bonds
2022-018	15 March 2022	Announcement on the Due Payment of 2021 Phase VII Super & Short-term Commercial Paper
2022-019	15 March 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of February 2022
2022-020	19 March 2022	Announcement on Progress of Incorporation of HK Wholly-owned Subsidiary and Adjustment to Ownership Structure of the Subsidiary
2022-021	26 March 2022	Announcement on Online Investor Meeting on 2021 Annual Results
2022-022	26 March 2022	Reminder of the Issuance of 2022 Phase III Super-short-term Financing Bonds
2022-023	31 March 2022	Announcement on Resolutions of the 5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors
2022-024	31 March 2022	Announcement on Resolutions of the 5 <sup>th</sup> Meeting of the 10 <sup>th</sup> Supervisory Committee
2022-025	31 March 2022	Announcement on 2021 Profit Distribution Plan
2022-026	31 March 2022	Abstract of 2021 Annual Report (Chinese and English Versions)
2022-027	31 March 2022	Announcement on the Confirmation of the Continuing Related-Party Transactions in 2021 and the Estimation of Such Transactions in 2022
2022-028	31 March 2022	Announcement on the Related-Party Transaction Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2022
2022-029	31 March 2022	Announcement on the External Guarantee Progress of a Majority-Owned Subsidiary of the Company in 2021 and the Expected New External Guarantee Line in the Next 12 Months
2022-030	31 March 2022	Announcement on Renewing the Financial Service Agreement and Related Party Transactions with China Merchants Group Finance Co., Ltd.
2022-031	31 March 2022	Special Report on Deposit and Usage of Raised Fund in 2021
2022-032	31 March 2022	Announcement on Reappointment of Accounting Firm in 2022
2022-033	31 March 2022	Notice on Convening the 2021 Annual General Meeting
2022-034	31 March 2022	Announcement on Provision for Asset Impairment for 2021
2022-035	31 March 2022	Announcement on the Voluntary Information Disclosure of the 2021 Annual Results by the Majority-Owned Subsidiary
2022-036	1 April 2022	Announcement on the Issue Results of 2022 Phase III Super-short-term Financing Bonds
2022-037	12 April 2022	Announcement on the Resignation of Deputy General Manager Zhang Yiming
2022-038	15 April 2022	Announcement on the Voluntary Information Disclosure of Business Volume Data of March 2022
2022-039	19 April 2022	Announcement on the Due Payment of 2022 Phase I Super-short-term Financing Bonds
2022-040	22 April 2022	Announcement on the Resolutions of 2021 General Meeting of Shareholders
2022-041	30 April 2022	Announcement on the Resolutions of the 3 <sup>rd</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022
2022-042	30 April 2022	Announcement on the Resolutions of the 3 <sup>rd</sup> Extraordinary Meeting of the 10 <sup>th</sup>

		Board of Supervisors in 2022
2022-043	30 April 2022	The First Quarter Report 2022 (Chinese and English Versions)
2022-044	10 May 2022	Announcement on the 2021 Dividend Payout
2022-045	11 May 2022	Announcement on the Resolutions of the 4th Extraordinary Meeting of the 10th Board of Directors in 2022
2022-046	11 May 2022	Announcement on the Adjustment of a Partially-owned Subsidiary's Security for Its Equity-participating Company
2022-047	11 May 2022	Notice on Convening the 2022 1st Extraordinary General Meeting of Shareholders
2022-048	14 May 2022	Announcement on the Voluntary Information Disclosure of Business Volume Data of April 2022
2022-049	17 May 2022	Announcement on the Resolutions of the 5th Extraordinary Meeting of the 10th Board of Directors in 2022
2022-050	17 May 2022	Notice on the Addition of a Temporary Proposal and Supplementary Notice of the General Meeting of Shareholders to the 2022 1st Extraordinary General Meeting of Shareholders
2022-051	28 May 2022	Announcement on the Resolutions of 2022 First Extraordinary General Meeting of Shareholders
2022-052	28 May 2022	Announcement on the Resolutions of the 6th Extraordinary Meeting of the 10th Board of Directors in 2022
2022-053	28 May 2022	Announcement on the Selection of Vice Chairmen, the By-election of Directors, and the Change in Senior Managers
2022-054	2 June 2022	Announcement on the Issuance of Overseas USD Bonds by a Wholly-owned Subsidiary of a Partially-owned Subsidiary
2022-055	14 June 2022	Reminder of the Issuance of 2022 Phase IV Super-short Commercial Paper
2022-056	15 June 2022	Announcement on the Voluntary Information Disclosure of Business Volume Data of May 2022
2022-057	17 June 2022	Announcement on the Issue Results of 2022 Phase IV Super-short-term Financing Bonds
2022-058	1 July 2022	Announcement on 2022 Interest Payment for 2020 Public Offering of Corporate Bonds (Tranche 1) to Qualified Investors
2022-059	14 July 2022	Announcement on the Reply to the Letter on Properly Preparing the Meeting of the Public Offering Review Committee of the China Securities Regulatory Commission on the Private Placement
2022-060	15 July 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of June 2022
2022-061	26 July 2022	Announcement on the Approval of the Public Offering Review Committee of the China Securities Regulatory Commission for the Application for the Private Placement of A Shares in 2021
2022-062	2 August 2022	Announcement on the Approval of the China Securities Regulatory Commission for the Application for the Private Placement of A Shares in 2021
2022-063	13 August 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of July 2022
2022-064	16 August 2022	Reminder on Restricted Shares Issued in the Offering of Shares for Asset Acquisition and Raising the Matching Funds & the Related-party Transaction Being Allowed for Public Trading
2022-065	31 August 2022	Announcement on Resolutions of the 6 <sup>th</sup> Meeting of the 10 <sup>th</sup> Board of Directors
2022-066	31 August 2022	Announcement on Resolutions of the 6 <sup>th</sup> Meeting of the 10 <sup>th</sup> Supervisory Committee
2022-067	31 August 2022	Interim Report 2022 (Summary) (Chinese and English Versions)
2022-068	31 August 2022	Special Report of the Deposit and Use of Raised Funds for H1 2022
2022-069	31 August 2022	Announcement on the Confirmation of Land Use Rights at the Chiwan Port & the

		Related-party Transaction
2022-070	31 August 2022	Announcement on Voluntary Information Disclosure of the Release of 2022 Interim Results by Majority-owned Subsidiary
2022-071	31 August 2022	Announcement on Online Investor Meeting on 2022 Interim Results
2022-072	1 September 2022	Announcement on Redemption of the 2nd Issue of SCP in 2022 upon Maturity
2022-073	1 September 2022	Reminder on the 5th Issue of SCP in 2022
2022-074	7 September 2022	Announcement on Results of the 5th Issue of SCP in 2022
2022-075	8 September 2022	Notice of the 2 <sup>nd</sup> Extraordinary General Meeting of 2022
2022-076	15 September 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of August 2022
2022-077	23 September 2022	Announcement on Signing the Quadripartite Supervision Agreement on the Funds Raised
2022-078	27 September 2022	Announcement on Resolutions of the 2 <sup>nd</sup> Extraordinary General Meeting of 2022
2022-079	27 September 2022	Announcement on Redemption of the 3 <sup>rd</sup> Issue of SCP in 2022 upon Maturity
2022-080	30 September 2022	Announcement on the Resolutions of the 7 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors in 2022
2022-081	30 September 2022	Announcement on the Resolutions of the 4 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Supervisory Committee in 2022
2022-082	30 September 2022	Announcement on the Appointment of Mr. Liu Bin as Deputy General Manager
2022-083	30 September 2022	Announcement on Cash Management on Idle Raised Funds
2022-084	10 October 2022	Abstract of the Listing Announcement of China Merchants Port Group Co., Ltd. on the Non-public Offering of A Shares
2022-085	15 October 2022	Announcement on the Voluntary Disclosure of the Data on Business Volume for September 2022
2022-086	29 October 2022	The First Quarter Report 2022 (Chinese and English Versions)
2022-087	5 November 2022	Announcement on the Participation in 2022 Shenzhen Online Group Reception Day for Listed Company Investors
2022-088	15 November 2022	Announcement on the Voluntary Disclosure of the Data on Business Volume for October 2022
2022-089	30 November 2022	Announcement on the Resolution of the 2022 9 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors
2022-090	30 November 2022	Announcement on the Resolution of the 2022 6 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Supervisors
2022-091	30 November 2022	Announcement on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries and Related-Party Transactions
2022-092	30 November 2022	Announcement on the Closing of the Investment Project of Offering Shares to Purchase Assets and Raise the Supporting Funds and the Permanent Replenishment of Working Capital with the Surplus Funds Raised
2022-093	30 November 2022	Notice on Convening the 2022 Third Extraordinary General Meeting
2022-094	9 December 2022	Announcement on the Resolution of the 2022 10 <sup>th</sup> Extraordinary Meeting of the 10 <sup>th</sup> Board of Directors
2022-095	9 December 2022	Announcement on the Acceptance of the Shares of Antong Holdings Co., Ltd. and Related-Party Transactions
2022-096	9 December 2022	Announcement on the By-election of the Director and Independent Director

2022-097	9 December 2022	Notice on the Addition of a Temporary Proposal and Supplementary Notice of the General Meeting of Shareholders to the 2022 Third Extraordinary General Meeting of Shareholders
2022-098	13 December 2022	Announcement on the Due Payment of 2022 Phase IV Super & Short-term Commercial Paper
2022-099	15 December 2022	Announcement on the Change of Audit Project Partner and Signing CPA
2022-100	15 December 2022	Announcement on the Voluntary Disclosure of the Data on Business Volume for November 2022
2022-101	24 December 2022	Announcement on the Resolution of the 2022 Third Extraordinary General Meeting
2022-102	30 December 2022	Announcement on the Completion of the Cancellation of the Special Account for Offering Shares to Purchase Assets and Raise the Supporting Funds

### XVII Significant Events of Subsidiaries

Applicable  Not applicable



## Part VII Share Changes and Shareholder Information

### I Share Changes

#### 1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
I. Restricted shares	1,148,658,469	59.7524%	576,709,537	0	0	1,148,651,103	-571,941,566	576,716,903	23.0772%
1. Shares held by state	0	0.0000%	0	0	0	0	0	0	0.0000%
2. Shares held by state-owned legal person	0	0.0000%	576,709,537	0	0	0	576,709,537	576,709,537	23.0769%
3. Shares held by other domestic investors	9,821	0.0005%	0	0	0	-2,455	-2,455	7,366	0.0003%
Including: Shares held by domestic legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by domestic natural person	9,821	0.0005%	0	0	0	-2,455	-2,455	7,366	0.0003%
4. Shares held by foreign investors	1,148,648,648	59.7518%	0	0	0	1,148,648,648	1,148,648,648	0	0.0000%
Including: Shares held by foreign legal person	1,148,648,648	59.7518%	0	0	0	1,148,648,648	1,148,648,648	0	0.0000%
Shares held by foreign natural person	0	0.0000%	0	0	0	0	0	0	0.0000%
II. Unrestricted shares	773,706,655	40.2476%	0	0	0	1,148,651,103	1,148,651,103	1,922,357,758	76.9228%
1. RMB ordinary shares	593,819,745	30.8901%	0	0	0	1,148,648,973	1,148,648,973	1,742,468,718	69.7246%
2. Domestically listed foreign shares	179,886,910	9.3576%	0	0	0	2,130	2,130	179,889,040	7.1982%
3. Overseas listed foreign shares	0	0.0000%	0	0	0	0	0	0	0.0000%

4. Other	0	0.0000%	0	0	0	0	0	0	0.0000%
III. Total shares	1,922,365,124	100.0000%	576,709,537	0	0	0	576,709,537	2,499,074,661	100.0000%

## Reasons for share changes:

(1) On 18 August 2022, the restricted 1,148,648,648 shares held by CMPID, a shareholder of the Company, became unrestricted, causing a change to the volume of the Company's negotiable shares under no restricted sales conditions. For details, please refer to the Prompt Announcement on the Flotation of Restricted Shares in the Offering of Shares to Purchase Assets and Raise the Supporting Funds and Related-Party Transactions (Announcement No.: 2022-064) disclosed by the Company on 16 August 2022.

(2) The A shares offered by the Company in a non-public manner in 2021 officially went floated on 12 October 2022, changing the Company's total share capital and the volume of negotiable shares under a restricted sales condition, with the Company's total share capital increasing from 1,922,365,124 shares to 2,499,074,661 shares. For details, please refer to the Listing Announcement on the Non-public Offering of A Shares and the Abstract of the Listing Announcement on the Non-public Offering of A Shares (Announcement No.: 2022-084) disclosed by the Company on 10 October 2022.

(3) The restricted shares held by the Company's outgoing Senior Management members were changed.

## Approval of the share changes:

On 1 August 2022, the Company received the *Approval of the Private Placement of China Merchants Port Group Co., Ltd.* (Z.J.X.K. [2022] No. 1657) issued by the China Securities Regulatory Commission. For details, see the *Announcement on the Approval of the China Securities Regulatory Commission for the Application for the Private Placement of A Shares in 2021* (Announcement No.: 2022-062) disclosed by the Company on 2 August 2022.

## Transfer of share ownership:

The A shares offered by the Company in a non-public manner officially went floated on 12 October 2022. For details, please refer to the *Listing Announcement on the Non-public Offering of A Shares* and the *Abstract of the Listing Announcement on the Non-public Offering of A Shares* (Announcement No.: 2022-084) disclosed by the Company on 10 October 2022.

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

The Company's primary earnings per share in 2022 were RMB1.61, the diluted earnings per share RMB1.61, and the net assets per share attributable to the Company's common shareholders RMB21.71. By the measurement of the Company's total share capital as at the end of 2021, irrespective of the changes caused by the non-public offering, the Company's primary earnings per share in 2022 was RMB1.74, the diluted earnings per share RMB1.74, and the net assets per share attributable to the Company's common shareholders RMB28.23.

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

Applicable  Not applicable

## 2. Changes in Restricted Shares

Unit: share

Name of shareholders	Number of restricted shares at the period-begin	Number of increased restricted shares	Number of released restricted shares	Number of restricted shares at the period-end	Reason for restriction	Date of restriction release
China Merchants Port Investment Development Company Limited	1,148,648,648	0	1,148,648,648	0	According to relevant laws and regulations and the shareholder commitment	August 2022
Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	0	576,709,537	0	576,709,537	According to relevant laws and regulations and the shareholder commitment	October 2025
Zheng Shaoping	9,821	0	2,455	7,366	According to the Articles of Association and the relevant laws and regulations	November 2023
<b>Total</b>	<b>1,148,658,469</b>	<b>576,709,537</b>	<b>1,148,651,103</b>	<b>576,716,903</b>	--	--

## II Issuance and Listing of Securities

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

Name of Stock and derivative securities thereof	Issue date	Issue price	Issue amount	Listing date	Approved amount for listing	Termination date for trading	Disclosure index	Disclosure date
Stock								
Issuance of shares to specified parties	13 September 2022	RMB1 8.50 /share	576,709,537	12 October 2022	576,709,537		Listing Announcement on Private Placement of A-Shares by China Merchants Port Group Co., Ltd. and other related announcements disclosed on Cninfo	10 October 2022

**Notes:**

The Company held the 6th Extraordinary Meeting of the 10th Board of Directors in 2021 and the 3rd Extraordinary Meeting of the 10th Board of Supervisors in 2021 on 13 July 2021, at which, the *Proposal on the Programme for the Company's Non-public Offering of A Shares* was reviewed and unanimously approved. Additionally, the proposal was deliberated on and approved at the 1st Extraordinary General Meeting of 2021 held on 27 September 2021. For details, please refer to the *Announcement on the Resolution of the 6th Extraordinary Meeting of the 10th Board of Directors in 2021* (Announcement No.: 2021-053) and the *Announcement on the Resolution of the 3rd Extraordinary Meeting of the 10th Board of Supervisors in 2021* (Announcement No.: 2021-054) disclosed by the Company on 14 July 2021, as well as relevant announcements, including the *Announcement on the Resolution of the 1st Extraordinary General Meeting of 2021* (Announcement No.: 2021-087) disclosed by the Company on 28 September 2021.

On 1 August 2022, the Company received the *Approval of the Private Placement of China Merchants Port Group Co., Ltd.* (Z.J.X.K. [2022] No. 1657) issued by the China Securities Regulatory Commission. For details, see the *Announcement on the Approval of the China Securities Regulatory Commission for the Application for the Private Placement of A Shares in 2021* (Announcement No.: 2022-062) disclosed by the Company on 2 August 2022.

As at 15 September 2022, the Company offered Zhejiang Seaport Group 576,709,537 A shares at RMB18.50 per share and raised RMB10,669,126,434.50 in total. With the offering expense of RMB36,593,104.10 deducted (excluding the value-added tax), the Company raised RMB10,632,533,330.40, of which RMB576,709,537.00 was recorded as paid-in capital (share capital) and the remaining RMB10,055,823,793.40 as the capital reserve. For details, please refer to the *Report of China Merchants Port Group Co., Ltd. on the Non-public Offering of A Shares* disclosed by the Company on 23 September 2022.

The A shares offered by the Company in a non-public manner officially went floated on 12 October 2022. For details, please refer to the *Listing Announcement on the Non-public Offering of A Shares* and the *Abstract of the Listing Announcement on the Non-public Offering of A Shares* (Announcement No.: 2022-084) disclosed by the Company on 10 October 2022.

The shares bought by Zhejiang Seaport Group shall not be transferred within 36 months after the non-public offering is completed. When the foregoing restricted sales period expires, Zhejiang Seaport can act in line with the regulations of the China Securities Regulatory Commission and Shenzhen Stock Exchange.

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

During the Reporting Period, the Company completed the offering of 576,709,537 RMB-denominated ordinary shares (A shares) to Zhejiang Seaport Group. After the offering was completed, the Company's total share capital increased from 1,922,365,124 shares to 2,499,074,661 shares.

## **3. Existing Staff-Held Shares**

□ Applicable √ Not applicable

### III Shareholders and Actual Controller

#### 1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge or frozen
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	Foreign legal person	45.96%	1,148,648,648	0	0	1,148,648,648	0
ZHEJIANG PROVINCIAL SEAPORT INVESTMENT & OPERATION GROUP CO., LTD.	State-owned legal person	23.08%	576,709,537	576,709,537	576,709,537	0	0
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	State-owned legal person	14.84%	370,878,000	0	0	370,878,000	0
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	Fund and wealth management products	2.59%	64,850,182	0	0	64,850,182	0

CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	2.57%	64,102,564	0	0	64,102,564	0
BROADFORD GLOBAL LIMITED	State-owned legal person	2.21%	55,314,208	0	0	55,314,208	Unknown
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.25%	6,210,896	165,827	0	6,210,896	Unknown
ZHU HUI	Domestic natural person	0.12%	2,880,003	-78,000	0	2,880,003	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	Foreign legal person	0.10%	2,542,455	-21,100	0	2,542,455	Unknown
MONETARY AUTHORITY OF MACAO-SELF-OWNED FUNDS	Foreign legal person	0.09%	2,172,637	2,172,637	0	2,172,637	Unknown
Strategic investors or general legal person becoming top-ten ordinary shareholders due to placing of new shares (if any)	Among the foregoing shareholders, Shenzhen Infrastructure Investment Fund-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership) subscribed for 64,850,182 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. China-Africa Development Fund subscribed for 64,102,564 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022, and the lock-in period lasts until 12 October 2025.						
Related or acting-in-concert parties among the shareholders above	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a majority-owned subsidiary of Broadford Global Limited, and Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.						
Above shareholders involved in entrusting/being entrusted and giving up voting rights	None						
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)	None						
Top 10 unrestricted shareholders							
Name of shareholder	Unrestricted shares held at the period-end	Shares by type					
		Type	Shares				
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	1,148,648,648	RMB ordinary share	1,148,648,648				
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	370,878,000	RMB ordinary share	370,878,000				
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	64,850,182	RMB ordinary share	64,850,182				

CHINA-AFRICA DEVELOPMENT FUND	64,102,564	RMB ordinary share	64,102,564
BROADFORD GLOBAL LIMITED	55,314,208	Domestically listed foreign share	55,314,208
HONG KONG SECURITIES CLEARING COMPANY LTD.	6,210,896	RMB ordinary share	6,210,896
ZHU HUI	2,880,003	RMB ordinary share	2,880,003
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,542,455	Domestically listed foreign share	2,542,455
MONETARY AUTHORITY OF MACAO-SELF-OWNED FUNDS	2,172,637	RMB ordinary share	2,172,637
MAI SHUQING	2,129,247	RMB ordinary share	2,129,247
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a majority-owned subsidiary of Broadford Global Limited, and Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

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

Yes  No

No such cases in the Reporting Period.

## 2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

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

Change of the controlling shareholder in the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

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

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

Type of the actual controller: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
China Merchants Group	Miao Jianmin	14 October 1986	91110000100005220B	Lease and agency of water/land passenger-cargo transportation, water/land conveyance and facilities; investment and management of port and storage business; salvage, refloatation and tugboat; industrial production; construction, repairing, checking and marketing of shipping, offshore petroleum drilling equipment; repairing and checking of drilling platform and drilling container; overall contracting of water/land construction projects and the related offshore petroleum development projects, and their construction organization and logistic services; procurement, supply and sale of water/land communication and transportation equipment; export and import business of transportation; investment and management of finance, insurance, trust, securities, futures business; investment and management of tourism, hotels, catering services and relevant service; real estate development, management and consultancy of property; investment and management of petroleum and chemical industry; investment and operation of infrastructure of communication; overseas assets management. Development and management of Shenzhen Shekou Industrial Zone and Fujian Zhangzhou Development Zone. (The market body shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the market body must obtain approval from related authorities before carrying out the business activities. The market body shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Shareholdings of the actual controller in other listed companies at home or abroad in this Reporting Period	China Merchants Group holds: 74.35% shares of China Merchants Land Limited; 69.15% shares of Liaoning Port Co., Ltd.; 68.72% shares of China Merchants Expressway Network & Technology Holdings Co., Ltd; 64.82% shares of China Merchants Shekou Industrial Zone Holdings Co., Ltd.; 58.00% shares of Sinotrans Limited; 54.14% shares of China Merchants Energy Shipping Co., Ltd; 51.16% shares of China Merchants Property Operation & Service Co., Ltd.; 45.93% share of China Merchants Port Holdings Company Limited; 44.17% shares of China Merchants Securities Co. Ltd.; 29.97% shares of China Merchants Bank Co., Ltd; 27.97% shares of Nanjing Tanker Corporation; 27.59% shares of China Merchants China Direct Investments Limited.			

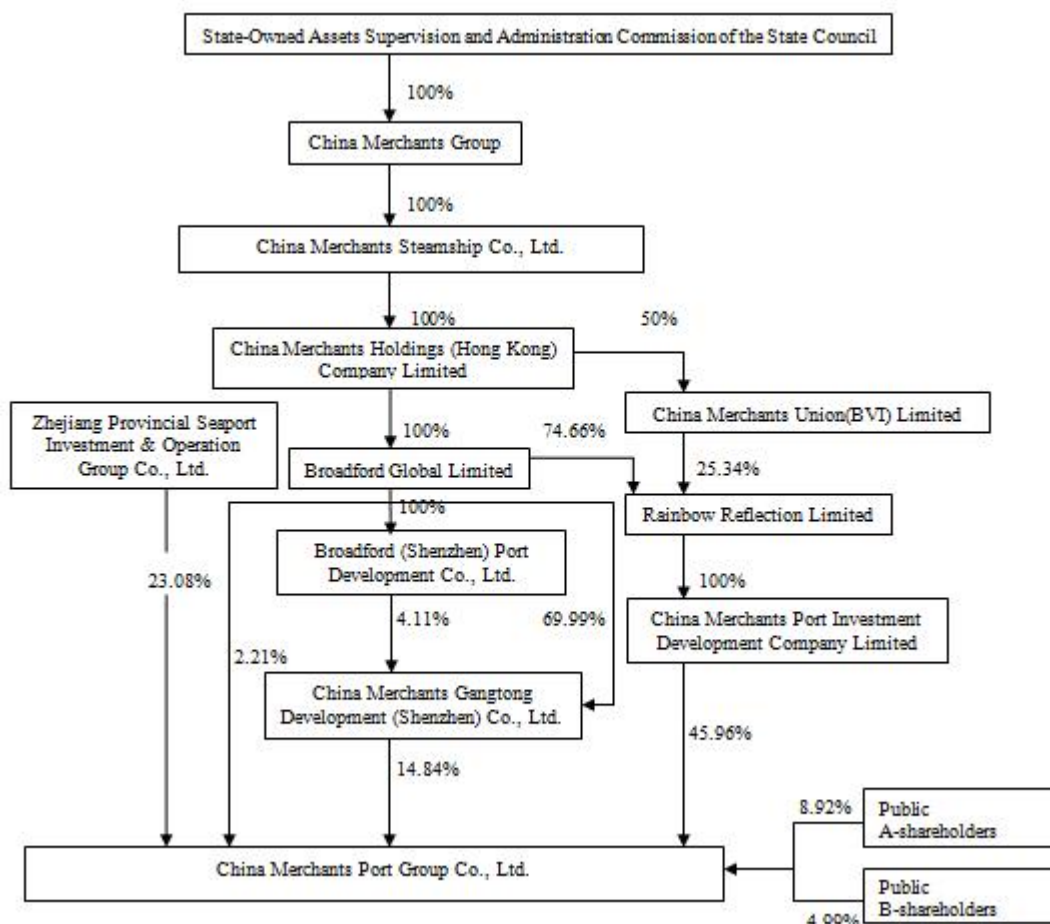
Change of the actual controller during the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

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





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

Applicable  Not applicable

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

Applicable  Not applicable

**5. Other 10% or Greater Corporate Shareholders**

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

Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Mao Jianhong	30 July 2014	RMB50 billion	The exploration and utilization of marine resources, marine industry investment, the management of marine and port resources and capital operations, port investment, construction, and operations, shipping services, commodity reserves, trading, and processing (excluding hazardous chemicals), marine engineering construction, and port engineering design and supervision. (Business activities that require approval in accordance with laws shall be subject to approval by relevant authorities.)
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	Qi Yue	16 January 2018	RMB13,495,525,700	Provision of management services for ports (without involving special administrative measures on the access of foreign investment); port information inquiries, economic information consultation, economic information consultation, corporate management consultation, business information consultation, brand management consultation and logistics information consultation (excluding restricted items in each case); technical development and sales of ship machinery and equipment; technical services in respect of port loading and unloading equipment; supporting businesses in respect of the design, sales, import and export of loading and unloading tools, mechanical and electrical products and non-ferrous metal products (excluding precious metals) (Commodities that involve state trading, quota, license and special administrative regulations shall be operated through the application pursuant to related state regulations); technical development and technical services in respect of modern logistics information systems; supply chain management and related supporting services; design of logistics plans; planning of corporate image; planning of cultural exchange activities (without involving special administrative measures on the access of foreign investment); marketing planning; and planning of brand image. (In each case, any item forbidden by laws, administrative regulations and the State Council shall be excluded and restricted items shall be operated upon the attainment of the permission), licensed business item: none

## 6. Limitations on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers

Applicable  Not applicable

#### **IV Specific Implementation of Share Repurchases in the Reporting Period**

Progress on any share repurchases:

Applicable  Not applicable

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

Applicable  Not applicable

## **Part VIII Preference Shares**

Applicable  Not applicable

No preference shares in the Reporting Period.

## Part IX Bonds

### I Enterprise Bonds

Applicable  Not applicable

No enterprise bonds in the Reporting Period.

### II Corporate Bonds

#### 1. Basic Information of the Corporate Bonds

Unit: RMB

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	20 CMPort 01	149170	7 July 2020	7 July 2020	8 July 2023	2,000,000,000.00	3.36%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shenzhen Stock Exchange
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	22 CMPort 01	148052	29 August 2022 to 30 August 2022	30 August 2022	30 August 2025	3,000,000,000.00	2.69%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal	Shenzhen Stock Exchange

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
								repayment.	
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase II)	22 CMPort 02	148058	5 September 2022 to 6 September 2022	6 September 2022	6 September 2024	3,000,000,000.00	2.45%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shenzhen Stock Exchange
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase III)	22 CMPort 03	148060	8 September 2022 to 9 September 2022	9 September 2022	The maturity date of the bonds is 9 September 2023; if the issuer exercises the redemption option, the maturity date of the bonds is 8 March 2023; if the investor exercises the resale option, the maturity date of the resale portion of the bonds is 8 March 2023.	2,000,000,000.00	1.93%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	The Company's bonds are publicly issued to professional institutional investors								
Applicable trading mechanism	Match-and-deal, negotiate-and-deal, click-and-deal, inquire-and-deal, bid-and-deal								
Risk of termination of listing transactions (if any) and	Not								

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
countermeasures									

Overdue bonds

Applicable  Not applicable

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

Applicable  Not applicable

## 3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai	Huang Yue, Li Weihua, Jiang Qishen, Zhang Min	Wang Hongmei	021-61418888
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300

		Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing			
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai	Xu Xiangzhao, Li Weihua, Pi Dehan	Wang Hongmei	021-61418888
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase II)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai	Xu Xiangzhao, Li Weihua, Pi Dehan	Wang Hongmei	021-61418888
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase III)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street,	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300



		Dongcheng District, Beijing			
Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai		Xu Xiangzhao, Li Weihua, Pi Dehan	Wang Hongmei	021-61418888

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

Yes  No

#### 4. List of the Usage of the Raised Funds

Unit: RMB

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	2,000,000,000.00	2,000,000,000.00	0.00	Normal	None	Yes
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	3,000,000,000.00	3,000,000,000.00	0.00	Normal	None	Yes

2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase II)	3,000,000,000.00	3,000,000,000.00	0.00	Normal	None	Yes
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase III)	2,000,000,000.00	2,000,000,000.00	0.00	Normal	None	Yes

The raised funds were used for project construction

Applicable  Not applicable

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

Applicable  Not applicable

### 5. Adjustment of Credit Rating Results during the Reporting Period

Applicable  Not applicable

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

Applicable  Not applicable

## III Debt Financing Instruments of Non-financial Enterprises

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

Unit: RMB

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
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Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	21 CMPort MTN001	102100703 .IB	14 April 2021	16 April 2021	16 April 2024	2,000,000,000.00	3.52	Interests paid once every year and principals paid in lump sum on the redemption date	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VII 2021)	21 CMPort SCP007	012105379 .IB	10 December 2021 to 13 December 2021	14 December 2021	14 March 2022	0	2.45	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2022)	22 CMPort SCP001	012280274 .IB	17 January 2022	18 January 2022	18 April 2022	0	2.32	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2022)	22 CMPort SCP002	012280798 .IB	2 March 2022	4 March 2022	31 August 2022	0	2.15	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2022)	22 CMPort SCP003	012281252 .IB	28 March 2022	30 March 2022	26 September 2022	0	2.13	Principals and interest paid in lump sum at maturity	Interbank bond market

Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2022)	22 CMPort SCP004	012282116 .IB	14 June 2022	15 June 2022	12 December 2022	0	2.00	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2022)	22 CMPort SCP005	012283152 .IB	1 September 2022	5 September 2022	2 June 2023	1,000,000,000.00	1.75	Principals and interest paid in lump sum at maturity	Interbank bond market
Appropriate arrangement of the investors (if any)	Not applicable								
Applicable trading mechanism	Inquiry								
Risk of termination of listing transactions (if any) and countermeasures	None								

Matured bonds unredeemed

Applicable  Not applicable

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

Applicable  Not applicable

## 3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No.	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
		2016 Shennan Avenue, Shenzhen			
	Joint lead underwriter: CITIC Securities Co., Ltd.	22nd Floor, CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing		Feng Yuan	0755-2383 5888
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VII 2021)	Lead Underwriter: Agricultural Bank of China Co., Ltd.	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing	Uninvolved	An Liwei	010-85109045
	Lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China		Xie Zhijian	010-66592416
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng		Zhong Ting, Liang Ziqiu	027-87339288

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
	Co., Ltd.	District, Beijing			
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2022)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: China Construction Bank Corporation	Building 1, Dean An Xingrong Center, No. 1 Naoshikou Street, Xicheng District, Beijing		Zhou Peng, Xie Yuqian	010-67596478 、 0755-81683042
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2022)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: Industrial and Commercial Bank of China	No. 55 Fuxingmen Inner Street, Xicheng District, Beijing, China		Liu Hanbin	010-81012319
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng		Liu Yongzhao, Chen Shanshan	010-8519 1300

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
		District, Beijing			
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2022)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China		Xie Zhijian	010-66592416
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2022)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Lead Underwriter: Agricultural Bank of China Co., Ltd.	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing		An Liwei	010-85109045
	Law firm: Beijing Junhe	20th Floor, China		Liu Yongzhao, Chen Shanshan	010-8519 1300

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
	Law Firm	Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing			
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2022)	Lead Underwriter: Agricultural Bank of China Co., Ltd.	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing	Uninvolved	An Liwei	010-85109045
	Lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China		Li Xintong	010-66595024
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288

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

Yes  No

#### 4. List of the Usage of the Raised Funds

Unit: RMB

Bonds	Total amount	Amount spent	Unused amount	Operation of special account	Rectification of raised funds for	Whether is consistent with the



				for raised funds (if any)	violation operation (if any)	usage, using plan and other agreements stipulated in the raising specification
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VII 2021)	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2022)	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2022)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2022)	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes
Super-short-term	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes

Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2022)						
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2022)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes

The raised funds were used for project construction

Applicable  Not applicable

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

Applicable  Not applicable

#### **5. Adjustment of Credit Rating Results during the Reporting Period**

Applicable  Not applicable

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

Applicable  Not applicable

#### **IV Convertible Corporate Bonds**

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Yes  No

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

Item	31 December 2022	31 December 2021 (restated)	Change
Current ratio	76.93%	75.96%	1.28%
Debt/asset ratio	35.07%	36.91%	-1.84%
Quick ratio	76.08%	75.32%	1.01%
	2022	2021 (restated)	Change
Net profit before exceptional gains and losses (RMB '0,000)	334,517.02	235,570.03	42.00%
Debt/EBITDA ratio	21.47%	21.65%	-0.18%
Interest cover (times)	4.14	4.62	-10.39%
Cash-to-interest cover (times)	5.02	5.02	0.00%
EBITDA-to-interest cover (times)	6.59	7.16	-7.96%
Debt repayment ratio (%)	100.00%	100.00%	-
Interest payment ratio (%)	100.00%	100.00%	-

## Part X Financial Statements

### I Independent Auditor's Report

Type of the independent auditor's opinion	Standard and unqualified auditor's report
Date of signing this report	31 March 2023
Name of the independent auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Reference number of Audit Report	De Shi Bao (Shen) Zi (23) No. [P03194]
Name of the certified public accountants	Li Weihua, Wang Hongmei

### II Financial Statements

See attached.

China Merchants Port Group Co., Ltd.

Board of Directors

4 April 2023

CHINA MERCHANTS PORT GROUP CO., LTD.

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

CHINA MERCHANTS PORT GROUP CO., LTD.

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

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## AUDITOR'S REPORT

De Shi Bao (Shen) Zi (23) No. P03194  
(Page 1 of 6)

To all the shareholders of China Merchants Port Group Co., Ltd.,

### **I. Audit Opinion**

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

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

### **II. Basis for the Opinion**

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

### **III. Key Audit Matters**

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

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

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194  
(Page 2 of 6)

**III. Key Audit Matters - continued**

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

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

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

**2. Goodwill impairment**

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



**III. Key Audit Matters - continued**

**2. Goodwill impairment - continued**

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

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

**IV. Other Information**

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

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194  
(Page 4 of 6)

**IV. Other Information - continued**

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

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

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

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

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

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

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

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

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194  
(Page 5 of 6)

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

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

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

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194  
(Page 6 of 6)

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

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

Deloitte Touche Tohmatsu CPA LLP  
Shanghai, China

Chinese Certified Public Accountant  
(Engagement Partner)

Li Weihua

Chinese Certified Public Accountant

Wang Hongmei

31 March 2023

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

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 31 DECEMBER 2022

Consolidated Balance Sheet

RMB

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

AT 31 DECEMBER 2022

## Consolidated Balance Sheet - continued

RMB

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

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Wang Xiufeng  
Legal Representative

Tu Xiaoping  
Chief Financial Officer

Huang Shengchao  
Head of Accounting Department

AT 31 DECEMBER 2022

## Balance Sheet of the Company

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated Income Statement

RMB

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

The accompanying notes form part of the financial statements.



CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Income Statement of the Company

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated Cash Flow Statement

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Cash Flow Statement of the Company

RMB

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

The accompanying notes form part of the financial statement

## Consolidated Statement of Changes in Shareholders' Equity

RMB

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

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

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

The accompanying notes form part of the financial statements.

## CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

## The Company's Statement of Changes in Shareholders' Equity

RMB

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

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

RMB

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

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
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**(I) GENERAL INFORMATION OF THE COMPANY**

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

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

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

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

**(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Basis of preparation of financial statements

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

Going concern

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

**(III) STATEMENT OF COMPLIANCE WITH THE ASBE**

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



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

**1. Accounting year**

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

**2. Operating cycle**

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

**3. Functional currency**

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

**4. Basis of accounting and principle of measurement**

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

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

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

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

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

**4. Basis of accounting and principle of measurement - continued**

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

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

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

**5. Business combinations**

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

***5.1 Business combinations involving enterprises under common control***

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
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(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Business combinations - continued

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

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

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

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

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

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

**5. Business combinations - continued**

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

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

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

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

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

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

**6. Consolidated financial statements**

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

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

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

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

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

**6. Consolidated financial statements - continued**

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

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

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

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

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

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

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

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

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

**6. Consolidated financial statements - continued**

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

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

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

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

**7. Joint arrangements**

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

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

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

**8. Cash and cash equivalents**

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

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

*9.1 Transactions denominated in foreign currencies*

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

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

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

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

*9.1 Transactions denominated in foreign currencies* - continued

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

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

*9.2 Translation of financial statements denominated in foreign currencies*

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

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

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



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

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

*9.2 Translation of financial statements denominated in foreign currencies - continued*

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

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

**10. Financial instruments**

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

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

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

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

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

**10. Financial instruments - continued**

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

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

*10.1 Classification, recognition and measurement of financial assets*

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

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

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

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

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

**10. Financial instruments** - continued

*10.1 Classification, recognition and measurement of financial assets* - continued

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

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

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

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

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

*10.1.1 Financial assets measured at amortized cost*

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

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

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

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

**10. Financial instruments - continued**

*10.1 Classification, recognition and measurement of financial assets - continued*

*10.1.2 Financial assets at FVTOCI*

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

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

*10.1.3 Financial assets at FVTPL*

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

*10.2 Impairment of financial instruments*

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

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

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

**10. Financial instruments - continued**

*10.2 Impairment of financial instruments - continued*

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

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

*10.2.1 Significant increase of credit risk*

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

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

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

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

**10. Financial instruments - continued**

*10.2 Impairment of financial instruments - continued*

*10.2.1 Significant increase of credit risk - continued*

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

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

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

**10. Financial instruments - continued**

*10.2 Impairment of financial instruments - continued*

*10.2.1 Significant increase of credit risk - continued*

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

*10.2.2 Credit-impaired financial assets*

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

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

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

*10.2.3 Determination of expected credit loss*

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

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

**10. Financial instruments - continued**

*10.2 Impairment of financial instruments - continued*

*10.2.3 Determination of expected credit loss - continued*

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

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

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

*10.2.4 Write-down of financial assets*

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



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

**10. Financial instruments - continued**

*10.3 Transfer of financial assets*

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

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

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

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

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

**10. Financial instruments - continued**

*10.3 Transfer of financial assets - continued*

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

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

*10.4 Classification of financial liabilities and equity instruments*

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

*10.4.1 Classification, recognition and measurement of financial liabilities*

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

*10.4.1.1 Financial liabilities at FVTPL*

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

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

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

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

**10. Financial instruments - continued**

*10.4 Classification of financial liabilities and equity instruments - continued*

*10.4.1 Classification, recognition and measurement of financial liabilities - continued*

*10.4.1.1 Financial liabilities at FVTPL - continued*

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

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

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

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

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

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

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

**10. Financial instruments - continued**

*10.4 Classification of financial liabilities and equity instruments - continued*

*10.4.1 Classification, recognition and measurement of financial liabilities - continued*

*10.4.1.2 Other financial liabilities*

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

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

*10.4.1.3 Financial guarantee contracts and loan commitments*

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

*10.4.2 Derecognition of financial liabilities*

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

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

**10. Financial instruments - continued**

*10.4 Classification of financial liabilities and equity instruments - continued*

*10.4.2 Derecognition of financial liabilities - continued*

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

*10.4.3 Equity instruments*

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

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

*10.5 Derivatives and embedded derivatives*

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

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

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

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

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

**10. Financial instruments - continued**

*10.5 Derivatives and embedded derivatives - continued*

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

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

*10.6 Offsetting financial assets and financial liabilities*

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

*10.7 Compound instruments*

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

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

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

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

**10. Financial instruments - continued**

*10.7 Compound instruments - continued*

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

*10.8 Reclassification of financial instruments*

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

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

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

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

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

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

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

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

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

**11. Accounts receivable**

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

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

**12. Receivables financing**

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

**13. Inventories**

*13.1 Category of inventories*

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



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

**13. Inventories - continued**

*13.2 Valuation method of inventories upon delivery*

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

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

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

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

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

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

*13.4 Inventory count system*

The perpetual inventory system is maintained for stock system.

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

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

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

**14. Contract assets**

*14.1 Recognition and criteria of contract assets*

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

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

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

**15. Assets held-for-sale**

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

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

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

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

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

**15. Assets held-for-sale - continued**

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

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

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

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

**16. Long-term equity investments**

*16.1 Basis for determining joint control and significant influence over investee*

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

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

**16. Long-term equity investments - continued**

*16.2 Determination of initial investment cost*

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

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

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

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

**16. Long-term equity investments - continued**

*16.2 Determination of initial investment cost - continued*

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

*16.3 Subsequent measurement and recognition of profit or loss*

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

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

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

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

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

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

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

**16. Long-term equity investments - continued**

*16.3 Subsequent measurement and recognition of profit or loss - continued*

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

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

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

*16.4 Disposal of long-term equity investments*

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

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

**16. Long-term equity investments - continued**

*16.4 Disposal of long-term equity investments - continued*

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

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

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

**16. Long-term equity investments - continued**

*16.4 Disposal of long-term equity investments - continued*

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

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

**17. Investment properties**

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

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

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

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

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



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(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

**18. Fixed assets and depreciation**

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

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

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

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

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

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

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

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

**19. Construction in progress**

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

**20. Borrowing costs**

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

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

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(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

**21. Intangible assets**

*21.1 Intangible assets*

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

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

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

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

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

*21.2 Research and development expenditure*

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

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

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

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

**21. Intangible assets - continued**

***21.2 Research and development expenditure - continued***

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

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

**22. Impairment of non-financial assets other than goodwill**

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

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

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

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

**23. Long-term prepaid expenses**

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

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

**24. Contract liabilities**

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

**25. Employee benefits**

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

*25.1 Short-term employee benefits*

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

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

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

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

**25. Employee benefits - continued**

*25.2 Post-employment benefits*

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

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

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

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

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

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

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

**25. Employee benefits - continued**

*25.3 Termination benefits*

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

*25.4 Other long-term employee benefits*

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

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

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

**26. Provisions**

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

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

**26. Provisions - continued**

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

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

**27. Revenue recognition**

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

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

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

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

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



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

**27. Revenue recognition - continued**

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

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

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

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

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

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

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

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

**27. Revenue recognition - continued**

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

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

**28. Contract costs**

*28.1 Costs of obtaining a contract*

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

*28.2 Costs to fulfil a contract*

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

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

**28. Contract costs - continued**

*28.3 Losses of assets related to contract costs*

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

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

**29. Government grants**

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

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

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

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

**29. Government grants - continued**

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

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

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

**30. Income tax**

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

*30.1 Current income tax*

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

*30.2 Deferred tax assets and deferred tax liabilities*

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

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

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

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(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

**30. Deferred tax assets/ deferred tax liabilities - continued**

*30.2 Deferred tax assets and deferred tax liabilities - continued*

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

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

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

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

*30.3 Income tax offsetting*

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

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

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

**31. Leases**

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

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

*31.1 The Group as lessee*

*31.1.1 Separating components of a lease*

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

*31.1.2 Right-of-use assets*

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

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

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

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

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

**31. Leases - continued**

*31.1 The Group as lessee - continued*

*31.1.3 Lease liabilities*

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

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

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

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

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

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

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

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

**31. Leases - continued**

*31.1 The Group as lessee - continued*

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

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

*31.1.5 Lease modifications*

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

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

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

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

*31.2 The Group as lessor*

*31.2.1 Separating components of a lease*

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



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

**31. Leases - continued**

*31.2 The Group as lessor - continued*

*31.2.2 Classification of leases*

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

*31.2.2.1 The Group as lessor under operating leases*

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

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

*31.2.2.2 The Group as lessor under finance leases*

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

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

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

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

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

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

**31. Leases - continued**

*31.2 The Group as lessor - continued*

*31.2.3 Subleases*

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

*31.2.4 Lease modifications*

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

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

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

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

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

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

**31. Leases - continued**

*31.3 Sale and leaseback transactions*

*31.3.1 The Group as the seller-lessee*

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

*31.3.2 The Group as the buyer-lessor*

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

**32. Exchange of non-monetary assets**

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

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

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

**33. Discontinued operation**

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

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

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

**34. Safety production cost**

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

**35. Share-based payments**

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

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

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

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

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

*Goodwill impairment*

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

*Recognition of deferred income tax*

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

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

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

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

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

**(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

**1. Changes in significant accounting policies**

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

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

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

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

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

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

**1. Changes in significant accounting policies - continued**

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

Judgment on onerous contracts

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

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

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

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

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

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

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

**1. Changes in significant accounting policies - continued**

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

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS  
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**(VII) TAXES****1. Major taxes and tax rates**

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

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

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

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

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

## CHINA MERCHANTS PORT GROUP CO., LTD.

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

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#### (VII) TAXES - continued

##### 1. Major taxes and tax rates - continued

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

##### 2. Tax preference

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

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

#### (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

##### 1. Cash and bank balances

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

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**(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued****1. Cash and bank balances - continued**

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

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

**2. Held-for-trading financial assets**

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

**3. Notes receivable****(1) Category of notes receivable**

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

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

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

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

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

## 3. Notes receivable - continued

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

## 4. Accounts receivable

- (1) Aging analysis of accounts receivable

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

- (2) Disclosure of accounts receivable by category

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

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

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

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

4. Accounts receivable - continued

(4) Accounts receivable written off in the year

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

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

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

5. Receivables financing

(1) Classification of receivables financing

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

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

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

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

6. Prepayments

(1) Aging analysis of prepayments

Aging	31/12/2022			31/12/2021		
	Gross carrying amount	Proportion (%)	Impairment provision	Gross carrying amount	Proportion (%)	Impairment provision
Within 1 year	61,917,391.43	97.31	-	51,121,689.93	99.06	-
1-2 years	1,589,158.49	2.50	-	351,693.15	0.68	-
2-3 years	-	-	-	109,329.76	0.21	-
More than 3 years	120,875.50	0.19	-	24,081.36	0.05	-
Total	63,627,425.42	100.00	-	51,606,794.20	100.00	-

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

## 6. Prepayments - continued

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

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

## 7. Other receivables

## 7.1 Summary of other receivables

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

## 7.2 Dividends receivable

## (1) Presentation of dividends receivable

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

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

## 7. Other receivables - continued

## 7.2 Dividends receivable - continued

## (2) Significant dividends receivable aged more than 1 year

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

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

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

## 7.3 Other receivables

## (1) Aging analysis of other receivables

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

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**(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued****7. Other receivables - continued**

## 7.3 Other receivables - continued

## (2) Disclosure of other receivables by nature

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

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

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

## (3) Provision for credit loss of other receivables

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



CHINA MERCHANTS PORT GROUP CO., LTD.

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

7. Other receivables - continued

7.3 Other receivables - continued

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

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

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

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

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

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

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

7. Other receivables - continued

7.3 Other receivables - continued

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

Provision for credit loss	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2022	106,031.43	-	758,458,258.77	758,564,290.20
Balance of other receivables at 1 January 2022				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-37,851.00	-	37,851.00	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	826,764.77	-	-826,764.77	-
Provision for the year	17,847.65	-	218,784,542.22	218,802,389.87
Reversal for the year	-888,341.50	-	-830,770.60	-1,719,112.10
Charge-off for the year	-	-	-	-
Write-off for the year	-	-	-4,000.00	-4,000.00
Other changes	-	-	27,625,572.85	27,625,572.85
At 31 December 2022	24,451.35	-	1,003,244,689.47	1,003,269,140.82

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

Item	Nature	Amount	Reason for write-off	Procedures performed	Arising from related party transactions or not
Entity 1	Others	4,000.00	The business licence has been revoked	Yes	No
Total		4,000.00			

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

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

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

7. Other receivables - continued

7.3 Other receivables - continued

(7) Receivables involving government grants

Name of entity	Item	31/12/2022	Aging	Time and amount expected to be received and its basis
Shantou CM Port Group Co., Ltd. ("Shantou Port")	Special subsidy for barge line business	24,800,000.00	1-2 years	Expected to be recovered by the end of 2023
Shantou Port	Business development subsidy	6,916,257.00	Within 1 year	Expected to be recovered by the end of 2023
Total		31,716,257.00		

8. Inventories

(1) Category of inventories

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

(2) Provision for decline in value of inventories

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

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

9. Assets held-for-sale

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

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

## 9. Assets held-for-sale - continued

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

## 10. Non-current assets due within one year

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

## 11. Other current assets

## (1) Category of other current assets

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

## 12. Long-term receivables

## (1) Details of long-term receivables

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

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

**12. Long-term receivables - continued**

(1) Details of long-term receivables - continued

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

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

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

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

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

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

## 12. Long-term receivables - continued

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

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

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

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

13. Long-term equity investments

(1) Details of long-term equity investments

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

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

13. Long-term equity investments - continued

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

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

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

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

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

14. Investments in other equity instruments

(1) Details of investments in other equity instruments

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



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

## 14. Investments in other equity instruments - continued

## (2) Details of non-trading equity instruments

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

## 15. Other non-current financial assets

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

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

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

16. Investment properties

(1) Investment properties measured at cost

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

(2) Investment properties without ownership certificates

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

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

17. Fixed assets

17.1 Summary of fixed assets

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

17.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Motor vehicles and cargo ships	Total
I. Cost					
1. At 1 January 2022	32,137,263,023.73	1,977,485,549.10	16,457,340,117.72	2,175,153,444.46	52,747,242,135.01
2. Increase for the year	824,913,338.79	38,430,940.99	840,222,928.73	93,115,554.87	1,796,682,763.38
(1) Purchase	64,427,157.97	25,570,736.05	280,632,896.25	19,411,445.14	390,042,235.41
(2) Transfer from development expenditure	27,980,396.94	-	38,496,992.72	-	66,477,389.66
(3) Transfer from construction in progress	732,505,783.88	11,067,263.48	425,985,761.47	73,704,109.73	1,243,262,918.56
(4) Transfer from right-of-use assets	-	-	95,107,278.29	-	95,107,278.29
(5) Transfer from investment properties	-	1,792,941.46	-	-	1,792,941.46
3. Decrease for the year	39,575,331.19	2,188,982.50	177,018,134.23	34,552,586.47	253,335,034.39
(1) Disposal or retirement	39,575,331.19	2,188,982.50	139,582,895.64	34,552,586.47	215,899,795.80
(2) Transfer to long-term prepaid expenses	-	-	37,435,238.59	-	37,435,238.59
4. Adjustments to the amount carried forward	-248,674.87	-54,830.06	-931,505.48	40,150.44	-1,194,859.97
5. Reclassification	-59,369,813.73	-	41,372,754.33	17,997,059.40	-
6. Effect of translation of financial statements denominated in foreign currencies	513,272,979.41	13,522,351.53	306,188,635.81	62,827,472.13	895,811,438.88
7. At 31 December 2022	33,376,255,522.14	2,027,195,029.06	17,467,174,796.88	2,314,581,094.83	55,185,206,442.91
II. Accumulated depreciation					
1. At 1 January 2022	9,650,764,730.66	546,215,006.96	9,774,172,565.39	1,008,208,125.97	20,979,360,428.98
2. Increase for the year	1,000,510,758.97	87,949,643.10	858,672,991.59	103,336,957.39	2,050,470,351.05
(1) Provision	1,000,510,758.97	86,246,348.71	824,986,165.97	103,336,957.39	2,015,080,231.04
(2) Transfer from right-of-use assets	-	-	33,686,825.62	-	33,686,825.62
(3) Transfer from investment properties	-	1,703,294.39	-	-	1,703,294.39
3. Decrease for the year	25,459,493.10	2,062,713.45	159,079,168.62	32,825,589.03	219,426,964.20
(1) Disposal or retirement	25,459,493.10	2,062,713.45	124,761,090.40	32,825,589.03	185,108,885.98
(2) Transfer to long-term prepaid expenses	-	-	34,318,078.22	-	34,318,078.22
4. Reclassification	-6,192,288.70	-	6,192,288.70	-	-
5. Effect of translation of financial statements denominated in foreign currencies	101,374,613.36	3,621,037.39	156,343,400.44	16,570,999.47	277,910,050.66
6. At 31 December 2022	10,720,998,321.19	635,722,974.00	10,636,302,077.50	1,095,290,493.80	23,088,313,866.49
III. Impairment provision					
1. At 1 January 2022	57,419,468.96	63,906.47	42,717.28	-	57,526,092.71
2. Increase for the year	127,517.67	5,921,258.38	-	-	6,048,776.05
3. Disposal or retirement for the year	-	-	-	-	-
4. Reclassification	-	-	-	-	-
5. Other decreases	-	-	-	-	-
6. At 31 December 2022	57,546,986.63	5,985,164.85	42,717.28	-	63,574,868.76
IV. Carrying amount					
1. At 31 December 2022	22,597,710,214.32	1,385,486,890.21	6,830,830,002.10	1,219,290,601.03	32,033,317,707.66
2. At 1 January 2022	22,429,078,824.11	1,431,206,635.67	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 31 December 2022.

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

17. Fixed assets - continued

17.2 Fixed assets - continued

(3) Fixed assets leased out under operating leases

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

(4) Fixed assets without ownership certificates

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

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

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

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

17.3 Disposal of fixed assets

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

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

**18. Construction in progress**

(1) Summary of construction in progress

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

(2) Details of construction in progress

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

CHINA MERCHANTS PORT GROUP CO., LTD.

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

18. Construction in progress - continued

(3) The top ten balances of construction in progress

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

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

## 18. Construction in progress - continued

## (4) Materials for construction of fixed assets

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

## 19. Right-of-use assets

## (1) Details of right-of-use assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Land use rights	Motor vehicles, cargo ships and others	Total
I. Cost						
1. At 1 January 2022	6,607,528,989.94	169,444,697.23	461,374,461.67	2,574,889,099.92	9,309,435.58	9,822,546,684.34
2. Increase for the year	288,309,040.70	393,967.46	173,928.26	17,330,062.14	10,283,003.22	316,490,001.78
(1) Purchase	288,309,040.70	393,967.46	173,928.26	17,330,062.14	10,283,003.22	316,490,001.78
3. Decrease for the year	556,587.63	6,769,725.12	101,023,595.26	-	4,136,016.68	112,485,924.69
(1) Termination of lease	556,587.63	6,769,725.12	5,916,316.97	-	4,136,016.68	17,378,646.40
(2) Transfer to fixed assets	-	-	95,107,278.29	-	-	95,107,278.29
4. Effect of translation of financial statements denominated in foreign currencies	519,444,361.48	11,677,345.59	879,337.36	241,248,931.09	-	773,249,975.52
5. At 31 December 2022	7,414,725,804.49	174,746,285.16	361,404,132.03	2,833,468,093.15	15,456,422.12	10,799,800,736.95
II. Accumulated depreciation						
1. At 1 January 2022	639,047,939.73	44,086,787.40	129,902,044.30	260,521,584.16	5,910,786.56	1,079,469,142.15
2. Increase for the year	256,563,424.65	18,661,456.23	27,974,167.35	40,991,223.00	5,656,348.75	349,846,619.98
(1) Provision	256,563,424.65	18,661,456.23	27,974,167.35	40,991,223.00	5,656,348.75	349,846,619.98
3. Decrease for the year	555,824.01	5,032,643.80	39,201,224.12	-	1,262,972.43	46,052,664.36
(1) Termination of lease	555,824.01	5,032,643.80	5,514,398.50	-	1,262,972.43	12,365,838.74
(2) Transfer to fixed assets	-	-	33,686,825.62	-	-	33,686,825.62
4. Effect of translation of financial statements denominated in foreign currencies	45,649,809.93	2,034,257.96	779,062.14	25,432,286.82	-	73,895,416.85
5. At 31 December 2022	940,705,350.30	59,749,857.79	119,454,049.67	326,945,093.98	10,304,162.88	1,457,158,514.62
III. Impairment provision						
1. At 1 January 2022	-	-	-	-	-	-
2. Increase for the year	-	-	-	-	-	-
3. Decrease for the year	-	-	-	-	-	-
4. At 31 December 2022	-	-	-	-	-	-
IV. Carrying amount						
1. At 31 December 2022	6,474,020,454.19	114,996,427.37	241,950,082.36	2,506,522,999.17	5,152,259.24	9,342,642,222.33
2. At 1 January 2022	5,968,481,050.21	125,357,909.83	331,472,417.37	2,314,367,515.76	3,398,649.02	8,743,077,542.19

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

19. Right-of-use assets - continued

(2) Amount recognized in profit or loss

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

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

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

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

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

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

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



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

## 20. Intangible assets

## (1) Details of intangible assets

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

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

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

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

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

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

## 20. Intangible assets - continued

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

Note: At 31 December 2022, the land use rights without ownership certificates mainly represent the land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group, with an area of 815,234.87 m<sup>2</sup>, and the land use rights for Dachanwan Port area Phase II obtained by ASJ, of which the costs are RMB 1,235,852,249.87 and RMB 918,521,317.23 respectively.

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

## 21. Development expenditure

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

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

## 22. Goodwill

## (1) Original carrying amount of goodwill

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

## (2) Provision for impairment of goodwill

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

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

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

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

## 22. Goodwill - continued

## (4) Impairment test of goodwill and key parameters

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

## 23. Long-term prepaid expenses

Presentation of long-term prepaid expenses:

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

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

**23. Long-term prepaid expenses - continued**

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

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

**24. Deferred income tax**

## (1) Deferred tax assets without offsetting

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

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

## 24. Deferred income tax - continued

## (2) Deferred tax liabilities without offsetting

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

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

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

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

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

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

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

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

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

**25. Other non-current assets**

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

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

**26. Short-term borrowings**

- (1) Classification of short-term borrowings

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

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

## 26. Short-term borrowings - continued

## (1) Classification of short-term borrowings - continued

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

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

## 27. Notes payable

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

## 28. Accounts payable

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

## (1) Aging of accounts payable

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

## (2) Significant accounts payable aged more than one year

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



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

**29. Receipts in advance**

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

(1) Aging of receipts in advance

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

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

**30. Contract liabilities**

(1) Presentation of contract liabilities

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

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

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

(4) Qualitative and quantitative analysis of contract liabilities

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

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

**30. Contract liabilities - continued**

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

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

**31. Employee benefits payable**

- (1) Presentation of employee benefits payable

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

- (2) Presentation of short-term benefits

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

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

**31. Employee benefits payable - continued**

## (3) Defined benefit plans

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

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

**32. Taxes payable**

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

**33. Other payables**

## (1) Summary of other payables

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

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

**33. Other payables - continued**

(2) Dividends payable

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

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

(3) Other payables

(a) Disclosure of other payables by nature

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

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

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

**33. Other payables - continued**

(3) Other payables - continued

(b) Significant other payables aged over 1 year

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

**34. Non-current liabilities due within one year**

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

**35. Other current liabilities**

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

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

35. Other current liabilities - continued

Changes in short-term bonds payable:

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

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

## 36. Long-term borrowings

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

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

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

Details of mortgage and pledged borrowings are as follows:

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

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

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

**37. Bonds payable**

(1) Bonds payable

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



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

37. Bonds payable - continued

(2) Changes in bonds payable

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

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

**38. Lease liabilities**

## (1) Lease liabilities

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

## (2) Maturity of lease liabilities

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

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

**39. Long-term payables**

## (1) Summary of long-term payables

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

## (2) Long-term payables

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

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

**39. Long-term payables - continued**

(2) Long-term payables - continued

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

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

On 9 September 2021, TCP, a subsidiary of the Company, entered into a supplemental agreement to the Lease Agreement with APPA for the franchising rights of the Ports of Paranaguá and Antonina, pursuant to which the base figure for the calculation of franchising rights for the Ports of Paranaguá and Antonina was adjusted from Brazil IGP-M Inflation Index ("IGP-M index") to the Extended National Consumer Price Index ("IPCA index") of Brazilian Institute of Geography and Statistics ("IBGE"). In November 2021, TCP readjusted the franchising rights using the IPCA index. As at 31 December 2022, the amount of franchising rights payable was RMB 2,789,795,209.14.

Note 2: On 15 June 2022, Zhoushan RoRo, a subsidiary of the Company, entered into a finance lease contract for sale and leaseback with China Merchants Finance Leasing (Tianjin) Co., Ltd.

(3) Special payables

Item	31/12/2021	Increase for the year	Decrease for the year	31/12/2022	Reason
Refunds of port construction fee	12,675,502.52	-	12,675,502.52	-	Note 1
Employee housing fund	4,686,678.97	439,962.71	-	5,126,641.68	Note 2
Innovation workshop for model workers	3,897,599.41	-	675,144.38	3,222,455.03	
Total	21,259,780.90	439,962.71	13,350,646.90	8,349,096.71	

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**(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued****39. Long-term payables - continued**

## (3) Special payables - continued

Note 1: This represents the refund of the construction fee received by the Group from the Ministry of Transport, Shenzhen Municipal Transportation Bureau. According to the "Port Construction Fee Management Measures" promulgated by the Ministry of Finance, this payment is dedicated to the construction of water transport infrastructure and terminal construction, which has been fully used in the current period.

Note 2: This represents the repairing fund for public areas and public facilities and equipment established after the Group sells the public-owned house on the collectively allocated land to employees. The fund is contributed by all the employees having ownership of the house according to the rules and is specially managed and used for specific purpose.

**40. Long-term employee benefits payable**

## (1) Long-term employee benefits payable

Item	31/12/2022	31/12/2021
Post-employment benefits - net liabilities of defined benefit plans	516,950,669.03	463,858,274.44
Termination benefits	64,274,552.96	71,467,335.47
Others (Note)	112,285,587.01	117,662,796.72
Total	693,510,809.00	652,988,406.63
Less: Long-term employee benefits payable due within one year	54,414,877.57	64,306,914.00
Long-term employee benefits payable due after one year	639,095,931.43	588,681,492.63

Note: This represents the employee relocation costs of the Company's subsidiary Shantou Port in connection with land acquisition and reservation.

## (2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Item	2022	2021
I. Opening balance	463,858,274.44	429,830,989.42
II. Defined benefit cost included in profit or loss for the period	24,392,165.72	26,633,751.24
1. Current service cost	11,191,538.44	11,482,700.68
2. Past service cost	-	-
3. Interest adjustment	13,200,627.28	15,151,050.56
III. Defined benefit cost included in other comprehensive income	50,820,198.04	31,841,388.55
1. Actuarial gains	49,959,657.35	32,665,927.62
2. Effect of exchange rate changes	860,540.69	-824,539.07
IV. Other changes	-22,119,969.17	-24,447,854.77
1. Benefits paid	-22,119,969.17	-24,447,854.77
2. Changes in the scope of consolidation	-	-
V. Closing balance	516,950,669.03	463,858,274.44

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

## 40. Long-term employee benefits payable - continued

## (2) Changes in defined benefit plans - continued

The Company's subsidiaries provide the registered retirees and in-service staff with supplementary post-employment benefit plans.

The Group hired a third-party actuary to estimate the present value of the above-mentioned retirement benefit plan obligations in an actuarial manner based on the expected cumulative welfare unit method. The Group recognizes the liabilities based on the actuarial results. The relevant actuarial gains or losses are included in other comprehensive income and cannot be reclassified into profit or loss in the future. Past service costs are recognized in profit or loss for the period in which the plan is revised. The net interest is determined by multiplying the defined benefit plan net debt or net assets by the appropriate discount rate.

## 41. Provisions

Item	31/12/2021	Increase for the year	Decrease for the year	Effect of translation of financial statements denominated in foreign currencies	31/12/2022	Reason
Pending litigation	23,243,718.18	17,513,729.66	9,547,298.48	4,155,007.07	35,365,156.43	Note
Sales discount	-	193,589,600.16	193,589,600.16	-	-	
Other	1,003,584.24	-	1,003,584.24	-	-	
Total	24,247,302.42	211,103,329.82	204,140,482.88	4,155,007.07	35,365,156.43	

Note: This represents the estimated compensation amount that the Company's subsidiary TCP may need to pay due to the pending litigation.

## 42. Deferred income

Item	31/12/2021	Increase for the year	Decrease for the year	31/12/2022
Government grants	1,075,566,122.15	1,565,800.00	45,858,732.41	1,031,273,189.74
Unrealized sale-and-leaseback income	391,762.76	-	391,762.76	-
Total	1,075,957,884.91	1,565,800.00	46,250,495.17	1,031,273,189.74

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

## 42. Deferred income - continued

Items involving government grants are as follows:

Category	31/12/2021	Addition	Amount recognized in other income	31/12/2022	Related to assets /related to income
Refund from marine reclamation land	336,471,484.55	-	19,349,167.92	317,122,316.63	Related to assets
Tonggu channel widening project (Note)	262,314,289.68	-	7,057,783.56	255,256,506.12	Related to assets
Special subsidies for facilities and equipment	233,339,756.18	-	10,372,155.79	222,967,600.39	Related to assets
West public channel widening project at West port area (Note)	208,661,435.58	-	5,439,716.28	203,221,719.30	Related to assets
Government subsidies for intelligent system	13,471,673.46	1,090,800.00	1,626,034.95	12,936,438.51	Related to assets
Refund of land transfer charges	6,301,466.61	-	267,200.04	6,034,266.57	Related to assets
Subsidy for green and low carbon port project	140,390.02	-	140,390.02	-	Related to assets
Others	14,865,626.07	475,000.00	1,606,283.85	13,734,342.22	Related to assets
Total	1,075,566,122.15	1,565,800.00	45,858,732.41	1,031,273,189.74	

Note: Refer to Note (VIII) 23 for details.

## 43. Other non-current liabilities

Item	31/12/2022	31/12/2021
Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1)	175,742,813.67	176,939,999.96
Third party borrowings (Note 2)	143,755,523.50	-
Berth priority call right (Note 3)	4,480,217.05	9,595,454.89
Related party borrowings (Note 2)	3,162,000.00	-
Others	1,600,086.28	660,123.68
Total	328,740,640.50	187,195,578.53
Less: Other non-current liabilities due within one year	142,357,523.50	24,130,000.00
Including: Third party borrowings	123,755,523.50	-
Actuarial cost for the calculation of pension benefits difference for the public security bureau staff	15,440,000.00	24,130,000.00
Related party borrowings	3,162,000.00	-
Other non-current liabilities due after one year	186,383,117.00	163,065,578.53

Note 1: Refer to Note (VIII) 49 for details.

Note 2: This represents the principal and interest on borrowings of the subsidiary of the Company Shunkong Port from its minority shareholder Guangdong Shunkong City Investment Real Estate Co., Ltd. and its related party Guangdong Shunkong Transportation Investment Co., Ltd.

Note 3: This represents the berth priority call right as agreed in the contract entered into with the customers in 2003, with total amount of USD14 million. The Group must give priority to the berthing requirements of the contracted customers during the contract period. The Group amortized the berth priority right over 20 years using straight-line method. In 2022, the amount included in operating income is RMB 5,115,237.84.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

44. Share capital

Item	31/12/2021	Changes for the year				31/12/2022
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	
<b>2022</b>						
I. Restricted tradable shares						
1. State-owned shares	-	-	-	-	-	-
2. State-owned legal person shares (Note 1)	-	576,709,537.00	-	-	-	576,709,537.00
3. Other domestic shares	9,821.00	-	-	-	-2,455.00	-2,455.00
4. Foreign shares (Note2)	1,148,648,648.00	-	-	-	-1,148,648,648.00	-1,148,648,648.00
Total restricted tradable shares	1,148,658,469.00	576,709,537.00	-	-	-1,148,651,103.00	-571,941,566.00
II. Non-restricted tradable shares						
1. Ordinary shares denominated in RMB	593,819,745.00	-	-	-	1,148,648,973.00	1,148,648,973.00
2. Foreign capital shares listed domestically	179,886,910.00	-	-	-	2,130.00	2,130.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-
4. Others	-	-	-	-	-	-
Total non-restricted tradable shares	773,706,655.00	-	-	-	1,148,651,103.00	1,148,651,103.00
III. Total shares	1,922,365,124.00	576,709,537.00	-	-	-	576,709,537.00
						2,499,074,661.00

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

44. Share capital - continued

Item	31/12/2020	Changes for the year					31/12/2021
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
<b>2021</b>							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned legal person shares	-	-	-	-	-	-	-
3. Other domestic shares	9,496.00	-	-	-	325.00	325.00	9,821.00
4. Foreign shares	1,148,648,648.00	-	-	-	-	-	1,148,648,648.00
Total restricted tradable shares	1,148,658,144.00	-	-	-	325.00	325.00	1,148,658,469.00
II. Non-restricted tradable shares							
1. Ordinary shares denominated in RMB	593,820,070.00	-	-	-	-325.00	-325.00	593,819,745.00
2. Foreign capital shares listed domestically	179,886,910.00	-	-	-	-	-	179,886,910.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	773,706,980.00	-	-	-	-325.00	-325.00	773,706,655.00
III. Total shares	1,922,365,124.00	-	-	-	-	-	1,922,365,124.00

Note 1: The changes for the year represent 576,709,537 A-shares issued by the Company to Zhejiang Haigang Investment Operation Group Co., Ltd. in a private placement at RMB 18.50 per share. The net proceeds after deducting all issuing expenses amount to RMB 10,632,533,330.40, increasing the share capital by RMB 576,709,537.00 and capital reserve by RMB 10,055,823,793.40.

Note 2: On 30 October 2018, pursuant to the Reply of China Securities Regulatory Commission to Approve Shenzhen Chiwan Wharf Holdings Ltd. on Issuing Shares to China Merchants Investment Development Company Limited for Acquisition of Assets and Raising Supporting Funds (Zheng Jian Xu Ke [2018] No.1750), the Company issued 1,148,648,648 A-shares to China Merchants Investment Development Company Limited, which were listed on SZSE on 26 December 2018, subject to a sale restriction for a period of 36 months from the listing date with an automatic 6-month extension. The restricted shares began to be circulated in 2022, and were transferred into non-restricted shares.



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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

## 45. Capital Reserve

Item	31/12/2021	Increase	Decrease	31/12/2022
<b>2022</b>				
Capital premium	23,189,922,809.62	11,018,890,153.88	-	34,208,812,963.50
Including: Capital contributed by investors (Note 1)	7,012,992,483.94	10,055,823,793.40	-	17,068,816,277.34
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition of minority interests (Note 2)	1,215,209,939.74	950,213,874.28	-	2,165,423,814.02
Others	1,658,783,180.21	12,852,486.20	-	1,671,635,666.41
Other capital reserve	402,779,949.08	151,303,029.21	11,255,106.54	542,827,871.75
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment (Note 3)	9,956,938.60	5,617,671.30	9,983,207.90	5,591,402.00
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	395,604,143.48	145,685,357.91	1,271,898.64	540,017,602.75
Total	23,592,702,758.70	11,170,193,183.09	11,255,106.54	34,751,640,835.25
<b>2021</b>				
Capital premium	22,730,949,021.44	501,665,416.93	42,691,628.75	23,189,922,809.62
Including: Capital contributed by investors	7,012,992,483.94	-	-	7,012,992,483.94
Differences arising from business combination involving enterprises under common control	13,345,628,834.48	-	42,691,628.75	13,302,937,205.73
Differences arising from acquisition of minority interests	714,658,981.71	500,550,958.03	-	1,215,209,939.74
Others	1,657,668,721.31	1,114,458.90	-	1,658,783,180.21
Other capital reserve	108,649,303.12	353,196,864.64	59,066,218.68	402,779,949.08
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	10,096,607.62	11,870,209.58	12,009,878.60	9,956,938.60
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	101,333,828.50	341,326,655.06	47,056,340.08	395,604,143.48
Total	22,839,598,324.56	854,862,281.57	101,757,847.43	23,592,702,758.70

Note 1: Refer to Note (VIII) 44 for details.

Note 2: The changes for the year mainly represent the dividends attributable to CM Port that the Company chose to acquire in the form of share replacement and shareholding increase, which increased the capital reserve by RMB 950,213,874.28. Refer to Note (X) 2 for details.

Note 3: Refer to Note (XIV) 2 for details.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

46. Other comprehensive income

Item	31/12/2021	2022					Other changes	31/12/2022
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to owners of the Company, net of tax	Attributable to minority shareholders, net of tax		
<b>2022</b>								
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	81,233,996.26	-72,230,027.20	-	329,334.05	-22,706,023.29	-49,853,337.96	7,513,669.91	51,014,303.06
Including: Changes arising from remeasurement of defined benefit plans	2,603,415.85	-49,039,668.45	-	-	-12,793,128.73	-36,246,539.72	-	-10,189,712.88
Other comprehensive income that can't be reclassified to profit or loss under equity method	2,643,088.68	-25,906,733.50	-	-	-11,550,762.02	-14,355,971.48	-	-8,907,673.34
Changes in fair value of other equity instruments	75,987,491.73	2,716,374.75	-	329,334.05	1,637,867.46	749,173.24	7,513,669.91	70,111,689.28
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-971,359,314.44	1,696,086,234.25	-	-	228,808,762.94	1,467,277,471.31	-	-742,550,551.50
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	49,431,519.10	-246,633,232.89	-	-	-110,193,707.53	-136,439,525.36	-	-60,762,188.43
Translation differences of financial statements denominated in foreign currencies	-1,020,790,833.54	1,942,719,467.14	-	-	339,002,470.47	1,603,716,996.67	-	-681,788,363.07
Total other comprehensive income	-890,125,318.18	1,623,856,207.05	-	329,334.05	206,102,739.65	1,417,424,133.35	7,513,669.91	-691,536,248.44

CHINA MERCHANTS PORT GROUP CO., LTD.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

46. Other comprehensive income - continued

Item	31/12/2020	2021					Other changes	31/12/2021
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to owners of the Company, net of tax	Attributable to minority shareholders, net of tax		
<b>2021</b>								
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	81,416,891.26	-11,657,252.55	-	-398,211.33	-316,112.17	-10,942,929.05	-133,217.17	81,233,996.26
Including: Changes arising from remeasurement of defined benefit plans	11,318,269.18	-32,665,927.62	-	-	-8,714,853.33	-23,951,074.29	-	2,603,415.85
Other comprehensive income that can't be reclassified to profit or loss under equity method	-6,986,086.44	22,223,934.38	-	-	9,495,957.95	12,727,976.43	-133,217.17	2,643,088.68
Changes in fair value of other equity instruments	77,084,708.52	-1,215,259.31	-	-398,211.33	-1,097,216.79	280,168.81	-	75,987,491.73
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-908,114,194.32	-700,532,642.69	-	-	-60,790,651.33	-639,741,991.36	2,454,468.79	-971,359,314.44
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	31,725,280.52	42,635,389.45	-	-	20,160,707.37	22,474,682.08	2,454,468.79	49,431,519.10
Translation differences of financial statements denominated in foreign currencies	-939,839,474.84	-743,168,032.14	-	-	-80,951,358.70	-662,216,673.44	-	-1,020,790,833.54
Total other comprehensive income	-826,697,303.06	-712,189,895.24	-	-398,211.33	-61,106,763.50	-650,684,920.41	2,321,251.62	-890,125,318.18

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

## 47. Special reserve

Item	31/12/2021	Increase	Decrease	31/12/2022
Safety production cost	9,184,429.12	62,696,039.72	45,522,208.87	26,358,259.97

## 48. Surplus reserve

Item	31/12/2021	Increase	Decrease	31/12/2022
Statutory surplus reserve	961,182,562.00	40,734,887.15	-	1,001,917,449.15

## 49. Unappropriated profit

Item	Amount	Proportion of appropriation or allocation
<b>2022</b>		
Unappropriated profit at the beginning of the year before adjustment	14,205,879,106.49	
Add: Adjustment to unappropriated profit at beginning of the year	-	
Including: Effect of business combinations involving enterprises under common control	-	
Unappropriated profit at the beginning of the year after adjustment	14,205,879,106.49	
Add: Net profit of the year attributable to shareholders of the Company	3,337,446,222.82	
Transfer of other comprehensive income	7,513,669.91	
Less: Transfer to statutory surplus reserve	40,734,887.15	
Transfer to discretionary surplus reserve	-	
Transfer to general risk reserve	-	
Ordinary shares' dividends payable	826,617,003.32	Note (1)
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	3,798,761.66	Note (2)
Others	-	
Unappropriated profit at the end of the year	16,679,688,347.09	

Item	Amount	Proportion of appropriation or allocation
<b>2021</b>		
Unappropriated profit at the beginning of the year before adjustment	12,316,177,395.17	
Add: Adjustment to unappropriated profit at beginning of the year	12,942,703.53	
Including: Effect of business combinations involving enterprises under common control	12,942,703.53	
Unappropriated profit at the beginning of the year after adjustment (restated)	12,329,120,098.70	
Add: Net profit of the year attributable to shareholders of the Company	2,685,829,204.07	
Less: Transfer to statutory surplus reserve	70,492,239.72	
Transfer to discretionary surplus reserve	-	
Transfer to general risk reserve	-	
Ordinary shares' dividends payable	730,498,747.12	
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	3,525,104.12	
Others	4,554,105.32	
Unappropriated profit at the end of the year	14,205,879,106.49	

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

**49. Unappropriated profit - continued**

Note 1: According to the resolution of shareholders' meeting on 21 April 2022, the Company distributes cash dividends of RMB 4.30 (inclusive of tax) for every 10 shares, totalling RMB 826,617,003.32 on the basis of the total shares of 1,922,365,124 at the end of 2021.

Note 2: This represents the difference between the pension benefits under the original standard and the retirement benefits of Zhanjiang municipal police borne by Zhanjiang Port. Zhanjiang Port recognizes the related liabilities based on the actuarial results, and unappropriated profit of RMB 3,798,761.66 is eliminated based on the proportion of equity interest in Zhanjiang Port.

**50. Operating income and operating costs**

## (1) Operating income and operating costs

Item	2022		2021	
	Income	Cost	Income	Cost
Principal operation	16,072,394,601.93	9,433,786,605.46	15,099,983,817.24	8,827,960,579.72
Other operations	158,094,525.62	216,675,107.48	183,824,357.36	218,875,602.77
Total	16,230,489,127.55	9,650,461,712.94	15,283,808,174.60	9,046,836,182.49

## (2) Revenue from contracts

Category of contracts	Ports operation	Bonded logistics operation	Other operations	Total
Mainland China, Hong Kong and Taiwan area	11,540,287,421.98	406,998,753.60	158,094,525.62	12,105,380,701.20
- Pearl River Delta	6,774,045,422.66	263,389,266.60	158,094,525.62	7,195,529,214.88
- Yangtze River Delta	1,139,944,516.62	-	-	1,139,944,516.62
- Bohai Rim	74,222,857.10	143,609,487.00	-	217,832,344.10
- Other areas	3,552,074,625.60	-	-	3,552,074,625.60
Other countries	4,086,514,642.86	38,593,783.49	-	4,125,108,426.35
Total	15,626,802,064.84	445,592,537.09	158,094,525.62	16,230,489,127.55

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

**50. Operating income and operating costs - continued**

## (3) Description of performance obligations

The Group provides port service, bonded logistics service and other services. These services are obligations performed over a period of time. For port services, as the handling time for containers and bulk cargos is short, the management believes that it is not necessary to recognize revenue according to the progress towards the completion of contract and it is an appropriate method to recognize the fulfilment of performance obligation and revenue upon the completion of the service. For bonded logistics service and other services, the customers evenly obtain and consume the economic benefits from the Group's performance of contract, meanwhile the charging rules as agreed in the contract terms usually adopt daily/month/yearly basis. During the process of rendering services, the Group recognizes revenue using straight-line method.

Part of the Group's handling contracts are established with discount terms, i.e. the customers whose business volume reaches agreed level, are granted with preferential charge rate or discount. At the end of the year, as the business volume finally realized within the contract period is uncertain, the contract consideration is subject to variable factors. The management includes this part of discount in other payables and provisions. At the end of the year, the variable considerations arising from sales discount are set out in Note (VIII) 33 (3) and Note (VIII) 41.

**51. Taxes and surcharges**

Item	2022	2021
Property tax	63,233,633.53	70,389,135.52
Land use tax	36,260,260.97	34,202,909.60
City construction and maintenance tax	8,456,389.09	9,898,436.53
Education surcharges and local education surcharges	6,253,550.00	7,369,925.21
Stamp duty	8,694,943.46	3,995,999.87
Others (Note)	159,350,696.41	66,117,837.58
Total	282,249,473.46	191,974,244.31

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, totalled BRL116,502,509.42 (equivalent to RMB 151,706,417.51) for the year.

**52. Administrative expenses**

Item	2022	2021
Employee benefits	1,280,394,043.79	1,254,118,714.39
Fees paid to agencies	80,164,840.55	67,169,001.82
Depreciation expenses	79,095,275.09	71,427,267.44
Amortization of intangible assets	54,493,578.78	62,610,371.46
Others	270,946,998.30	273,835,203.39
Total	1,765,094,736.51	1,729,160,558.50

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

**53. Financial expenses**

Item	2022	2021
Interest expenses	1,960,177,578.36	1,740,044,260.37
Less: Interest income	469,834,098.05	377,563,874.49
Less: Capitalized interest expenses	30,960,097.84	55,177,640.96
Exchange differences	477,004,284.27	-8,805,663.12
Interest expenses -Terminal management rights (Note)	222,326,056.63	145,044,317.17
Interest expenses on lease liabilities	73,619,268.64	79,937,678.42
Handling fee	21,148,526.03	14,643,061.91
Others	5,232,154.38	7,216,457.99
Total	2,258,713,672.42	1,545,338,597.29

Note: Details are set out in Note (VIII) 39.

**54. Other income**

Item	2022	2021
Business development subsidy	94,355,004.33	250,536,747.94
Transfer from allocation of deferred income (Note VIII 42)	45,858,732.41	44,110,161.98
Additional deduction of VAT	45,179,805.12	24,740,974.05
Special fund for operation	7,385,898.57	9,947,660.80
Steady post subsidies	5,771,198.38	15,167,723.22
Others	43,097,431.61	18,741,893.09
Total	241,648,070.42	363,245,161.08

**55. Investment income**

(1) Details of investment income:

Item	2022	2021
Income from long-term equity investments under equity method	7,185,182,148.75	6,290,957,480.59
Including: Income from long-term equity investments of associates under equity method	6,765,840,426.95	6,048,315,587.10
Income from long-term equity investments of joint ventures under equity method	419,341,721.80	242,641,893.49
Income from disposal of long-term equity investments	-20,508.06	225,846,183.50
Investment income from held-for-trading financial assets	152,728,622.47	72,438,700.63
Investment income from other non-current financial assets	39,525,241.71	40,297,383.53
Dividend income from investments in other equity instruments	240,001.46	7,409,762.66
Total	7,377,655,506.33	6,636,949,510.91

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

## 55. Investment income - continued

## (2) Details of income from long-term equity investments under equity method

Investee	2022	2021	Reason for changes
SIPG	4,762,565,562.93	4,190,349,799.99	Changes in net profit of investee
Terminal Link SAS	364,965,366.44	476,262,839.86	Changes in net profit of investee
Ningbo Zhoushan	351,607,511.90	229,363,153.19	Changes in net profit of investee
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	218,696,415.40	130,229,025.57	Changes in net profit of investee
Nanshan Group	206,680,217.04	685,312,588.00	Changes in net profit of investee
Liaoning Port	144,196,061.13	177,413,349.12	Changes in net profit of investee
Euro-Asia Oceangate, S.à.r.l.	140,072,915.26	57,559,118.21	Changes in net profit of investee
Qingdao Qianwan United Container Terminal Co., Ltd.	112,414,404.75	83,154,378.77	Changes in net profit of investee
Yantai Port Group Laizhou Port Co., Ltd	32,565,975.37	33,327,096.27	Changes in net profit of investee
Port of Newcastle	28,511,394.42	12,868,828.80	Changes in net profit of investee
China Merchants Northeast Asia Development and Investment Co., Ltd	-13,657,927.07	8,262,246.98	Changes in net profit of investee
Others	836,564,251.18	206,855,055.83	Changes in net profit of investee
Total	7,185,182,148.75	6,290,957,480.59	

## 56. Gains (Losses) from changes in fair value

Item	2022	2021
Held-for-trading financial assets	34,417,357.38	11,666,053.97
Other non-current financial assets	-163,451,007.49	-96,596,314.84
Including: Financial assets at fair value through profit or loss	-163,451,007.49	-96,596,314.84
Other non-current liabilities	-	306,172,536.04
Including: Financial liabilities at fair value through profit or loss	-	306,172,536.04
Total	-129,033,650.11	221,242,275.17

## 57. Gains (losses) from impairment of credit

Item	2022	2021
I. Gains (losses) from impairment of credit of accounts receivable	-5,939,952.37	-13,674,941.27
II. Gains (losses) from impairment of credit of other receivables	-217,234,842.93	-239,661,663.35
III. Gains (losses) from impairment of credit of long-term receivables	-298,781.25	382,987.12
Total	-223,473,576.55	-252,953,617.50



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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

**58. Gains (losses) from impairment of assets**

Item	2022	2021
Gains (losses) from decline in value of inventories	-573,122.05	-
Gains (losses) from impairment of fixed assets	-6,048,776.05	-
Gains (losses) from impairment of intangible assets	-15,537,122.10	-
Gains (losses) from impairment of long-term equity investments	-	-2,147,208.07
Gains (losses) from impairment of goodwill	-	-418,345,307.68
Total	-22,159,020.20	-420,492,515.75

**59. Gains (losses) on disposal of assets**

Item	2022	2021	Amount included in non-recurring profit or loss for the current year
Gains on disposal of non-current assets	55,130,095.52	35,576,459.42	55,130,095.52
Including: Gains (losses) on disposal of fixed assets	-1,824,719.58	9,374,568.54	-1,824,719.58
Gains on disposal of intangible assets	57,590,483.04	30,064,375.22	57,590,483.04
Other gains (losses)	-635,667.94	-3,862,484.34	-635,667.94

**60. Non-operating income**

Item	2022	2021	Amount included in non-recurring profit or loss for the current year
Operation compensation (Note)	213,574,591.16	-	213,574,591.16
Exempted current accounts	25,091,421.77	1,446,930.55	25,091,421.77
Management service fee and directors' remuneration	8,190,857.40	7,912,260.93	8,190,857.40
Income from relocation compensation	6,955,000.00	-	6,955,000.00
Land rent deduction	6,421,113.49	6,952,470.22	6,421,113.49
Gains from retirement or damage of non-current assets	3,138,573.24	3,613,726.26	3,138,573.24
Including: Gains from retirement or damage of fixed assets	3,138,573.24	3,613,726.26	3,138,573.24
Compensation received for violation of contracts	2,930,876.85	3,519,366.77	2,930,876.85
Government grants	1,640,553.77	875,528.75	1,640,553.77
Insurance claims	341,555.58	886,184.77	341,555.58
Profit from tax saving	-	12,743,050.88	-
Others	10,989,909.51	5,518,018.37	10,989,909.51
Total	279,274,452.77	43,467,537.50	279,274,452.77

Note: Refer to Note (VIII) 7.3 (2) for details.

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

**61. Non-operating expenses**

Item	2022	2021	Amount included in non-recurring profit or loss for the current year
Losses on retirement of non-current assets	162,620,964.79	31,484,815.39	162,620,964.79
Including: Losses on retirement or damage of fixed assets	34,444,521.73	31,294,087.61	34,444,521.73
Donations	21,352,071.53	11,156,992.01	21,352,071.53
Litigation loss	20,603,558.61	11,267,275.13	20,603,558.61
Compensation, liquidated damages and penalties	11,552,735.44	9,220,103.11	11,552,735.44
Others	4,312,924.31	32,399,507.47	4,312,924.31
Total	220,442,254.68	95,528,693.11	220,442,254.68

**62. Income tax expenses**

Item	2022	2021
Current income tax expenses	871,429,455.95	1,162,076,514.07
Deferred income tax expenses	241,750,223.40	267,016,570.24
Total	1,113,179,679.35	1,429,093,084.31

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	2022
Total profit	9,344,862,977.02
Income tax expenses calculated at 25%	2,336,215,744.26
Effect of non-deductible costs, expenses and losses	289,093,163.69
Accrued income tax	396,949,980.28
Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognized in the year	179,395,402.49
Effect of tax-free income (Note)	-1,014,336,274.34
Effect of tax incentives and changes in tax rate	-437,172,907.98
Effect of different tax rates of subsidiaries operating in other jurisdictions	-585,607,312.75
Effect of utilizing deductible losses for which deferred tax assets were not recognized in prior period	-106,596,821.30
Effect of adjustments to income tax of prior year	13,427,061.13
Others	41,811,643.87
Income tax expenses	1,113,179,679.35

Note: This mainly represents the tax effect of income from investments in joint ventures and associates.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

**63. Assets with restricted ownership or use right**

Item	31/12/2022	31/12/2021
Cash and bank balances (Note 1)	9,309,145.94	12,830,212.33
Equity investment in CICT (Note 2)	2,115,796,097.99	2,026,382,103.10
Equity investment in TML (Note 2)	1,047,063,416.30	411,893,452.06
Fixed assets (Note 3)	341,870,382.84	278,015,952.68
Intangible assets (Note 4)	222,040,259.68	212,232,642.30
Construction in progress (Note 4)	4,298,598.50	12,388,924.87
Total	3,740,377,901.25	2,953,743,287.34

Note 1: Details of restricted cash and bank balances are set out in Note (VIII) 1.

Note 2: Details of mortgaged equity and interests are set out in Note (VIII) 36.

Note 3: Details of mortgage borrowings are set out in Note (VIII) 26 and Note (VIII) 36.  
Details of sale and leaseback are set out in (VIII) 39.

Note 4: Details of mortgage borrowings are set out in Note (VIII) 36.

**64. Other comprehensive income, net of tax**

Details are set out in Note (VIII) 46.

**65. Items in cash flow statement**

(1) Other cash receipts relating to operating activities:

Item	2022	2021
Interest income	258,843,106.76	133,986,424.52
Government grants	146,183,117.33	300,310,363.33
Insurance indemnities	58,668,674.41	7,390,248.30
Guarantees and deposits	56,548,699.29	38,247,722.18
Rentals	6,633,711.38	9,641,271.39
Refund of port construction fee and service charges	-	130,668.41
Others	614,917,616.16	534,021,573.18
Total	1,141,794,925.33	1,023,728,271.31

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

## 65. Items in cash flow statement - continued

## (2) Other cash payments relating to operating activities

Item	2022	2021
Advance payment	328,830,785.30	275,907,895.42
Operating expenses such as operating costs and administrative expenses etc.	136,317,839.62	182,351,696.26
Guarantees and deposits	47,134,870.60	28,616,516.45
Rentals	22,559,158.93	14,653,775.08
Harbor dues on cargo	14,619,372.24	15,776,034.06
Port charges	5,422,920.14	11,723,562.35
Port construction fee	-	12,001,158.90
Others	471,440,206.57	334,083,168.45
Total	1,026,325,153.40	875,113,806.97

## (3) Other cash receipts relating to investing activities

Item	2022	2021
Interest on advances for the project	169,844,015.81	162,918,518.18
Net cash receipts from acquisition of subsidiaries and other business units (Note)	74,295,900.85	-
Recovered principal for the advances of the project	45,535,614.18	179,243,313.40
Recovered lending	-	8,980,037.68
Others	5,388,978.50	86,014,701.83
Total	295,064,509.34	437,156,571.09

Note: Refer to Note (VIII) 65 (4) for details.

## (4) Net cash receipts from acquisition of subsidiaries and other business units

Item	2022
Business combination and cash or cash equivalents paid for the year	-
Including: Shunkong Port	-
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	74,295,900.85
Including: Shunkong Port	74,295,900.85
Net cash receipts for acquisition of subsidiaries	74,295,900.85
Including: Shunkong Port	74,295,900.85

## (5) Other cash payments relating to investing activities

Item	2022	2021
Taxes on land acquisition and reserve paid by ATJ	947,426,040.54	-
Staff relocation cost in respect of land acquisition and reserve paid by Shantou Port	-	22,231,894.84
Others	7,376,441.76	406.11
Total	954,802,482.30	22,232,300.95

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

65. Items in cash flow statement - continued

(6) Other cash receipts relating to financing activities

Item	2022	2021
Sale and leaseback proceeds	50,000,000.00	-
Others	6,303,169.80	-
Total	56,303,169.80	-

(7) Other cash payments relating to financing activities

Item	2022	2021
Payment for the Company's acquisition of minority interests of CM Port	660,552,076.54	76,767,514.23
Lease expenses paid	422,373,905.31	412,013,733.57
Payment for non-public shares issued by the Company	7,778,570.52	-
Amount paid by Dalian Port Logistics Network Co., Ltd. ("DPN") for acquisition of minority interests	-	8,748,637.26
Others	33,412,187.98	6,000,631.68
Total	1,124,116,740.35	503,530,516.74

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

## 66. Supplementary information to the cash flow statement

## (1) Supplementary information to the cash flow statement

Supplementary information	2022	2021
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	8,231,683,297.67	7,655,005,989.75
Add: Provision for impairment of assets	22,159,020.20	420,492,515.75
Provision for impairment of credit	223,473,576.55	252,953,617.50
Depreciation of fixed assets	2,015,080,231.04	1,877,442,392.55
Depreciation of investment properties	184,276,397.36	189,639,743.80
Depreciation of right-of-use assets	349,846,619.98	329,603,141.83
Amortization of intangible assets	663,429,174.32	616,107,419.01
Amortization of long-term prepaid expenses	84,874,394.19	53,478,222.59
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	-55,130,095.52	-35,576,459.42
Losses on retirement of fixed assets, intangible assets and other long-term assets	159,482,391.55	27,871,089.13
Losses (gains) on changes in fair value	129,033,650.11	-221,242,275.17
Financial expenses	2,532,320,466.47	1,733,787,046.57
Investment loss (income)	-7,377,655,506.33	-6,636,949,510.91
Decrease in deferred tax assets	25,218,449.44	22,711,365.92
Increase in deferred tax liabilities	216,531,773.96	244,305,204.32
Decrease (increase) in inventories	-30,798,761.65	20,057,846.98
Decrease (increase) in operating receivables	-245,987,914.80	-4,503,635.75
Increase (decrease) in operating payables	-207,459,774.19	-34,857,143.97
Net cash flows from operating activities	6,920,377,390.35	6,510,326,570.48
<b>2. Significant investing and financing activities that do not involve cash receipts and payments:</b>		
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
Fixed assets acquired under finance leases	-	-
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	13,567,309,471.62	12,727,355,238.36
Less: Opening balance of cash	12,727,355,238.36	11,898,618,327.29
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	839,954,233.26	828,736,911.07

## (2) Cash and cash equivalents

Item	31/12/2022	31/12/2021
I. Cash	13,567,309,471.62	12,727,355,238.36
Including: Cash on hand	726,960.10	501,446.73
Bank deposits available for payment at any time	13,045,336,190.09	12,353,104,402.58
Other monetary funds available for payment at any time	521,246,321.43	373,749,389.05
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the year	13,567,309,471.62	12,727,355,238.36

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

67. Foreign currency monetary items

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			1,870,045,925.56
Including: HKD	23,605,028.38	0.8933	21,086,371.85
USD	106,236,908.63	6.9646	739,897,573.84
EUR	50,979,458.93	7.4229	378,415,425.69
RMB	730,646,554.18	1.0000	730,646,554.18
Accounts receivable			178,676,774.99
Including: HKD	1,650,559.86	0.8933	1,474,445.12
USD	3,901,868.86	6.9646	27,174,955.86
EUR	20,211,423.30	7.4229	150,027,374.01
Other receivables			390,135,896.19
Including: HKD	104,683,569.40	0.8933	93,513,832.55
USD	1,318,255.97	6.9646	9,181,125.53
EUR	4,248,621.51	7.4229	31,537,092.61
RMB	255,903,845.50	1.0000	255,903,845.50
Other non-current assets			29,157,826.91
Including: EUR	3,928,091.03	7.4229	29,157,826.91
Short-term borrowings			4,090,000,000.00
Including: RMB	4,090,000,000.00	1.0000	4,090,000,000.00
Accounts payable			48,034,232.32
Including: HKD	2,235,282.58	0.8933	1,996,777.93
USD	10,927.50	6.9646	76,105.67
EUR	6,151,416.39	7.4229	45,661,348.72
RMB	300,000.00	1.0000	300,000.00
Other payables			854,538,294.23
Including: HKD	41,791,974.49	0.8933	37,332,770.81
USD	75,312,750.17	6.9646	524,523,179.83
EUR	7,882,441.07	7.4229	58,510,571.81
RMB	234,171,771.78	1.0000	234,171,771.78
Non-current liabilities due within one year			7,204,940,030.45
Including: USD	938,308,019.19	6.9646	6,534,940,030.45
RMB	670,000,000.00	1.0000	670,000,000.00
Long-term borrowings			4,013,889,870.00
Including: USD	600,000.00	6.9646	4,178,760.00
EUR	45,900,000.00	7.4229	340,711,110.00
RMB	3,669,000,000.00	1.0000	3,669,000,000.00
Bonds payable			11,088,293,099.02
Including: USD	1,592,093,314.62	6.9646	11,088,293,099.02

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## (VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

**68. Government grants**

## (1) New government grants for the year

Type	Amount	Item	Presentation account	Amount included in profit or loss for the year
Related to income	94,355,004.33	Business development subsidy	Other income	94,355,004.33
Related to income	7,385,898.57	Special operation subsidy	Other income	7,385,898.57
Related to income	5,771,198.38	Steady post subsidies	Other income	5,771,198.38
Related to assets	1,090,800.00	Subsidies for intelligent system	Deferred income	-
Related to income	40,691,109.58	Others	Other income	40,691,109.58
Related to income	1,640,553.77	Others	Non-operating income	1,640,553.77
Related to assets	475,000.00	Others	Deferred income	12,500.00
Total	151,409,564.63			149,856,264.63

**69. Leases**

## (1) Lessor under operating lease

Item	Amount
I. Revenue	-
Lease income	267,730,741.43
Including: Income related to variable lease payments that are not included in lease receipts	-
II. Undiscounted lease receipts received after the balance sheet date	
1 <sup>st</sup> year	332,586,492.93
2 <sup>nd</sup> year	147,065,372.48
3 <sup>rd</sup> year	126,383,756.18
4 <sup>th</sup> year	114,227,301.08
5 <sup>th</sup> year	89,037,712.60
Over 5 years	232,530,205.50

Note: The operating leases where the Group acts as the lessor are related to port and terminal facilities, machinery and equipment, vehicles, land and buildings, with lease terms ranging from 1 month to 50 years and option to renew the lease of port and terminal facilities, machinery and equipment, land and buildings. The Group considers that the unguaranteed balance of leased assets does not constitute significant risk of the Group, as the assets are properly used.



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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

69. Lease - continued

(2) Lessee

Item	Amount
Interest expenses on lease liabilities	73,619,268.64
Short-term lease expenses that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	71,711,821.89
Expenses on leases of low-value assets (exclusive of expenses on short-term leases of low-value assets) that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	2,118,098.94
Variable lease payments that are included in cost of related assets or profit or loss but not included in measurement of lease liabilities	-
Including: The portion arising from sale and leaseback transactions	-
Income from sub-lease of right-of-use assets	16,195,950.82
Total cash outflows relating to leases	474,672,225.36
Income (loss) from sale and leaseback transactions	-21,082,256.97
Cash inflows from sale and leaseback transactions	50,000,000.00
Cash outflows from sale and leaseback transactions	217,934,853.80
Others	-

(IX) CHANGES IN SCOPE OF CONSOLIDATION

1. Changes in scope of consolidation due to other reasons

(1) Subsidiary newly added through asset acquisition

Name	Net assets at the end of the year	RMB
Shunkong Port		45,804,616.24

Note: On 18 November 2022, the Company acquired 51% equity interest of Shunkong Port at the consideration of RMB 50,000,000.00.

The above-mentioned acquisition is an asset acquisition, and does not form a business combination.

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**(X) EQUITY IN OTHER ENTITIES**

**1. Interests in subsidiaries**

**(1) Composition of the Group - Major subsidiaries**

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shenzhen Chiwan International Freight Agency Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	550.00	100.00	-	Established through investment
Chiwan Wharf Holdings (Hong Kong) Ltd. (Wharf Holdings Hong Kong)	HK China	HK China	Investment holding	HKD 1,000,000	100.00	-	Established through investment
Dongguan Shenchiwan Port Affairs Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	45,000.00	85.00	-	Established through investment
Dongguan Shenchiwan Wharf Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	40,000.00	100.00	-	Established through investment
Shenzhen Chiwan Harbor Container Co. Ltd.	Shenzhen China	Shenzhen China	Logistics support services	28,820.00	100.00	-	Business combination involving enterprises under common control
Shenzhen Chiwan Port Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	10,000.00	100.00	-	Business combination involving enterprises under common control
Chiwan Container Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 95,300,000	55.00	20.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	2,400.00	100.00	-	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited	HK China	HK China	Logistics support services	HKD 800,000	100.00	-	Business combination involving enterprises under common control
CM Port (Note 1)	HK China	HK China	Investment holding	HKD 46,668,174,000	0.37	45.32	Business combination involving enterprises under common control
China Merchants Bonded Logistics Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	70,000.00	40.00	60.00	Business combination involving enterprises under common control
China Merchants Holdings (International) Information Technology Co., Ltd. ("CM International Tech")	Shenzhen China	Shenzhen China	IT service	8,784.82	13.18	43.74	Business combination involving enterprises under common control
DPN	Liaoning China	Liaoning China	IT service	3,200.00	-	79.03	Business combination involving enterprises under common control
Gangxin Technology	Liaoning China	Liaoning China	IT service	800.00	-	100.00	Business combination involving enterprises under common control
China Merchants International (China) Investment Co., Ltd.	Shenzhen China	Shenzhen China	Investment holding	USD67,400,000	-	100.00	Business combination involving enterprises under common control
China Merchants International Container Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 206,300,000	-	100.00	Business combination involving enterprises under common control
China Merchants Container Services Limited	HK China	HK China	Logistics support services	HKD 500,000	-	100.00	Business combination involving enterprises under common control
China Merchants Port (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	55,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haiqin Project Management Co., Ltd.	Shenzhen China	Shenzhen China	Engineering supervision service	1,000.00	-	100.00	Business combination involving enterprises under common control
ATJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	100.00	Business combination involving enterprises under common control
ASJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	100.00	Business combination involving enterprises under common control
China Merchants International Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 44,000,000	-	90.10	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD 150,000,100	-	85.00	Business combination involving enterprises under common control
Magang Godown & Wharf	Shenzhen China	Shenzhen China	Logistics support services	33,500.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Mawan Port Services Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	20,000.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Tugboat Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	1,500.00	-	70.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	116,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. ("Xiamenwan Port Affairs") (Note 2)	Zhangzhou China	Zhangzhou China	Logistics support services	44,450.00	-	31.00	Business combination involving enterprises under common control
Shekou Container Terminals Ltd.	Shenzhen China	Shenzhen China	Logistics support services	HKD 618,201,200	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianyunjie Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	60,854.90	-	100.00	Business combination involving enterprises under common control
Anxunjie Container Terminals (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	127,600.00	-	100.00	Business combination involving enterprises under common control
Anyunjie Port Warehousing Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	6,060.00	-	80.00	Business combination involving enterprises under common control

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(X) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shenzhen Haixing	Shenzhen China	Shenzhen China	Logistics support services	53,072.92	-	67.00	Business combination involving enterprises under common control
Shenzhen Lianyongtong Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 7,000,000	-	100.00	Business combination involving enterprises under common control
Yide Port	Foshan China	Foshan China	Logistics support services	21,600.00	51.00	-	Business combination involving enterprises under common control
Mega Shekou Container Terminals Limited	BVI	BVI	Investment holding	USD 120.00	-	80.00	Business combination involving enterprises under common control
Lome Container Terminal S.A. (Note 3)	Republic of Togo	Republic of Togo	Logistics support services	XOF 200,000,000	-	35.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	USD 1.00	-	76.47	Business combination involving enterprises under common control
Hambantota International Port Group (Private) Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 1,145,480,000	-	65.00	Business combination involving enterprises under common control
Shantou port	Shantou China	Shantou China	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	80,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	20,000.00	-	100.00	Business combination involving enterprises under common control
Juzhongzhi Investment (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Investment consulting	4,000.00	-	75.00	Business combination involving enterprises under common control
Shenzhen Lianda Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	200.00	-	60.29	Business combination involving enterprises under common control
China Ocean Shipping Tally Zhangzhou Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	200.00	-	84.00	Business combination involving enterprises under common control
China Merchants Holdings (Djibouti) FZE	Djibouti	Djibouti	Logistics support services	USD 38,140,000	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited (hereinafter referred to as "Xinda")	BVI	BVI	Investment holding	USD 107,620,000	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	HK China	HK China	Investment holding	USD 107,620,000	-	100.00	Business combination involving enterprises under common control
TCP	Brazil	Brazil	Logistics support services	BRL 68,851,600	-	100.00	Business combination not involving enterprises under common control
Direcet Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300	-	100.00	Business combination involving enterprises under common control
Zhoushan RoRo	Zhoushan China	Zhoushan China	Logistics support services	17,307.86	51.00	-	Asset acquisition
Shenzhen Haixing Logistics Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	7,066.79	-	67.00	Asset acquisition
Zhanjiang Port	Zhanjiang China	Zhanjiang China	Logistics support services	587,420.91	3.42	54.93	Business combination not involving enterprises under common control
Zhanjiang Port International Container Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	60,000.00	-	80.00	Business combination not involving enterprises under common control
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Note 4)	Zhanjiang China	Zhanjiang China	Logistics support services	18,000.00	-	50.00	Business combination not involving enterprises under common control
China Ocean Shipping Tally Co., Ltd., Zhanjiang	Zhanjiang China	Zhanjiang China	Logistics support services	300.00	-	84.00	Business combination not involving enterprises under common control
Zhanjiang Port Donghaidao Bulk Cargo Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	5,000.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Logistics Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	10,000.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port Haichuan Trading Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	200.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	9,000.00	-	70.00	Business combination not involving enterprises under common control
Ningbo Daxie (Note 5)	Ningbo China	Ningbo China	Logistics support services	120,909.00	-	45.00	Business combination not involving enterprises under common control
Shantou Harbor Towage Service Co., Ltd.	Shantou China	Shantou China	Logistics support services	1,000.00	-	100.00	Established through investment
Sanya Merchants Port Development Co., Ltd.	Sanya China	Sanya China	Logistics support services	1,000.00	51.00	-	Established through investment
Malai Warehousing (Shenzhen) Co., Ltd	Shenzhen China	Shenzhen China	Owning China Qianhai property	HKD 1,600,000,000	-	100.00	Business combination not involving enterprises under common control
Ports Development (Hong Kong) Limited (Note 6)	Hong Kong China	Hong Kong China	Investment holding	2,768,291.56	100.00	-	Established through investment
Shunkong Port	Foshan China	Foshan China	Property development and management	6,122.45	51.00	-	Asset acquisition

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**(X) EQUITY IN OTHER ENTITIES - continued**

**1. Interests in subsidiaries - continued**

**(1) Composition of the Group - Major subsidiaries - continued**

Note 1: On 19 June 2018, the Company and China Merchants Group (Hong Kong) Co., Ltd. ("CMHK") entered into an "Agreement of Concerted Action on China Merchants Port Holdings Company Limited". According to the agreement, CMHK unconditionally keeps consistent with the Company when voting for the matters discussed at the general shareholders' meeting of CM Port in respect of its voting power of CM Port as entrusted, and performs the voting as per the Company's opinion. In March 2022, the Company transferred its 43.00% equity contribution in China Merchants Port Holdings Company Limited to the wholly-owned subsidiary Ports Development (Hong Kong) Co., Ltd.

In June and October 2022, CM Port respectively distributed 2021 dividends and 2022 interim dividends to shareholders. The shareholders may select to receive the dividends all in cash or shares, or receive the dividends part in cash and part in new shares. The Company, Ports Development (Hong Kong) Co., Ltd. and CMHK select to receive all its share of dividends from the shareholding in CM Port in the form of scrip dividends. In 2022, the Company and Ports Development (Hong Kong) Co., Ltd. acquired 64,556,000 ordinary shares of CM Port from the secondary market. Upon the completion of above distribution and the transaction, the proportion of the ordinary shares of CM Port held by the Group to the total issued ordinary shares of CM Port was changed from 43.18% to 45.69%, while the proportion of the ordinary shares of CM Port held by CMHK to the total issued ordinary shares of CM Port was changed from 21.98% to 22.42%. Therefore, the Company has 68.11% voting power of CM Port in total and has control over CM Port.

Note 2: The Group and China Merchants Zhangzhou Development Zone Co., Ltd. entered into an "Equity Custody Agreement", according to which China Merchants Zhangzhou Development Zone Co., Ltd. entrusted its 29% equity of ZCMG to the Group for operation and management. Therefore, the Group has 60% voting power of ZCMG and includes it in the scope of consolidation of the consolidated financial statements.

Note 3: The Group is entitled to the nomination of most members of the executive commission and has control over Lome Container Terminal S.A. Therefore, the Group includes it in the scope of consolidation of the consolidated financial statements.

Note 4: The Group holds 50% equity interest in Zhanjiang Port Petrochemical Terminal Co., Ltd. According to the agreement, the Group has control over Zhanjiang Port Petrochemical Terminal Co., Ltd., and therefore includes it in the scope of consolidation of the consolidated financial statements.

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**(X) EQUITY IN OTHER ENTITIES - continued**

**1. Interests in subsidiaries - continued**

**(1) Composition of the Group - Major subsidiaries - continued**

Note 5: Cyber Chic Company Limited, a subsidiary of the Company, entered into a cooperation agreement with Ningbo Zhoushan. According to the cooperation agreement, Cyber Chic Company Limited and Ningbo Zhoushan will negotiate and communicate to reach a unanimous action before exercising their shareholder rights over Ningbo Daxie. If the parties to the agreement fail to reach a consensus on matters such as the operation and management of Ningbo Daxie, the decision will be based on the opinion of Cyber Chic Company Limited. After the signing of the Cooperation Agreement, Cyber Chic Company Limited and Ningbo Zhoushan together own more than 50% of the voting rights in Ningbo Daxie. As a result, the Group is able to exercise control over Ningbo Daxie and includes it in the scope of consolidation of the consolidated financial statements.

Note 6: Ports Development (Hong Kong) Co., Ltd. is a limited liability company established by the Company in Hong Kong, China on 16 February 2022.

**(2) Significant non-wholly-owned subsidiaries**

Name of the subsidiary	Proportion of ownership interest held by the minority shareholders (%)	Profit or loss attributable to minority shareholders in the current year	Dividends distributed to minority shareholders in the current year	Balance of minority interests at the end of the year
CM Port	54.31	4,707,642,117.09	1,590,573,974.57	68,280,647,974.87

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**(X) EQUITY IN OTHER ENTITIES - continued**

**1. Interests in subsidiaries - continued**

**(3) Key financial information of significant non-wholly-owned subsidiaries**

Name of the subsidiary	31/12/2022						31/12/2021					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CM Port	12,837,082,258.94	137,558,098,661.09	150,395,180,920.03	18,761,895,893.60	25,152,356,977.50	43,914,252,871.10	12,688,479,912.82	129,676,976,538.08	142,365,456,450.90	17,301,652,593.00	26,291,693,462.84	43,593,346,055.84

Name of the subsidiary	2022				2021			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CM Port	10,926,649,847.41	7,771,272,424.87	9,468,881,467.49	5,181,954,271.51	9,835,827,140.59	7,324,839,959.14	6,890,512,293.77	4,700,305,072.57

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**(X) EQUITY IN OTHER ENTITIES - continued****2. Transactions resulting from changes in ownership interests in subsidiaries without losing control over the subsidiaries****(1) Description of changes in ownership interests in subsidiaries**

During the year, the Company's ownership interests in CM Port is changed from 43.18% to 45.69%. Details are set out in Note (X) 1 (1).

**(2) Effect of the transactions on minority interests and equity attributable to owners of the Company**

	<b>CM Port</b>
Acquisition cost	
- Cash	684,350,978.87
- Fair value of non-cash assets	1,408,249,596.23
Total acquisition cost	2,092,600,575.10
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired	3,042,814,449.38
Difference	-950,213,874.28
Including: Adjustment to capital reserve	950,213,874.28
Adjustment to surplus reserve	-
Adjustment to unappropriated profit	-

**3. Interests in joint ventures and associates****(1) Significant joint ventures or associates**

Investee	Principal place of business	Place of registration	Nature of business	Proportion of ownership interests held by the Group (%)		Accounting treatment of investments in associates
				Direct	Indirect	
Associate						
SIPG	Shanghai, PRC	Shanghai, PRC	Port and container terminal business	-	28.05	Equity method

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**(X) EQUITY IN OTHER ENTITIES - continued****4. Key financial information of significant associate**

Item	SIPG	
	31/12/2022 / 2022	31/12/2021/ 2021
Current assets	46,525,054,810.02	50,550,358,636.59
Including: Cash and cash equivalents	26,843,326,028.04	28,494,577,716.81
Non-current assets	135,276,650,788.84	120,237,119,876.27
Total assets	181,801,705,598.86	170,787,478,512.86
Current liabilities	25,863,891,496.14	29,281,912,321.67
Non-current liabilities	34,770,765,671.21	33,699,936,944.88
Total liabilities	60,634,657,167.35	62,981,849,266.55
Minority interests	8,839,640,972.54	8,014,833,731.08
Equity attributable to shareholders of the Company	112,327,407,458.97	99,790,795,515.23
Share of net assets calculated based on the proportion of ownership interests	31,507,837,792.24	26,584,267,925.26
Adjustments		
- Goodwill	2,427,508,397.27	2,066,192,806.75
- Others	236,552,011.66	193,346,651.68
Carrying amount of equity investments in associates	34,171,898,201.17	28,843,807,383.69
Fair value of publicly quoted equity investments in associates	34,877,210,592.30	33,990,040,779.28
Operating income	37,279,806,723.63	34,288,697,334.43
Net profit	17,910,112,648.83	15,480,719,994.16
Other comprehensive income	-526,788,637.24	573,880,124.36
Total comprehensive income	17,383,324,011.59	16,054,600,118.52
Dividends received from associates in the current year	1,240,688,187.97	793,927,959.22

**5. Summarized financial information of insignificant associates and joint ventures**

Item	31/12/2022 /2022	31/12/2021 / 2021
<b>Joint ventures:</b>		
Total carrying amount of investments	9,716,793,055.72	8,540,003,758.64
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	419,341,721.80	242,641,893.49
- Other comprehensive income	175,421,702.38	4,375,404.14
- Total comprehensive income	594,763,424.18	247,017,297.63
<b>Associates:</b>		
Total carrying amount of investments	48,475,602,662.16	32,969,640,682.19
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	2,003,274,864.02	1,857,965,787.11
- Other comprehensive income	-300,868,120.56	-92,265,491.63
- Total comprehensive income	1,702,406,743.46	1,765,700,295.48

**6. The investees where the Group holds long-term equity investments are not restricted to transfer funds to the Group.**



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**(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS****1. Currency risk**

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD, USD and EUR. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 31 December 2022, the balances of the Group's assets and liabilities are both denominated in functional currency, except that the assets and liabilities set out below are recorded using foreign currencies. Currency risk arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

Item	31/12/2022	31/12/2021
Cash and bank balances	799,833,569.05	304,226,402.75
Accounts receivable	29,766,083.42	37,640,821.94
Other receivables	360,531,571.16	292,001,737.01
Short-term borrowings	4,090,000,000.00	653,200,000.00
Accounts payable	2,372,883.60	3,534,444.32
Other payables	246,131,122.92	131,844,034.16
Non-current liabilities due within one year	670,000,000.00	2,585,407,534.25
Long-term borrowings	3,669,000,000.00	670,000,000.00
Long-term payables	-	3,433,175,756.61

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures. According to the current risk exposure and judgment on the exchange rate movements, the management considers it is unlikely that the exchange rate changes in the next year will result in significant loss to the Group.

## Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all the cash flow hedges and hedges of a net investment in a foreign operation are highly effective. On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Item	Changes in exchange rate	2022		2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-383,846,068.61	-383,846,068.61	-146,440,030.80	-146,440,030.80
All foreign currencies	5% decrease against RMB	383,846,068.61	383,846,068.61	146,440,030.80	146,440,030.80
All foreign currencies	5% increase against USD	5,221,127.37	5,221,127.37	5,092,313.03	5,092,313.03
All foreign currencies	5% decrease against USD	-5,221,127.37	-5,221,127.37	-5,092,313.03	-5,092,313.03
All foreign currencies	5% increase against HKD	3,837,255.04	3,837,255.04	-201,218,971.96	-201,218,971.96
All foreign currencies	5% decrease against HKD	-3,837,255.04	-3,837,255.04	201,218,971.96	201,218,971.96
All foreign currencies	5% increase against EUR (including FCFA)	419,047.06	419,047.06	402,049.34	402,049.34
All foreign currencies	5% decrease against EUR (including FCFA)	-419,047.06	-419,047.06	-402,049.34	-402,049.34

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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.

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumptions:

- Fluctuations of market interest rate can affect the interest income or expense of a financial instrument with floating interest rate;
- For a financial instrument at fair value with fixed interest rate, the fluctuations of market interest rate can only affect its interest income or expense;
- For a derivative financial instrument designated as hedging instrument, the fluctuations of market interest rate affect its fair value, and all interest rate hedges are expected to be highly effective;
- The changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated using cash flow discounting method by applying the market interest rate at balance sheet date.

On the basis of above assumptions, where the other variables held constant, the pre-tax effect of possible and reasonable changes in interest rate on the profit or loss for the period and shareholders' equity are as follows:

Item	Changes in interest rate	2022		2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-207,621,560.74	-207,621,560.74	-163,962,806.32	-163,962,806.32
Short-term borrowings and long-term borrowings	1% decrease	207,621,560.74	207,621,560.74	163,962,806.32	163,962,806.32

**3. Liquidity risk**

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

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**(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued****3. Liquidity risk - continued**

As at 31 December 2022, the Group had total current liabilities in excess of total current assets of RMB 6,123,555,489.62. As at 31 December 2022, the Group had available and unused line of credit and bonds amounting to RMB 74,112,485,433.51, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the Group's management believes that the Group has no significant liquidity risk.

The following is the maturity analysis for financial assets and financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Item	Carrying amount	Gross amount	Within 1 year	1 to 5 years	Over 5 years
Short-term borrowings	7,164,338,366.18	7,235,206,811.18	7,235,206,811.18	-	-
Accounts payable	811,149,397.66	811,149,397.66	811,149,397.66	-	-
Other payables	1,755,885,258.26	1,755,885,258.26	1,755,885,258.26	-	-
Non-current liabilities due within one year	11,571,368,811.38	13,000,513,740.76	13,000,513,740.76	-	-
Other current liabilities	3,161,147,525.96	3,175,491,532.81	3,175,491,532.81	-	-
Long-term borrowings	12,390,099,177.85	13,332,739,038.22	-	11,944,558,295.20	1,388,180,743.02
Bonds payable	19,088,293,099.02	20,991,603,102.02	-	16,723,687,844.84	4,267,915,257.18
Lease liabilities	948,350,914.04	1,598,294,958.62	-	364,988,464.83	1,233,306,493.79
Other non-current liabilities	20,000,000.00	20,543,476.71	-	20,543,476.71	-
Long-term payables	3,542,966,493.60	3,546,292,462.09	-	643,944,866.57	2,902,347,595.52

**(XII) DISCLOSURE OF FAIR VALUE****1. Closing balance of assets and liabilities measured at fair value**

Item	Fair value at 31/12/2022			Total
	Level 1	Level 2	Level 3	
	Fair value measurement	Fair value measurement	Fair value measurement	
<b>Continuously measured at fair value</b>				
Held-for-trading financial assets	135,742.11	2,998,645,857.52	-	2,998,781,599.63
Receivables financing	-	-	163,766,913.10	163,766,913.10
Investments in other equity instruments	-	-	171,945,275.02	171,945,275.02
Other non-current financial assets	1,717,875,084.72	-	27,865,811.69	1,745,740,896.41
Total assets continuously measured at fair value	1,718,010,826.83	2,998,645,857.52	363,577,999.81	5,080,234,684.16

**2. Basis for determining the market price of items continuously measured at level 1 fair value**

The market prices of held-for-trading financial assets and other non-current financial assets are determined based on the closing price of the equity instruments at Stock Exchange at 31 December 2022.

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**(XII) DISCLOSURE OF FAIR VALUE - continued****3. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 2 fair value**

Item	Fair value at 31/12/2022	Valuation techniques	Inputs
Held-for-trading financial assets	2,998,645,857.52	Cash flow discounting	Expected rate of return

The fair value of debt instruments at fair value through profit or loss is determined using the cash flow discounting approach. During the valuation, the Group adopts the expected return as the input.

**4. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 3 fair value**

Item	Fair value at 31/12/2022	Valuation techniques	Inputs
Receivables financing	163,766,913.10	Cash flow discounting	Discount rate
Investments in other equity instruments	171,945,275.02	Net worth method	Carrying amount
Other non-current financial assets	2,000,000.00	Cash flow discounting	Discount rate
Other non-current financial assets	723,955.24	Net worth method	Carrying amount
Other non-current financial assets	25,141,856.45	Listed company comparison approach	Share price

The fair value of non-listed equity instruments included in equity instruments at fair value through profit or loss or other comprehensive income is determined using the valuation techniques such as cash flow discounting method, net worth method, listed company comparison approach etc. During the valuation, the Group needs to make estimates in respect of the future cash flows, credit risk, market volatility and relevance etc., select appropriate discount rate and take into consideration the adjustment of discount and premium.

**5. Fair value of financial assets and financial liabilities not measured at fair value**

The financial assets and liabilities not measured at fair value mainly include notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, lease liabilities and long-term payables etc.

The Group's management believes that the carrying amounts of financial assets and financial liabilities at amortized cost in the financial statements approximate their fair values.

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**(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**

**1. Parent of the Company**

Name of the Company	Related party relationship	Type of the entity	Place of registration	Nature of business	Issued share capital	Proportion of ownership interests held by the Company (%)	Proportion of voting power held by the Company (%)
Broadford Global Limited	Parent	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.21	63.01 (Note)

Note: Broadford Global Limited directly holds 2.21% equity of the Company, and indirectly holds 14.84% and 45.96% equity of the Company through the subsidiaries China Merchants Gangtong Development (Shenzhen) Co., Ltd. and China Merchants Port Investment Development Company Limited (formerly known as China Merchants Investment Development Co., Ltd.) respectively. The ultimate controlling shareholder of the Company is China Merchants Group.

**2. Subsidiaries of the Company**

Details of the subsidiaries of the Company are set out in Note (X) 1.

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**(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued**

**3. Associates and joint ventures of the Company**

Details of the Company's significant joint ventures and associates are set out in Note (X) 3.

Other joint ventures or associates that have related party transactions with the Group in the current year, or formed balances of related party transactions with the Group in the prior year are as follows:

<b>Name of joint venture or associate</b>	<b>Relationship with the Company</b>
Port of Newcastle and its subsidiaries	Joint venture
Guizhou East Land Port Operation Co., Ltd.	Joint venture
Qingdao Qianwan United Container Terminal Co., Ltd.	Joint venture
Qingdao Qianwan West Port United Wharf Co., Ltd.	Joint venture
Qingdao Qianwan New United Container Terminal Co., Ltd.	Joint venture
COSCO Logistics (Zhanjiang) Co., Ltd.	Joint venture
China Ocean Shipping Agency (Zhanjiang) Co., Ltd	Joint venture
Yantai Port Group Laizhou Port Co., Ltd.	Joint venture
Qingdao Wutong Century Supply Chain Co., Ltd.	Joint venture
China Merchants Port (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) ("Investment Fund")	Joint venture
Doraleh Multi-purpose Port	Associate
Great Horn Development Company FZCo	Associate
International Djibouti Industrial Parks Operation FZCo	Associate
Port de Djibouti S.A.	Associate
Terminal Link SAS	Associate
Tin-Can Island Container Terminal Ltd	Associate
Guizhou Qiandongnan Continental Land Port Operation Co., Ltd.	Associate
Nanshan Group and its subsidiaries	Associate
SIPG	Associate
Ningbo Zhoushan and its subsidiaries	Associate
Shenzhen Baohong Technology Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Merchants Port City	Associate
Zhanjiang Xiangang United Development Co., Ltd.	Associate
Zhangzhou COSCO Shipping Agency Co., Ltd.	Associate
Chu Kong River Trade Terminal Co., Ltd.	Associate
Shantou Zhonglian Tally Co., Ltd	Associate
Shantou International Container Terminals Limited	Associate
Shenzhen Bay Electricity Industry Co., Ltd.	Associate
Tianjin Port Container Terminal Co., Ltd.	Associate
Lac Assal Investment Holding Company Limited	Associate
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Associate
Liaoning Port and its subsidiaries	Associate, controlled by the same ultimate controlling shareholder

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**(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued**

**4. Other related parties of the Company**

<b>Name of other related parties</b>	<b>Relationship with the Company</b>
Antong Holdings and its subordinate companies (Note)	The same related natural person
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	Minority shareholder of subsidiary
Zhoushan Blue Ocean Investment Co., Ltd.	Minority shareholder of subsidiary
Sri Lanka Ports Authority	Minority shareholder of subsidiary
Guangdong Shunkong City Investment Real Estate Co. Ltd.	Minority shareholder of subsidiary
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hoi Tung (Shanghai) Company Limited	Controlled by the same ultimate controlling shareholder
Hoi Tung (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
South China Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
EuroAsia Dockyard Enterprise and Development Limited	Controlled by the same ultimate controlling shareholder
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Penavico Shenzhen Warehousing Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Merchants to Home Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Property Management (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards (Shekou) Limited	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards Limited	Controlled by the same ultimate controlling shareholder
China Merchants International Cold Chain (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Group Finance Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Port Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Shanghai) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchant Food (China) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Tongshang Finance Lease Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Logistics Group Qingdao Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Securities Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Traffic Import and Export Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Changhang Group Limited	Controlled by the same ultimate controlling shareholder
China Merchants Your Cellar (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Dehan Investment Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder

Note: Zheng Shaoping resigned as the deputy general manager of the Company on 6 August 2021 and became the chairman of Antong Holdings within 12 months of his departure. Therefore, the related party relationship between the Group and Antong Holdings lasted from 22 October 2020 to 6 August 2022.

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**(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued**

**4. Other related parties of the Company - continued**

<b>Name of other related parties</b>	<b>Relationship with the Company</b>
China Merchants Healthcare (Qichun) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Tally Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Central China Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Shipping Limited	Controlled by the same ultimate controlling shareholder
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants (Liaoning) Port Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shantou Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants-Logistics Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Agency Shenzhen Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Ningbo Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines (Hong Kong) Company Limited	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Port Group Co., Ltd. ("Yingkou Port Group") and its subsidiaries	Controlled by the same ultimate controlling shareholder
Panjin Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Broadford (Shenzhen) Port Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
Liaoning Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Liaoning Electronic Port Co., Ltd	Controlled by the same ultimate controlling shareholder
China Yangtze River Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Gangrong Big Data Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Construction Supervision Consulting Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Group Corporation Limited	Controlled by the same ultimate controlling shareholder
Dalian Container Terminal Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Municipal Public Security Bureau Shekou Police Substation	Controlled by the same ultimate controlling shareholder
Shenzhen West Port Security Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans South China Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Container	Controlled by the same ultimate controlling shareholder
Jifa Logistics	Controlled by the same ultimate controlling shareholder
Dalian Port Communications Engineering Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Jifa South Coast International Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Jifa Port Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
CHINA MERCHANTS SHIPPING AND ENTERPRISES COMPANY LIMITED	Controlled by the same ultimate controlling shareholder
Ningbo Transocean International Forwarding Agency Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Bonded Zone Yongdixin Real Estate Development & Construction Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Xingang Kuangshi Terminals Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dandong Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Datong Securities Co., Ltd	Significantly influenced by the ultimate controlling shareholder
Dalian Automobile Terminal Co., Ltd	Significantly influenced by the ultimate controlling shareholder
Dalian Port Design Research Institute Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Khor Ambado FZCo	Significantly influenced by the ultimate controlling shareholder
Djibouti International Hotel Company	Significantly influenced by the ultimate controlling shareholder
China Merchants Bank Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
China Merchants (Shenzhen) Power Supply Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Shenzhen Wanhai Building Management Co., Ltd.	Significantly influenced by the ultimate controlling shareholder



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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions

(1) Rendering and receipt of services

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
<b>Receipt of services:</b>				
Shenzhen Bay Electricity Industry Co., Ltd.	Service expense	Negotiation	55,476,519.62	52,118,359.34
China Merchants Finance Lease (Shanghai) Co., Ltd.	Service expense	Negotiation	21,363,353.64	-
Nanshan Group and its subsidiaries	Service expense	Negotiation	20,553,330.63	12,899,160.06
Hoi Tung (Shanghai) Company Limited	Service expense	Negotiation	19,923,373.82	9,908,555.07
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expense	Negotiation	18,229,532.95	17,429,281.52
Shenzhen Merchants Electricity Supply Co., Ltd.	Service expense	Negotiation	17,893,208.32	16,896,892.16
COSCO Logistics (Zhanjiang) Co., Ltd.	Service expense	Negotiation	16,324,326.06	13,741,598.64
Ningbo Zhoushan	Service expense	Negotiation	14,417,120.66	14,902,071.93
Shenzhen West Port Security Service Co., Ltd.	Service expense	Negotiation	11,952,754.94	8,628,090.47
Yiu Lian Dockyards Limited	Service expense	Negotiation	8,489,653.19	8,484,365.83
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expense	Negotiation	7,959,601.92	11,411,320.65
Shenzhen Nanyou (Holdings) Ltd.	Service expense	Negotiation	5,764,441.32	-
China Merchants Port Investment Development Company Limited	Service expense	Negotiation	5,571,699.92	2,511,488.39
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expense	Negotiation	5,562,706.02	5,148,081.30
China Merchants Securities Co., Ltd.	Service expense	Negotiation	5,547,169.80	-
Sinoway Shipping Ltd.	Service expense	Negotiation	4,886,700.00	-
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Service expense	Negotiation	3,896,620.63	6,963,663.53
Liaoning Port and its subsidiaries	Service expense	Negotiation	3,612,247.90	1,453,666.27
Yingkou Port Group and its subsidiaries	Service expense	Negotiation	2,838,787.56	3,655,450.63
China Marine Shipping Agency Guangdong Co., Ltd.	Service expense	Negotiation	2,619,862.38	5,128,165.14
China Merchant Food (China) Co., Ltd.	Service expense	Negotiation	2,534,006.83	2,010,522.22
China Marine Shipping Agency Shenzhen Co., Ltd.	Service expense	Negotiation	2,486,175.66	2,886,771.98
Djibouti International Hotel Company	Service expense	Negotiation	2,344,919.84	-
Shenzhen Merchants to Home Technology Co.	Service expense	Negotiation	2,270,488.10	2,529,286.74
China Ocean Shipping Tally Shenzhen Co., Ltd.	Service expense	Negotiation	2,086,506.13	2,367,078.52
Khor Ambado FZCo	Service expense	Negotiation	1,765,467.27	-
China Merchants Healthcare (Qichun) Co., Ltd.	Service expense	Negotiation	1,188,397.44	874,591.30
Shenzhen Municipal Public Security Bureau Shekou Police	Service expense	Negotiation	-	13,215,162.92
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Service expense	Negotiation	-	3,246,406.82
Qingdao Wutong Century Supply Chain Co., Ltd.	Service expense	Negotiation	-	1,412,347.77
China Merchants Logistics Group Qingdao Co., Ltd.	Service expense	Negotiation	-	278,746.88
China Merchants Your Cellar (Shenzhen) Co., Ltd.	Service expense	Negotiation	-	145,501.77
Other related parties	Service expense	Negotiation	6,780,732.36	5,426,539.23
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	900,061,111.11	901,314,575.34
China Merchants Group Finance Company Limited	Interest expense	Negotiation	74,066,413.54	57,267,460.41
China Merchants Bank Co., Ltd.	Interest expense	Negotiation	8,970,399.98	7,309,189.97
China Merchants Finance Lease (Tianjin) Co., Ltd.	Interest expense	Negotiation	724,437.17	-
China Merchants Tongshang Finance Lease Co., Ltd.	Property utilities	Negotiation	4,089,619.16	-
Other related parties	Property utilities	Negotiation	-	1,527,482.73
Total			1,262,251,685.87	1,193,091,875.53

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
<b>Rendering of services:</b>				
COSCO Logistics (Zhanjiang) Co., Ltd.	Service income	Negotiation	203,783,472.45	172,689,315.75
Liaoning Port and its subsidiaries	Service income	Negotiation	165,608,963.82	84,665,638.27
Antong Holdings and its subordinate companies	Service income	Negotiation	124,308,389.86	149,257,485.43
Qingdao Qianwan United Container Terminal Co., Ltd.	Service income	Negotiation	61,896,678.04	57,107,934.04
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service income	Negotiation	59,100,409.00	58,774,852.27
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	57,816,828.74	78,136,291.87
Yingkou Port Group and its subsidiaries	Service income	Negotiation	41,932,643.50	59,158,823.90
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service income	Negotiation	29,854,035.10	19,931,387.34
Sinoway Shipping Ltd.	Service income	Negotiation	22,315,438.97	2,275,910.33
Liaoning Port Group Co., Ltd.	Service income	Negotiation	19,746,474.90	30,230,480.12
Yiu Lian Dockyards (Shekou) Limited	Service income	Negotiation	15,088,720.57	15,861,643.81
Sinotrans Central China Co., Ltd.	Service income	Negotiation	9,600,255.49	2,557.32
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Service income	Negotiation	8,665,860.83	5,060,041.98
Sinotrans Container Lines Co., Ltd.	Service income	Negotiation	7,891,652.35	9,659,043.11
South China Sinotrans Supply Chain Management Co., Ltd.	Service income	Negotiation	5,745,399.44	3,315,529.59
Shenzhen Baohong Technology Co., Ltd.	Service income	Negotiation	5,562,857.25	12,375,371.81
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service income	Negotiation	5,354,930.31	8,201,186.45
China Ocean Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	4,966,841.25	6,742,585.37
China Marine Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	4,955,801.22	6,065,850.59
China Yangtze River Shipping Co., Ltd.	Service income	Negotiation	4,864,882.39	4,015,942.03
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Service income	Negotiation	4,633,215.32	2,060,322.30
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service income	Negotiation	4,335,903.64	3,556,894.16
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	4,050,145.80	-
Sinotrans Container Lines (Hong Kong) Company Limited	Service income	Negotiation	3,545,752.04	2,618,545.62
Qingdao Qianwan New United Container Terminal Co., Ltd.	Service income	Negotiation	3,174,751.23	2,727,630.47
Sinotrans & CSC Holdings Co., Ltd.	Service income	Negotiation	2,971,698.12	1,349,056.61
SIPG	Service income	Negotiation	2,633,413.21	1,430,583.02
Shantou Zhonglian Tally Co., Ltd.	Service income	Negotiation	2,509,658.22	2,688,839.07
Yantai Port Group Laizhou Port Co., Ltd.	Service income	Negotiation	2,075,471.68	2,043,962.25
China Merchants Port Investment Development Company Limited	Service income	Negotiation	1,907,632.07	6,100,924.53
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Service income	Negotiation	1,814,935.95	2,788,745.68
Nanshan Group and its subsidiaries	Service income	Negotiation	1,707,871.21	1,147,657.18
Merchants Port City	Service income	Negotiation	1,672,423.95	1,591,345.21
Sinotrans Shantou Co., Ltd.	Service income	Negotiation	1,610,585.09	1,411,180.98
Tianjin Port Container Terminal Co., Ltd.	Service income	Negotiation	1,475,548.18	722,817.00
CHINA MERCHANTS SHIPPING AND ENTERPRISES COMPANY LIMITED	Service income	Negotiation	1,204,104.79	459,445.09
Ningbo Transocean International Forwarding Agency Co., Ltd.	Service income	Negotiation	1,179,815.94	-
Investment Fund	Service income	Negotiation	1,142,414.06	821,804.81
Shantou International Container Terminals Limited	Service income	Negotiation	1,068,566.79	2,830,152.56
Dalian Port Construction Supervision Consulting Co., Ltd.	Service income	Negotiation	1,060,945.09	1,561,447.66
Dalian Automobile Terminal Co., Ltd.	Service income	Negotiation	968,960.44	2,162,744.31
Dalian Port Group Co., Ltd.	Service income	Negotiation	890,607.59	1,471,595.43
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Service income	Negotiation	867,155.09	2,379,478.59
China Merchants Gangrong Big Data Co., Ltd.	Service income	Negotiation	833,383.69	3,839,970.76
Shenzhen Dehan Investment Development Co., Ltd.	Service income	Negotiation	760,365.57	1,106,438.68
Datong Securities Co., Ltd.	Service income	Negotiation	752,654.88	1,464,247.85

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
<b>Rendering of service:</b>				
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	681,455.19	1,234,211.32
Liaoning Electronic Port Co., Ltd.	Service income	Negotiation	613,207.55	1,007,547.18
Guizhou East Land Port Operation Co., Ltd.	Service income	Negotiation	592,407.92	2,379,122.83
Dalian Port Design Research Institute Co., Ltd.	Service income	Negotiation	197,369.99	1,217,915.13
Penavico Shenzhen Warehousing Co., Ltd.	Service income	Negotiation	160,663.44	206,068.60
China Merchants-Logistics Shenzhen Co., Ltd.	Service income	Negotiation	107,700.00	364,878.63
Broadford (Shenzhen) Port Development Co., Ltd.	Service income	Negotiation	-	233,023,495.03
China Marine Shipping Agency Ningbo Co., Ltd.	Service income	Negotiation	-	127,750,175.04
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	-	6,932,874.90
Sinotrans (HK) Shipping Limited	Service income	Negotiation	-	1,270,858.60
Guizhou Qiandongnan Continental Land Port Operation Co., Ltd.	Service income	Negotiation	-	975,890.37
China Merchants (Liaoning) Port Development Co., Ltd.	Service income	Negotiation	-	943,396.22
Zhangzhou COSCO Shipping Agency Co., Ltd.	Service income	Negotiation	-	820,987.04
Doraleh Multi-purpose Port	Service income	Negotiation	-	585,604.28
International Djibouti Industrial Parks Operation FZCO	Service income	Negotiation	-	502,024.39
Other related parties	Service income	Negotiation	26,887,970.55	13,882,596.99
Terminal Link SAS	Interest income	Negotiation	169,844,015.81	165,180,415.51
Port of Newcastle and its subsidiaries	Interest income	Negotiation	17,721,583.77	76,683,050.81
China Merchants Group Finance Company Limited	Interest income	Negotiation	25,519,980.42	24,994,228.38
Tianjin Haitian Bonded Logistics Co., Ltd.	Interest income	Negotiation	1,558,375.91	1,558,375.91
China Merchants Bank Co., Ltd.	Interest income	Negotiation	105,426,962.23	32,931,572.09
Merchants Port City	Interest income	Negotiation	-	1,957,067.27
Total			1,259,220,207.90	1,530,266,057.72

(2) Leases with related parties

The Group as the lessor:

Name of the lessee	Type of leased assets	Pricing method and decision procedures of related transactions	Lease income recognized in the current year	Lease income recognized in the prior year
Qingdao Qianwan West Port United Wharf Co., Ltd.	Buildings and structures	Negotiation	10,222,395.86	9,711,263.00
China Merchants Real Estate (Shenzhen) Co., Ltd.	Buildings and structures	Negotiation	7,152,157.00	-
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Port and terminal facilities	Negotiation	6,876,165.97	5,533,737.88
China Merchant Food (China) Co., Ltd.	Buildings and structures	Negotiation	5,683,461.66	5,414,148.96
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	5,473,072.56	5,212,396.32
Nanshan Group and its subsidiaries	Buildings and structures	Negotiation	5,065,342.55	2,478,760.43
Qingdao Sinotrans Mining Technology Co., Ltd.	Buildings and structures	Negotiation	4,750,557.12	-
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Buildings and structures	Negotiation	3,558,552.62	3,926,471.23
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings and structures	Negotiation	3,037,651.81	2,407,032.41
China Merchants Securities Co., Ltd.	Buildings and structures	Negotiation	2,567,514.78	2,265,123.10
Yiu Lian Dockyards (Shekou) Limited	Buildings and structures	Negotiation	2,195,466.64	3,008,337.95
Qingdao Wutong Century Supply Chain Co., Ltd.	Buildings and structures	Negotiation	2,119,296.03	619,965.10
Sinotrans South China Co., Ltd.	Buildings and structures	Negotiation	564,605.52	1,897,332.07
Other related parties	Buildings and structures, land use rights	Negotiation	6,856,178.26	7,650,774.22
Total			66,122,418.38	50,125,342.67

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**(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued**

**5. Related party transactions - continued**

**(2) Leases with related parties - continued**

The Group as the lessee:

Name of the lessor	Type of leased assets	Rental (year)	Lease term (disclose the period covered by contract)	Other significant lease terms
Nanshan Group and its subsidiaries	Buildings and structures	64,589,226.16	2019.01.01-2024.12.31	N/A
China Merchants Finance Lease (Shanghai) Co., Ltd.	Port and terminal facilities	58,302,270.50	2018.03.19-2024.03.26	N/A
China Merchants Finance Lease (Shanghai) Co., Ltd.	Machinery and equipment, port and terminal facilities	57,849,868.06	2018.11.30-2024.11.30	N/A
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery and equipment	46,381,918.54	2017.10.31-2023.10.27	N/A
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	35,733,649.64	2018.03.19-2024.03.26	N/A
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Port and terminal facilities	30,584,055.34	2022.01.01-2023.12.31	N/A
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery and equipment	17,717,147.04	2016.12.26-2022.11.15	N/A
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	14,696,367.93	2022.01.01-2022.12.31	N/A
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Others	6,115,067.28	2022.01.01-2024.12.31	N/A
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Buildings and structures	4,206,780.00	2022.01.01-2022.12.31	N/A
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Others	3,968,660.38	2022.01.15-2022.07.31	N/A
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	3,889,563.40	2021.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Others	3,795,785.53	2022.01.01-2024.12.31	N/A
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	3,105,625.00	2022.06.16-2025.06.16	With progressively increasing and decreasing rent
Nanshan Group and its subsidiaries	Buildings and structures	3,083,925.40	2022.01.01-2022.12.31	N/A
Shenzhen Nanyou (Holdings) Ltd.	Others	1,995,553.15	2022.01.01-2022.12.31	N/A
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	1,342,488.00	2021.01.01-2022.12.31	With progressively increasing rent
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	1,241,376.00	2022.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	1,200,466.97	2022.01.01-2022.09.30	N/A
Shenzhen Wanhai Building Management Co., Ltd.	Buildings and structures	1,202,209.02	2021.06.15-2024.06.14	With progressively increasing rent
China Merchants International Cold Chain (Shenzhen) Company Limited	Port and terminal facilities	1,032,762.89	2021.05.01-2024.04.30	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	861,000.00	2022.03.22-2023.02.28	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	840,000.00	2021.03.01-2022.02.28	N/A
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings and structures	662,285.71	2022.05.01-2023.12.31	N/A
Dalian Free Trade Zone Yongdixin Real Estate Development and Construction Co., Ltd.	Buildings and structures	408,741.23	2023.01.01-2023.12.31	N/A
China Nanshan Development (Group) Co., Ltd.	Buildings and structures	319,869.42	2019.01.01-2023.12.31	Attached with renewal option
China Nanshan Development (Group) Co., Ltd.	Others	230,502.86	2021.01.01-2023.12.31	N/A
China Merchants Apartment Development China Merchants Apartment Development	Buildings and structures	142,674.30	2022.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	118,800.00	2019.01.01-2023.12.31	N/A
Nanshan Group and its subsidiaries	Port and terminal facilities	108,078.38	2019.01.01-2024.12.31	Attached with renewal option
Dalian Port Group Corporation Limited	Buildings and structures	80,000.00	2022.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	53,931.60	2022.09.01-2023.08.31	N/A
Dalian Port Communications Engineering Co., Ltd.	Buildings and structures	50,000.00	2022.01.01-2022.12.31	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	48,604.84	2022.03.01-2022.03.21	N/A
Nanshan Group and its subsidiaries	Others	11,592.00	2021.07.01-2022.06.30	N/A
Total		365,970,846.57		

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**(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued****5. Related party transactions - continued****(3) Related party guarantees**

The Group as the guarantor

Secured party	Credit line	Guaranteed amount	Commencement date	Maturity	The guarantee has been completed or not
<b>2022</b>					
Terminal Link SAS (Note 1)	66,490,102.62	66,490,102.62	1 June 2013	2033	No
Khor Ambado FZCo (Note 2)	200,580,480.00	120,182,425.59	24 May 2019	2032	No
Total	267,070,582.62	186,672,528.21			
<b>2021</b>					
Terminal Link SAS (Note 1)	65,122,443.30	65,122,443.30	1 June 2013	2033	No
Khor Ambado FZCo (Note 2)	253,381,120.00	110,394,672.56	24 May 2019	2032	No
Total	318,503,563.30	175,517,115.86			

Note 1: CMA CGM S.A. is another shareholder of Terminal Link SAS, an associate of the Group. The Group has made a commitment to CMA CGM S.A. that the Group will provide guarantee for its bank loans and other liabilities to Terminal Link SAS to the extent of the Group's 49% ownership interest in the company. The actual guaranteed amount is RMB 66,490,102.62 as at 31 December 2022. If any guarantee liability occurs, the Group will compensate CMA CGM S.A.

Note 2: Khor Ambado FZCo is a related party of the Group's ultimate controlling shareholder. The Group provides guarantee for its bank loans and other liabilities, the actual amount of which as at 31 December 2022 is RMB 120,182,425.59.

**(4) Borrowings and loans with related parties**

Related party	Amount	Commencement date	Maturity date	Description
<b>2022</b>				
<b>Borrowings</b>				
China Merchants Group Finance Company Limited	604,990,472.82	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	140,139,852.77	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	31,618,224.87	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Bank Co., Ltd.	15,015,583.33	Actual borrowing date	Agreed repayment date	Short-term borrowings
Total	791,764,133.79			

**(5) Asset transfer from related parties**

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
Hoi Tung (Shanghai) Company Limited	Fixed assets	Negotiation	8,831,858.42	4,115,044.26
Hoi Tung (Shanghai) Company Limited	Construction in progress	Negotiation	4,853,097.34	-
Broadford (Shenzhen) Port Development Co., Ltd.	Equity investment	Valuation	-	384,000,000.00
Hoi Tung (Shenzhen) Company Limited	Machinery and equipment	Market price	-	1,345,132.74
Other related parties	Construction in progress	Negotiation	-	485,704.85
Total			13,684,955.76	389,945,881.85

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(6) Compensation for key management personnel

Item	2022	2021
Compensation for key management personnel	20,313,774.52	14,796,861.98

6. Amounts due from/to related parties

(1) Amounts due from related parties

Item	Related party	31/12/2022	31/12/2021
Cash and bank balances	China Merchants Bank Co., Ltd.	3,387,973,124.59	2,563,011,212.30
	China Merchants Group Finance Company Limited	1,841,698,554.32	2,178,303,655.54
	Total	5,229,671,678.91	4,741,314,867.84
Held-for-trading financial assets	China Merchants Bank Co., Ltd.	900,061,111.11	901,314,575.34
Accounts receivable	Ningbo Zhoushan and its subsidiaries	20,289,988.06	-
	China Marine Shipping Agency Guangdong Co., Ltd.	17,505,768.03	1,970,902.79
	Antong Holdings and its subordinate companies	8,395,245.04	13,014,575.59
	SINOWAY SHIPPING LIMITED	4,564,389.71	512,749.94
	COSCO Logistics (Zhanjiang) Co., Ltd.	4,045,734.88	5,211,554.51
	Qingdao Qianwan West Port United Wharf Co., Ltd.	3,749,064.99	2,315,131.88
	Liaoning Port Co., Ltd.	3,680,900.00	1,414,964.00
	Yiu Lian Dockyards (Shekou) Limited	3,554,521.60	4,414,431.20
	Khor Ambado FZCo	3,108,610.49	2,842,053.59
	Dalian Jifa Port Logistics Co., Ltd.	2,220,941.63	337,180.00
	Great Horn Development Company FZCo	2,157,859.50	2,606,831.64
	Dalian Container Terminal Co., Ltd.	1,957,840.00	330,000.60
	Dalian Jifa South Coast International Logistics Co., Ltd.	1,839,478.79	817,625.00
	Liaoning Port Group Co., Ltd.	1,821,581.00	733,681.00
	Port de Djibouti S.A.	1,770,749.55	1,618,911.45
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,729,380.01	1,049,999.99
	China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	1,530,505.68	1,341,323.72
	Nanshan Group and its subsidiaries	1,404,627.23	-
	Sinotrans Container Lines Co., Ltd.	1,287,851.75	1,436,388.75
	China Ocean Shipping Agency Shenzhen Co., Ltd.	758,113.05	1,418,539.82
	South China Sinotrans Supply Chain Management Co., Ltd.	659,854.40	475,477.60
	Sinotrans (HK) Shipping Limited	375,748.78	1,068,888.42
	China Marine Shipping Agency Ningbo Co., Ltd.	164,981.21	6,502,287.89
	Yingkou Port Group and its subsidiaries	160,491.00	3,333,618.62
	Panjin Port Group	-	1,467,000.00
	China Merchants International Cold Chain (Shenzhen) Company Limited	-	1,215,660.73
	Guizhou East Land Port Operation Co., Ltd.	-	89,177.60
	Other related parties	13,549,055.64	8,951,295.22
	Total	102,283,282.02	66,490,251.55

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(1) Amounts due from related parties - continued

Item	Related party	31/12/2022	31/12/2021
Dividends receivable	Nanshan Group	240,591,000.00	185,070,000.00
	Tin-Can Island Container Terminal Ltd	65,121,449.40	19,076,909.00
	Qingdao Qianwan United Container Terminal Co., Ltd.	50,000,000.00	-
	Merchants Port City	41,847,044.77	41,847,044.77
	COSCO Logistics (Zhanjiang) Co., Ltd.	18,449,001.16	18,403,959.77
	Other related parties	232,047.23	277,072.09
	Total	416,240,542.56	264,674,985.63
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	36,053,588.00	32,953,940.00
	Port de Djibouti S.A.	24,808,664.70	22,681,372.48
	Shenzhen Nanyou (Holdings) Ltd.	6,725,260.86	110,902.00
	Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd.	6,310,000.00	6,000,000.00
	Zhoushan Blue Ocean Investment Co., Ltd.	4,996,989.39	4,996,989.39
	China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	2,899,163.95	2,899,163.95
	EuroAsia Dockyard Enterprise and Development Limited	1,510,055.76	1,380,231.20
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,132,846.40	1,132,846.40
	Nanshan Group and its subsidiaries	1,009,839.70	129,239.70
	China Merchants Port Investment Development Company Limited	-	5,000,000.00
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	4,907,365.06
	COSCO Logistics (Zhanjiang) Co., Ltd.	-	2,190,539.40
	Other related parties	3,550,453.73	6,477,504.63
	Total	88,996,862.49	90,860,094.21
Prepayments	Nanshan Group and its subsidiaries	9,000.00	-
	Other related parties	6,351.75	-
	Total	15,351.75	-
Non-current assets due within one year	Port of Newcastle and its subsidiaries	852,919,208.25	60,029,243.30
	Terminal Link SAS	46,409,214.10	42,429,677.59
	China Merchants Finance Lease (Tianjin) Co., Ltd.	3,800,000.00	-
	Total	903,128,422.35	102,458,920.89
Long-term receivables	Terminal Link SAS	2,931,108,250.96	2,679,769,106.42
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	34,300,000.00
	China Merchants Finance Lease (Shanghai) Co., Ltd.	6,200,000.00	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	659,515.88	10,000,000.00
	Port of Newcastle and its subsidiaries	-	750,086,910.62
	Total	2,972,267,766.84	3,474,156,017.04
Other non-current assets	China Traffic Import and Export Co., Ltd.	-	20,854,077.98

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Item	Related party	31/12/2022	31/12/2021
Short-term borrowings	China Merchants Group Finance Company Limited	413,453,629.50	3,393,366,381.96
	China Merchants Bank Co., Ltd.	15,015,583.33	-
	Total	428,469,212.83	3,393,366,381.96
Other current liabilities	China Merchants Group Finance Company Limited	10,056,575.34	10,012,082.19
Accounts payable	Antong Holdings and its subordinate companies	16,948,161.45	-
	Ningbo Zhoushan and its subsidiaries	16,725,206.29	1,159,307.43
	Qingdao Qianwan West Port United Wharf Co., Ltd.	8,007,474.16	6,742,200.79
	Shenzhen Bay Electricity Industry Co., Ltd.	4,920,501.06	4,987,709.79
	SINOWAY SHIPPING LIMITED	4,886,700.00	-
	Nanshan Group and its subsidiaries	4,259,215.79	3,154,427.56
	EuroAsia Dockyard Enterprise and Development Limited	2,363,408.70	3,142,704.91
	China Merchants Port Investment Development Company Limited	1,203,536.99	37,539.37
	Yiu Lian Dockyards Limited	792,077.94	2,651,200.00
	China Marine Shipping Agency Shenzhen Co., Ltd.	248,149.17	633,810.99
	Other related parties	4,212,603.81	3,064,781.40
	Total	64,567,035.36	25,573,682.24
	Receipts in advance	Qingdao Wutong Century Supply Chain Co., Ltd.	196,301.30
Other related parties		160,600.00	53,057.84
Total		356,901.30	53,057.84
Contract liabilities	Dalian Container Terminal Co., Ltd.	9,679,785.44	3,573,179.78
	Dandong Port Group Co., Ltd.	3,842,709.07	-
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,556,753.55	1,050,000.00
	Yingkou Xingang Kuangshi Terminals Co., Ltd.	1,514,844.30	-
	Antong Holdings and its subordinate companies	1,468,616.91	1,994,209.18
	COSCO Logistics (Zhanjiang) Co., Ltd.	1,275,397.28	-
	Qingdao Sinotrans Supply Chain Management Co., Ltd.	368,484.60	1,578,302.00
	Other related parties	2,508,480.44	2,897,061.68
Total	22,215,071.59	11,092,752.64	
Dividends payable	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	41,400,234.06	-
	China Merchants Zhangzhou Development Zone Co., Ltd.	20,000,000.00	20,000,000.00
	Dalian Port Container	14,000,000.00	18,349,264.69
	Sri Lanka Ports Authority	10,446,900.00	-
	Jifa Logistics	3,000,000.00	4,945,967.80
Total	88,847,134.06	43,295,232.49	
Other payables	Lac Assal Investment Holding Company Limited	47,359,371.46	-
	Antong Holdings and its subordinate companies	12,730,734.37	8,077,252.00
	China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	10,079,369.00
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	6,420,820.68	-
	China Merchants Port Investment Development Company Limited	4,130,081.82	7,417,802.54
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	3,750,000.03	7,839,816.47
	China Merchants Real Estate Co., Ltd.	3,263,853.86	-
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,628,515.12	1,579,720.16
	Zhanjiang 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
	Shenzhen Baohong Technology Co., Ltd.	749,269.39	-
	Port de Djibouti S.A.	-	254,894,592.46
	Terminal Link SAS	-	3,910,337.39
	Other related parties	6,732,058.14	5,419,228.21
Total	99,352,844.44	301,720,609.07	



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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	31/12/2022	31/12/2021
Non-current liabilities due within one year	China Merchants Group Finance Company Limited	110,838,087.45	27,106,533.22
	China Merchants Finance Lease (Shanghai) Co., Ltd.	103,236,707.51	104,204,701.37
	Nanshan Group and its subsidiaries	65,165,836.97	56,174,150.92
	China Merchants Tongshang Finance Lease Co., Ltd.	45,115,824.42	60,639,407.07
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	37,012,422.69	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	32,339,542.44	32,788,124.97
	EuroAsia Dockyard Enterprise and Development Limited	14,255,883.08	13,030,256.95
	China Merchants Bank Co., Ltd.	11,362,639.43	4,227,333.34
	Guangdong Shunkong City Investment Real Estate Co. Ltd.	3,162,000.00	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	1,050,270.17	-
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	-	6,029,278.06
	Other related parties	1,962,815.09	961,513.13
Total	425,502,029.25	305,161,299.03	
Other non-current liabilities	Nanshan Group and its subsidiaries	-	1,020,381.51
Long-term borrowings	China Merchants Group Finance Company Limited	445,490,692.58	543,744,022.45
	China Merchants Bank Co., Ltd.	325,000,000.00	196,000,000.00
	Total	770,490,692.58	739,744,022.45
Lease liabilities	China Merchants Finance Lease (Shanghai) Co., Ltd.	75,833,546.45	177,500,213.13
	Nanshan Group and its subsidiaries	65,431,073.09	58,651,209.31
	China Merchants Finance Lease (Tianjin) Co., Ltd.	15,833,403.29	47,500,069.97
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	5,993,041.70	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	253,362.41	1,353,404.41
	China Merchants Tongshang Finance Lease Co., Ltd.	-	44,730,575.22
	Other related parties	803,148.25	181,987.02
Total	164,147,575.19	329,917,459.06	
Long-term payables	China Merchants Finance Lease (Tianjin) Co., Ltd.	41,052,268.30	-

(XIV) SHARE-BASED PAYMENTS

1. Overall share-based payments

Total equity instruments granted by the Company in the year	None
Total equity instruments exercised by the Company in the year	None
Total equity instruments of the Company that became invalid in the year	5,948,200 shares
Range of exercise prices and remaining contractual life of the Company's stock options outstanding at the end of the year	Exercise price: RMB 14.71 to RMB 16.69; The remaining contractual life: 49 months
Range of exercise prices and remaining contractual life of the Company's other equity instruments outstanding at the end of the year	None

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**(XIV) SHARE-BASED PAYMENTS - continued****2. Equity-settled share-based payments**

The method used to determine the fair value of equity instruments at the grant date	The cost of granted stock options was estimated using the Black Scholes Model.
The basis for determining the number of exercisable equity instruments	At each balance sheet date in the vesting period, the best estimate was made and the estimated number of exercisable equity instruments was modified according to the latest changes in the number of employees who can exercise the rights and other subsequent information.
Reasons for the significant difference between the estimates of the current year and the estimates of prior year	Criteria of exercising in vesting period of batch 2 are not satisfied
The aggregate amount of equity-settled share-based payments that is included in capital reserve	5,591,402.00
Total expenses recognized for the equity-settled share-based payments in the year	-7,631,891.11

Pursuant to the Official Reply on the Implementation of the Stock Option Incentive Plan of China Merchants Port Group Co., Ltd. by State-owned Assets Supervision and Administration Commission of the State Council (No. 748 [2019], SASAC), which was deliberated and approved by the 1<sup>st</sup> Extraordinary General Meeting of the Company in 2020 on 3 February 2020, the Company implemented a stock option plan with effect from 3 February 2020 to grant 238 incentive recipients 17,198,000 stock options with an exercise price of RMB17.80 per share. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in three batches, specifically, 40% for the first batch (after 24 months but within 36 months subsequent to the grant date), 30% for the second batch (after 36 months but within 48 months subsequent to the grant date) and the remaining 30% for the third batch (after 48 months but within 84 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

On 5 March 2021, the granting of stock option (reserved portion) under stock option incentive plan (phase I) was completed. The reserved portion of stock option targets to total 3 persons, granting 530,000 shares of stock option with exercise price of RMB15.09 per share. The grant date is 29 January 2021. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in two batches, specifically, 50% for the first batch (after 24 months but within 36 months subsequent to the grant date), and the remaining 50% for the second batch (after 36 months but within 72 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

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**(XIV) SHARE-BASED PAYMENTS - continued****2. Equity-settled share-based payments - continued**

According to Article 32 of Stock Option Incentive Plan, since the grant date of the stock option, if the Company distributes dividends prior to the exercise of the option, the exercise price shall be adjusted accordingly. Therefore, the Company uniformly adjusted the exercise price from RMB17.80 per share to 17.34 per share in respect of the first batch of stock option granted under stock option incentive plan (phase I) on 30 January 2021; the Company uniformly adjusted the exercise price from RMB 17.34 per share to 16.69 per share in respect of the first batch of stock option granted under stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 15.09 per share to 14.71 per share on 29 January 2022.

As at the date on which the financial statements are issued, as the criteria of exercise in the second vesting period of the stock option (1<sup>st</sup> batch) under the stock option incentive plan (phase I) are not satisfied, the Company has cancelled the 3,886,800 shares of stock option corresponding to the second vesting period of the stock option (1<sup>st</sup> batch) under the stock option incentive plan (phase I). Since the criteria of exercise in the first vesting period of the stock option (the reserved portion) under the stock option incentive plan (phase I) are not satisfied, the Company has cancelled the 265,000 shares of stock option corresponding to the first vesting period of the stock option (the reserved portion) under the stock option incentive plan (phase I). As 21 of the incentive targets have retired or no longer serve the Company, the corresponding 1,796,400 shares of stock option have been cancelled.

**(XV) COMMITMENTS AND CONTINGENCIES****1. Significant commitments**

Item	31/12/2022	31/12/2021
Commitments that have been entered into but have not been recognized in the financial statements		
- Commitment to make contributions to the investees	38,956,185.01	211,620,680.00
- Commitment to acquire and construct long-term assets	1,802,316,899.52	1,755,687,773.54
- Commitment to invest port construction	5,571,690.76	5,093,914.88
- Others	383,560.31	-
Total	1,847,228,335.60	1,972,402,368.42

**2. Contingencies**

Item	31/12/2022	31/12/2021
Contingent liabilities brought by external litigations (Note 1)	279,438,527.06	207,807,928.33
Guarantee for borrowings of related parties (Note 2)	186,672,528.21	175,517,115.86
Total	466,111,055.27	383,325,044.19

**(XV) COMMITMENTS AND CONTINGENCIES - continued**

**2. Contingencies - continued**

Note 1: This mainly represents the significant contingent liabilities arising from the litigations between TCP and its subsidiaries and local tax authority, employee or former employee of TCP and its subsidiaries in Brazil at as the year end. According to the latest estimates of the Group's management, the possible compensation is RMB279,438,527.06 but it is not likely to cause outflow of economic benefits from the Group. Therefore, the contingent liabilities arising from the above pending litigations are not recognized as provisions. The counter-bonification where the Group as the beneficiary will be executed by the former TCP shareholder that disposed the shares. According to the counter-bonification agreement, the former TCP shareholder needs to make counter-bonification to the Group in respect of the above contingent liabilities, with the compensation amount not exceeding pre-determined amount and specified period.

Zhanjiang Port, a subsidiary of the Company, entered into an EPC contract for the General Cargo Terminal Project at Donghai Island Port Area of Zhanjiang Port with CCCC Water Transport Planning and Design Institute Co., Ltd. on 28 June 2016, with the agreed construction period from 28 June 2016 to 8 June 2018. After the contract was signed, the overall progress of the project construction was delayed due to the optimization and adjustment of the layout plan and process design for the terminal. In December 2022, CCCC Water Transport Planning and Design Institute Co., Ltd. filed a litigation to the court for losses caused by delay in construction, adjustment to project scale, changes in design, and other reasons, and may require Zhanjiang Port for compensation.

As at 31 December 2022, the claims of CCCC Water Transport Planning and Design Institute Co., Ltd. were inconsistent with those agreed in the contract, the relevant result of the litigation could not be reasonably estimated, and the management of the Group believed that the possibility of loss was quite low, therefore, no provisions were made for the above pending litigation.

Note 2: As at 31 December 2022, the guarantees provided by the Group for related parties are detailed in Note XIII 5(3).

As at 31 December 2022, the directors of the Company evaluated the default risks of related companies on the above-mentioned loan financing and other liabilities, and believed that the risks were not significant and the possibility of guaranteed payments was very small.

Except for the above-mentioned contingencies, as at 31 December 2022, the Group had no other major guarantees and other contingencies that need to be explained.

## **(XVI) EVENTS AFTER THE BALANCE SHEET**

According to the profit distribution plan for 2022 and as approved by the 7th meeting of the 10th board of directors on 31 March 2023, the Company, based on the total shares of 2,499,074,661 as at 31 December 2022, distributes cash dividends at RMB 4.50 for every 10 shares, totalling RMB 1,124,583,597.45. The above profit distribution plan has not yet been approved by shareholders' meeting.

## **(XVII) OTHER SIGNIFICANT EVENTS**

### **1. Segment reporting**

#### **(1) Basis for determining reporting segments and accounting policies**

The key management team of the Company is regarded as the CODM, who reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments. The CODM considers the operation of the Group in terms of business and locations.

Individual operating segments for which discrete financial information is available are identified by the CODM and are operated by their respective management teams. These individual operating segments are aggregated in arriving at the reporting segments of the Group.

From business and location perspectives, the management assesses the performance of the Group's business operations including ports operation, bonded logistics operation and other operations.

#### Ports operation

Ports operation includes container terminal operation, bulk and general cargo terminal operation operated by the Group and its associates and joint ventures.

The Group's ports operation is presented as follows:

- (a) Mainland China, Hong Kong and Taiwan
  - Pearl River Delta
  - Yangtze River Delta
  - Bohai Rim
  - Others
- (b) Other locations outside of Mainland China, Hong Kong and Taiwan

#### Bonded logistics operation

Bonded logistics operation includes logistics park operation, ports transportation and airport cargo handling operated by the Group and its associates and joint ventures.

**(XVII) OTHER SIGNIFICANT EVENTS - continued**

**1. Segment reporting - continued**

(1) Basis for determining reporting segments and accounting policies - continued

Other operations

Other operations mainly include property development and investment and logistics business operated by the Group's associates, property investment operated by the Group and corporate function.

Each of the segments under ports operation includes the operations of a number of ports in various locations within one geographic location. For the purpose of segment reporting, these individual operating segments have been aggregated into reportable segments on geographic basis in order to present a more systematic and structured segment information. To give details of each of the operating segments, in the opinion of the directors of the Company, would result in particulars of excessive length.

Bonded logistics operation and other operations include a number of different operations, each of which is considered as a separate but insignificant operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated according to the nature of their operations to give rise to more meaningful presentation.

There are no material sales or other transactions between the segments.

The revenue from a major customer of ports operation amounts to RMB1,672,365,283.13, representing 10.30% (2021: 11.52%) of the Group's operating income for 2022.

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments

Segment financial information for 2022 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,774,045,422.66	1,139,944,516.62	74,222,857.10	3,552,074,625.60	4,086,514,642.86	15,626,802,064.84	445,592,537.09	158,094,525.62	-	16,230,489,127.55
Operating cost	3,849,914,782.32	696,788,162.45	62,264,300.65	2,691,172,225.32	1,853,376,921.16	9,153,516,391.90	280,270,213.56	216,675,107.48	-	9,650,461,712.94
Segment operating profit (loss)	2,924,130,640.34	443,156,354.17	11,958,556.45	860,902,400.28	2,233,137,721.70	6,473,285,672.94	165,322,323.53	-58,580,581.86	-	6,580,027,414.61
Taxes and surcharges	32,239,840.06	5,674,557.52	1,102,665.95	49,561,307.23	152,923,436.63	241,501,807.39	22,188,514.91	18,305,796.73	253,354.43	282,249,473.46
Administrative expense	435,544,849.33	37,586,936.77	9,903,393.91	536,045,336.65	266,594,657.88	1,285,675,174.54	46,846,479.95	1,356,901.51	431,216,180.51	1,765,094,736.51
R&D expenses	227,962,954.81	40,790,798.38	-	18,952,425.51	-	287,706,178.70	-	-	-	287,706,178.70
Financial expenses	43,042,474.05	12,623,313.35	16,617,530.89	105,755,359.90	202,779,070.53	380,817,748.72	11,831,333.17	42,509,881.22	1,823,554,709.31	2,258,713,672.42
Other income	128,422,018.54	6,905,602.77	99,278.36	73,123,957.51	-	208,550,857.18	20,996,809.22	2,259,661.58	9,840,742.44	241,648,070.42
Investment income	222,543,823.37	5,152,876,665.17	334,188,303.02	53,824,558.05	1,070,198,985.49	6,833,632,335.10	94,330,245.64	425,089,497.20	24,603,428.39	7,377,655,506.33
Gains (losses) from changes in fair value	34,481,879.58	-	-28,084,576.60	1,009,908.14	-	7,407,211.12	-136,440,861.23	-	-	-129,033,650.11
Gains from impairment of credit (losses)	-5,932,959.08	-	269,053.38	19,276,798.42	-221,119,087.29	-207,506,194.57	-15,967,381.98	-	-	-223,473,576.55
Gains (losses) from impairment of assets	-573,122.05	-	-	-21,585,898.15	-	-22,159,020.20	-	-	-	-22,159,020.20
Gains (losses) from disposal of assets	-186,834.36	-	-	-2,189,571.61	61,495.66	-2,314,910.31	104,763.84	57,352,755.05	-12,513.06	55,130,095.52
Operating profit (loss)	2,564,095,328.09	5,506,263,016.09	290,807,023.86	274,047,723.35	2,459,981,950.52	11,095,195,041.91	47,479,570.99	363,948,752.51	-2,220,592,586.48	9,286,030,778.93

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2022 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	18,342,596.09	2,900,356.17	22,378,312.31	10,237,915.83	221,044,827.94	274,904,008.34	50,933.02	992,336.45	3,327,174.96	279,274,452.77
Non-operating expenses	23,387,870.39	1,035,713.16	-	148,923,783.29	29,888,387.79	203,235,754.63	10,000.00	-	17,196,500.05	220,442,254.68
Total profit (loss)	2,559,050,053.79	5,508,127,659.10	313,185,336.17	135,361,855.89	2,651,138,390.67	11,166,863,295.62	47,520,504.01	364,941,088.96	-2,234,461,911.57	9,344,862,977.02
Income tax expenses	517,928,967.15	218,235,972.45	19,104,784.49	39,483,784.58	225,040,819.77	1,019,794,328.44	17,884,281.49	73,694,575.33	1,806,494.09	1,113,179,679.35
Net profit (loss)	2,041,121,086.64	5,289,891,686.65	294,080,551.68	95,878,071.31	2,426,097,570.90	10,147,068,967.18	29,636,222.52	291,246,513.63	-2,236,268,405.66	8,231,683,297.67
Segment assets	24,257,996,252.39	58,080,072,708.01	9,491,073,768.13	27,095,782,491.19	44,322,822,242.58	163,247,747,462.30	4,719,190,904.43	19,523,260,761.95	10,035,331,759.08	197,525,530,887.76
Total assets in the financial statements										197,525,530,887.76
Segment liabilities	10,543,319,204.88	1,993,414,192.41	142,428,100.05	7,095,951,456.64	7,184,350,827.79	26,959,463,781.77	472,931,692.54	849,543,150.07	40,981,807,066.15	69,263,745,690.53
Total liabilities in the financial statements										69,263,745,690.53
<b>Supplementary information:</b>										
Depreciation and amortization	1,119,781,238.27	214,719,968.82	882,688.51	851,694,182.33	801,221,249.28	2,988,299,327.21	98,440,779.50	184,744,488.91	26,022,221.27	3,297,506,816.89
Interest income	49,428,469.37	2,890,732.29	543,508.80	27,921,113.89	255,001,470.66	335,785,295.01	1,231,657.13	1,329,524.29	131,487,621.62	469,834,098.05
Interest expense	86,468,640.13	10,921,214.61	-	128,204,357.08	415,728,796.45	641,323,008.27	13,108,859.14	26,701,866.03	1,544,029,072.35	2,225,162,805.79
Investment income from long-term equity investments under equity method	134,882,198.77	5,114,173,074.83	293,371,940.22	53,436,206.60	1,070,198,985.49	6,666,062,405.91	94,330,245.64	424,789,497.20	-	7,185,182,148.75
Long-term equity investments under equity method	1,741,189,123.54	52,146,528,746.22	8,605,621,312.90	1,094,348,450.19	13,193,855,158.62	76,781,542,791.47	1,496,017,782.58	14,086,733,345.00	-	92,364,293,919.05
Non-current assets other than long-term equity investments	18,338,841,436.04	4,203,682,076.56	15,863,803.61	21,159,269,860.52	25,053,023,827.83	68,770,681,004.56	2,058,218,100.73	5,083,564,521.74	880,089,692.55	76,792,553,319.58



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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2021 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,169,011,494.33	955,807,808.06	69,178,976.05	3,746,197,331.61	3,695,214,463.69	14,635,410,073.74	464,573,743.50	183,824,357.36	-	15,283,808,174.60
Operating cost	3,453,475,366.43	597,481,157.49	54,665,813.81	2,783,662,072.53	1,680,840,428.09	8,570,124,838.35	257,835,741.37	218,875,602.77	-	9,046,836,182.49
Segment operating profit (loss)	2,715,536,127.90	358,326,650.57	14,513,162.24	962,535,259.08	2,014,374,035.60	6,065,285,235.39	206,738,002.13	-35,051,245.41	-	6,236,971,992.11
Adjustments:										
Taxes and surcharges	33,618,026.16	1,740,839.69	1,145,292.35	46,827,778.00	59,226,541.93	142,558,478.13	25,369,242.73	23,905,217.75	141,305.70	191,974,244.31
Administrative expense	459,095,114.37	41,447,191.06	10,094,331.91	530,495,769.77	239,606,436.10	1,280,738,843.21	43,767,439.19	1,021,783.02	403,632,493.08	1,729,160,558.50
R&D expenses	162,845,174.00	38,114,947.70	-	16,945,513.97	-	217,905,635.67	-	-	-	217,905,635.67
Financial expenses	77,467,350.81	5,641,533.68	-2,466,397.16	120,310,978.09	195,175,809.87	396,129,275.29	12,385,910.10	22,982,823.67	1,113,840,588.23	1,545,338,597.29
Other income	282,932,907.60	9,484,000.67	5,469.40	57,374,140.86	-	349,796,518.53	13,193,859.62	254,782.93	-	363,245,161.08
Investment income	440,035,665.04	4,238,562,309.59	277,273,943.74	345,017,458.52	468,204,189.40	5,769,093,566.29	-12,031,120.80	856,291,297.44	23,595,767.98	6,636,949,510.91
Gains (losses) from changes in fair value	9,359,683.02	-	-98,965,383.40	2,347,751.88	306,172,536.00	218,914,587.50	-	-	2,327,687.67	221,242,275.17
Gains (losses) from impairment of credit	-6,838,168.58	1,020,000.00	-	-7,045,279.31	-192,031,975.00	-204,895,422.89	-48,058,194.61	-	-	-252,953,617.50
Gains (losses) from impairment of assets	-	-	-	-418,345,307.68	-2,147,208.07	-420,492,515.75	-	-	-	-420,492,515.75
Gains (losses) from disposal of assets	2,962,025.35	13,209.72	6,430,654.08	25,740,511.52	266,566.00	35,412,966.67	212,611.41	-	-49,118.66	35,576,459.42
Operating profit (loss)	2,710,962,574.99	4,520,461,658.42	190,484,618.96	253,044,495.04	2,100,829,356.03	9,775,782,703.44	78,532,565.73	773,585,010.52	-1,491,740,050.02	9,136,160,229.67

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2021 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	13,008,411.38	574,013.03	508,302.39	9,629,274.10	14,567,738.63	38,287,739.53	27,449.61	597,934.35	4,554,414.01	43,467,537.50
Non-operating expenses	6,917,726.39	2,166,481.95	-	53,226,742.91	24,897,586.02	87,208,537.27	20,000.00	-0.01	8,300,155.85	95,528,693.11
Total profit (loss)	2,717,053,259.98	4,518,869,189.50	190,992,921.35	209,447,026.23	2,090,499,508.64	9,726,861,905.70	78,540,015.34	774,182,944.88	-1,495,485,791.86	9,084,099,074.06
Income tax expenses	524,164,148.32	221,408,593.92	7,548,598.15	61,714,339.27	307,146,501.14	1,121,982,180.80	11,538,241.85	53,526,346.43	242,046,315.23	1,429,093,084.31
Net profit (loss)	2,192,889,111.66	4,297,460,595.58	183,444,323.20	147,732,686.96	1,783,353,007.50	8,604,879,724.90	67,001,773.49	720,656,598.45	-1,737,532,107.09	7,655,005,989.75
Segment assets	28,287,890,207.35	36,766,156,834.80	7,570,933,282.53	27,838,467,531.77	41,135,106,798.84	141,598,554,655.29	3,462,069,538.25	18,978,652,576.39	11,944,824,398.73	175,984,101,168.66
Total assets in the financial statements										175,984,101,168.66
Segment liabilities	10,300,340,684.26	1,641,664,024.25	149,926,571.36	7,645,454,637.72	7,851,403,330.63	27,588,789,248.22	533,057,935.76	1,017,520,046.89	35,809,307,046.31	64,948,674,277.18
Total liabilities in the financial statements										64,948,674,277.18
<b>Supplementary information:</b>										
Depreciation and amortization	889,758,581.06	197,464,949.23	1,093,508.89	917,975,691.54	766,865,123.91	2,773,157,854.63	72,861,519.89	175,029,480.65	45,222,064.61	3,066,270,919.78
Interest income	13,898,280.21	4,223,041.44	402,788.78	32,826,269.88	246,477,465.44	297,827,845.75	1,120,075.68	2,177,357.15	76,438,595.91	377,563,874.49
Interest expense	96,364,688.47	5,094,276.48	-	153,293,454.39	383,901,414.22	638,653,833.56	15,348,819.97	31,819,095.28	1,224,026,866.19	1,909,848,615.00
Investment income from long-term equity investments under equity method	361,451,468.54	4,238,562,309.59	236,693,226.55	141,786,109.87	468,204,189.40	5,446,697,303.95	-12,031,120.80	856,291,297.44	-	6,290,957,480.59
Long-term equity investments under equity method	6,010,920,490.10	30,734,063,685.69	6,722,000,869.89	508,063,722.03	11,990,041,710.35	55,965,090,478.06	672,691,660.83	13,715,669,685.63	-	70,353,451,824.52
Non-current assets other than long-term equity investments	18,760,635,381.65	4,126,611,225.22	16,711,625.75	24,186,695,730.85	20,329,634,458.61	67,420,288,422.08	2,126,565,848.52	4,930,963,314.80	620,648,598.94	75,098,466,184.34

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**(XVII) OTHER SIGNIFICANT EVENTS - continued****1. Segment reporting - continued****(2) Financial information of reporting segments - continued**

The Group's total revenue from external transactions in Mainland China and other countries and regions, and total non-current assets other than financial assets and deferred tax assets located in Mainland China and other countries and regions are presented as follows

<b>Revenue from external transactions</b>	<b>2022</b>	<b>2021</b>
Mainland China, Hong Kong and Taiwan	12,105,380,701.20	11,550,563,244.63
Pearl River Delta	7,195,529,214.88	6,646,437,978.26
Yangtze River Delta	1,139,944,516.62	955,807,808.06
Bohai Rim	217,832,344.10	202,120,126.70
Others	3,552,074,625.60	3,746,197,331.61
Other locations	4,125,108,426.35	3,733,244,929.97
<b>Total</b>	<b>16,230,489,127.55</b>	<b>15,283,808,174.60</b>

<b>Total non-current assets</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Mainland China, Hong Kong and Taiwan	130,723,044,577.52	109,645,185,780.08
Pearl River Delta	42,150,053,552.57	45,414,657,732.10
Yangtze River Delta	56,350,210,822.78	34,860,356,989.30
Bohai Rim	9,147,542,234.74	7,318,137,784.88
Others	23,075,237,967.43	22,052,033,273.80
Other locations	38,433,802,661.11	35,806,732,228.78
<b>Total</b>	<b>169,156,847,238.63</b>	<b>145,451,918,008.86</b>

**(3) Degree of reliance on major customers**

The total operating income derived from the top five customers of the Group is RMB 3,298,081,685.23, accounting for 20.32% of the Group's operating income.

**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS****1. Other receivables****1.1 Summary of other receivables**

<b>Item</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Dividends receivable	147,896,763.88	177,295,422.67
Other receivables	2,601,740,991.35	1,079,447,548.34
<b>Total</b>	<b>2,749,637,755.23</b>	<b>1,256,742,971.01</b>

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(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -  
continued

1. Other receivables - continued

1.2 Dividends receivable

(1) Presentation of dividends receivable

Investee	31/12/2022	31/12/2021
Chiwan Wharf Holdings (Hong Kong) Ltd.	147,680,363.88	147,680,363.88
Shenzhen Petrochemical Industry (Group) Co., Ltd.	216,400.00	216,400.00
China Merchants Bonded Logistics Co., Ltd.	-	15,707,120.00
Dongguan Shenchiwang Wharf Co., Ltd.	-	13,691,538.79
Total	147,896,763.88	177,295,422.67
Less: Provision for credit loss	-	-
Carrying amount	147,896,763.88	177,295,422.67

(2) Significant dividends receivable aged over 1 year

Item	31/12/2022	31/12/2021	Reason for outstanding	Impaired or not and the determination basis
Chiwan Wharf Holdings (Hong Kong) Ltd.	147,680,363.88	147,680,363.88	In processing and expected to be recovered in 2023	No
Total	147,680,363.88	147,680,363.88		

1.3 Other receivables

(1) Aging analysis of other receivables

Aging	31/12/2022		
	Other receivables	Provision for credit loss	Proportion of provision (%)
Within 1 year	1,526,322,695.78	-	-
1 to 2 years	289,656,927.75	-	-
2 to 3 years	457,984,135.87	-	-
More than 3 years	328,160,688.55	383,456.60	0.12
Total	2,602,124,447.95	383,456.60	

(2) Disclosure of other receivables by nature

Item	31/12/2022	31/12/2021
Amounts due from related parties	2,596,356,894.67	1,072,941,653.53
Advances	2,467,600.00	4,741,428.81
Others	3,299,953.28	2,147,922.60
Total	2,602,124,447.95	1,079,831,004.94
Less: Provision for credit loss	383,456.60	383,456.60
Carrying amount	2,601,740,991.35	1,079,447,548.34

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(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -  
continued

1. Other receivables - continued

1.3 Other receivables - continued

(3) Provision for credit loss of other receivables

As part of the Company's credit risk management, the Company performs internal credit rating on customers, and determines the expected loss rate of other receivables under each credit rating. Such expected average loss rate is based on historical actual impairment and takes into consideration of current and expected future economic conditions.

At 31 December 2022, the credit risk and expected credit loss of other receivables by category of customers are as follows:

Credit rating	Expected credit loss rate (%)	31/12/2022				31/12/2021			
		12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
A	0.00-0.10	2,601,740,991.35	-	-	2,601,740,991.35	1,079,447,548.34	-	-	1,079,447,548.34
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Gross carrying amount		2,601,740,991.35	-	383,456.60	2,602,124,447.95	1,079,447,548.34	-	383,456.60	1,079,831,004.94
Provision for credit loss		-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Carrying amount		2,601,740,991.35	-	-	2,601,740,991.35	1,079,447,548.34	-	-	1,079,447,548.34

(4) Provision, recovery and reversal of credit loss of other receivables

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
At 1 January 2022		-	383,456.60	383,456.60
Balance of other receivables at 1 January 2022				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	-	-	-	-
Reversal for the year	-	-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 31 December 2022	-	-	383,456.60	383,456.60

(5) The Company has no recovery or reversal of significant provision for credit loss in the current year.

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**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -**  
continued

**1. Other receivables - continued**

(6) The Group has no other receivables written off during the year.

(7) The top five balances of other receivables at the end of the year classified by debtor

Name of entity	Relationship with the Company	Nature	Closing balance	Aging	Proportion to total other receivables (%)	Closing balance of provision for credit loss
Shenzhen Haixing	Subsidiary	Loan to related parties	1,302,461,738.81	Within 1 year, 1-2 years, 2-3 years, More than 3 years	50.05	-
Chiwan Wharf Holdings (Hong Kong) Ltd.	Subsidiary	Loan to related parties	1,151,028,753.86	Within 1 year	44.23	-
Shunkong Port	Subsidiary	Loan to related parties	142,866,402.00	Within 1 year	5.49	-
CM International Tech	Subsidiary	Advances	2,467,600.00	Within 1 year	0.09	-
Shenzhen Shekou Local Taxation Bureau	Third party	Others	711,772.07	More than 3 years	0.03	-
Total			2,599,536,266.74		99.89	-

CHINA MERCHANTS PORT GROUP CO., LTD

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(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

2. Long-term equity investments

Investee	31/12/2021	Changes for the year								31/12/2022	Closing balance of provision for impairment
		Increase	Decrease	Investment income under equity method	Reconciliation of other comprehensive income	Other equity movements	Cash dividends or profit declared	Provision for impairment	Others		
<b>I. Subsidiaries</b>											
Ports Development (Hong Kong) Limited (Note 1)	-	29,203,045,326.23	-	-	-	-	-	-	-	29,203,045,326.23	-
Zhanjiang Port	3,381,825,528.52	-	-	-	-	-	-	-	-	3,381,825,528.52	-
Chiwan Container Terminal Co., Ltd.	421,023,199.85	-	-	-	-	-	-	-	-	421,023,199.85	-
Shenzhen Chiwan Harbor Container Co., Ltd.	250,920,000.00	-	-	-	-	-	-	-	-	250,920,000.00	-
Shenzhen Chiwan Port Development Co., Ltd.	206,283,811.09	-	-	-	-	-	-	-	-	206,283,811.09	-
Dongguan Shenchiwian Port Affairs Co., Ltd.	186,525,000.00	-	-	-	-	-	-	-	-	186,525,000.00	-
Dongguan Shenchiwian Wharf Co., Ltd.	175,000,000.00	-	-	-	-	-	-	-	-	175,000,000.00	-
CM Port (Note 2)	29,290,281,157.45	81,605,936.30	-29,203,045,325.40	-	-	-	-	-	-	168,841,768.35	-
CM Port (Zhoushan) RoRo Logistics Co., Ltd.	149,709,800.00	-	-	-	-	-	-	-	-	149,709,800.00	-
Yide Port (Note 3)	-	131,866,700.00	-	-	-	-	-	-	-	131,866,700.00	-
Shunkong Port (Note 4)	-	50,000,000.00	-	-	-	-	-	-	-	50,000,000.00	-
Shenzhen Chiwan Tugboat Co., Ltd.	24,000,000.00	-	-	-	-	-	-	-	-	24,000,000.00	-
CM International Tech	20,561,075.02	-	-	-	-	-	-	-	-	20,561,075.02	-
Shenzhen Chiwan International Freight Agency Co., Ltd.	5,500,000.00	-	-	-	-	-	-	-	-	5,500,000.00	-
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	-	-	-	-	-	-	-	-	2,040,000.00	-
Chiwan Wharf Holdings (Hong Kong) Ltd.	1,070,000.00	-	-	-	-	-	-	-	-	1,070,000.00	-
Chiwan Shipping (Hong Kong) Limited	1,051,789.43	-	-	-	-	-	-	-	-	1,051,789.43	-
Sub-total	34,115,791,361.36	29,466,517,962.53	-29,203,045,325.40	-	-	-	-	-	-	34,379,263,998.49	-
<b>II. Associates</b>											
Ningbo Zhoushan (Note 5)	1,792,998,234.68	14,113,777,882.23	-	258,454,001.50	261,596.32	102,528,280.42	-39,140,468.28	-	-	16,228,879,526.87	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,016,048,532.69	-	-	-13,657,927.07	-	14,619,600.09	-	-	-	1,017,010,205.71	-
China Merchants Bonded Logistics Co., Ltd.	395,249,112.00	-	-	17,113,806.79	-	-	-	-	-	412,362,918.79	-
Sub-total	3,204,295,879.37	14,113,777,882.23	-	261,909,881.22	261,596.32	117,147,880.51	-39,140,468.28	-	-	17,658,252,651.37	-
<b>III. Joint ventures</b>											
Yantai Port Group Laizhou Port Co., Ltd.	791,515,741.44	-	-	32,565,975.37	-	-669,119.99	-29,259,207.08	-	-	794,153,389.74	-
Fujian Zhaohang Logistics Management Partnership (Limited Partnership) ("Zhaohang Logistics")	511,210,432.62	-	-	91,193,783.34	-	-10,269,949.21	-	-	-	592,134,266.75	-
Shenzhen Gangteng Internet Technology Co., Ltd. (Note 6)	-	11,250,000.00	-	-1,440,834.86	-	-	-	-	-	9,809,165.14	-
China Merchants Antong Logistics Management Company (Note 7)	9,727,878.94	-	-9,794,887.44	67,008.50	-	-	-	-	-	-	-
Investment Fund	-	1,085,852.21	-1,047,401.66	-38,450.55	-	-	-	-	-	-	-
Sub-total	1,312,454,053.00	12,335,852.21	-10,842,289.10	122,347,481.80	-	-10,939,069.20	-29,259,207.08	-	-	1,396,096,821.63	-
<b>Total</b>	<b>38,632,541,293.73</b>	<b>43,592,631,696.97</b>	<b>-29,213,887,614.50</b>	<b>384,257,363.02</b>	<b>261,596.32</b>	<b>106,208,811.31</b>	<b>-68,399,675.36</b>	<b>-</b>	<b>-</b>	<b>53,433,613,471.49</b>	<b>-</b>

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**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -**  
continued

**2. Long-term equity investments - continued**

Note 1:Details are set out in Note (X) 1. (1).

Note 2:Details are set out in Note (X) 1. (1).

Note 3:The Company has entered into an equity transfer agreement with its subsidiary China Merchants International Port Development (Hong Kong) Limited (hereinafter referred to as "Port Development") on 22 December 2022. Pursuant to the agreement, Port Development transfers 51% of equity interests in Yide Port to the Company. Upon the completion of the transaction, the Company directly holds and has control over Yide Port.

Note 4:Details are set out in Note (IX) 1.

Note 5:Details are set out in Note (VIII) 13 (1).

Note 6:Shenzhen Gangteng Internet Technology Co., Ltd. is a joint venture established jointly by the Company, Shenzhen Tencent Industry Venture Capital Co., Ltd., CM International Tech, Haixing Port and Shenzhen Zhigangbilin Internet Technology Partnership (LP). The Company has paid the capital contribution of RMB 11,250,000.00 on 23 February 2022.

Note 7:On 7 May 2022, the Company, Shandong Xincheng Hengye Group Co., Ltd. and Quanzhou Antong Internet of Things Co., Ltd. reached an agreement unanimously on the dissolution of the logistics business, and implemented corresponding liquidation and cancellation procedures.

**3. Operating income and operating costs**

Item	2022		2021	
	Income	Cost	Income	Cost
Principal operation	-	-	-	-
Other operations	3,669,891.36	2,276,202.60	2,642,001.75	2,265,959.45
Total	3,669,891.36	2,276,202.60	2,642,001.75	2,265,959.45



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**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -**  
continued**4. Investment income****(1) Details of investment income**

Item	2022	2021
Income from long-term equity investments under cost method	549,150,517.02	1,324,423,832.08
Income from long-term equity investments under equity method	384,257,363.02	226,225,111.65
Income from held-for-trading financial assets	120,227,079.12	38,750,781.56
Income from investments in other equity instruments	-	7,409,500.00
Income from disposal of long-term equity investments	-20,508.07	-
Total	1,053,614,451.09	1,596,809,225.29

**(2) Income from long-term equity investments under cost method**

Investee	2022	2021	Reason for changes
Shenzhen Chiwan Harbor Container Co. Ltd.	173,751,858.77	143,574,378.69	Changes in profit distribution of investee
Chiwan Container Terminal Co., Ltd.	166,925,696.05	115,287,847.14	Changes in profit distribution of investee
Zhanjiang Port	91,862,080.91	23,395,773.67	Changes in profit distribution of investee
Dongguan Shenchowan Wharf Co., Ltd.	37,543,998.58	48,020,128.82	Changes in profit distribution of investee
Shenzhen Chiwan Tugboat Co., Ltd.	29,238,925.84	30,409,076.03	Changes in profit distribution of investee
Shenzhen Chiwan Port Development Co., Ltd.	20,415,654.72	14,577,752.63	Changes in profit distribution of investee
Shenchiwan Port Affairs	18,111,237.23	2,664,219.41	Changes in profit distribution of investee
CM Port	11,069,965.98	946,405,578.84	Changes in profit distribution of investee
Shenzhen Chiwan International Freight Agency Co., Ltd.	231,098.94	89,076.85	Changes in profit distribution of investee
Total	549,150,517.02	1,324,423,832.08	

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS  
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1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

Item	Amount	Remark
Gains or losses on disposal of non-current assets	-104,372,804.10	
Tax refunds or reductions with ultra vires approval or without official approval documents	-	
Government grants recognized in profit or loss (except for grants that are closely related to the Company's business and are in amounts and quantities fixed in accordance with the national standard)	196,086,614.17	
Income earned from lending funds to non-financial institutions and recognized in profit or loss	189,123,975.49	
The excess of attributable fair value of identifiable net assets over the consideration paid for subsidiaries, associates and joint ventures	-	
Gains or losses on exchange of non-monetary assets	-	
Gains or losses on entrusted investments or asset management	-	
Provision of impairment of assets due to force majeure, e.g. natural disasters	-	
Gains or losses on debt restructuring	-	
Business restructuring expenses, e.g., expenditure for layoff of employees, integration expenses, etc.	-	
Gains or losses relating to the unfair portion in transactions with unfair transaction price	-	
Net profit or loss of subsidiaries recognized as a result of business combination of enterprises under common control from the beginning of the period up to the business combination date	-	
Gains or losses arising from contingencies other than those related to normal operating business	-	
Gains from changes in fair value of held-for-trading financial assets, derivative financial assets, other non-current financial assets, held-for-trading financial liabilities, derivative financial liabilities other than effective hedging operation relating to the Company's normal operations, and the investment income from disposal of the above financial assets/financial liabilities	-129,033,650.11	
Reversal of provision for accounts receivable that are tested for credit loss individually	18,730,660.58	
Gains or losses on entrusted loans	-	
Gains or losses on changes in fair value of investment properties that are subsequently measured using the fair value model	-	
Effects on profit or loss of one-off adjustment to profit or loss for the period according to the requirements by tax laws and accounting laws and regulations	-	
Custodian fees earned from entrusted operation	-	
Other non-operating income or expenses other than above	216,674,035.87	
Other profit or loss that meets the definition of non-recurring profit or loss	-213,574,591.16	Note
Tax effects	-12,258,847.06	
Effects of minority interests (after tax)	-169,099,324.67	
Total	-7,723,930.99	

Note: Refer to Note (VIII) 7.3 (2) for details.

**2. RETURN ON NET ASSETS AND EARNINGS PER SHARE ("EPS")**

The return on net assets and EPS have been prepared by the Company in accordance with *Information Disclosure and Presentation Rules for Companies Making Public Offering No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings per Share* (revised in 2010) issued by China Securities Regulatory Commission.

Item	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	7.5443	1.6138	1.6137
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	7.5617	1.6175	1.6175

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