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招商局港口控股有限公司
CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED

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

INSIDE INFORMATION
FINANCIAL INFORMATION FOR THE TWO YEARS AND
THREE MONTHS ENDED 31 MARCH 2018 AND CERTAIN
SELECTED OPERATIONAL DATA

Reference is made to the announcements made by the Company dated 3 December 2017, 19 December 2017, 26 January 2018 and 27 February 2018 (the “**Previous Announcements**”) with respect to a material asset reorganization involving Shenzhen Chiwan. This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). Capitalised terms which are not otherwise defined in this announcement shall bear the same meaning ascribed to them as in the Previous Announcements.

As published in the Previous Announcements, the proposed material asset reorganization might involve Shenzhen Chiwan issuing new shares to acquire assets including part of the shares of the Company held by CMHK. In connection with such reorganization and in accordance with the relevant PRC regulatory requirements that Shenzhen Chiwan is subject to, the Company has prepared the audited consolidated financial information of the Company and its subsidiaries (the “**Group**”) excluding Shenzhen Chiwan and its subsidiaries for the two years and three months ended 31 March 2018 (the “**PRCGAAP Consolidated Financial Information**”, details of which are set out in Appendix 1 to this announcement). The PRCGAAP Consolidated Financial Information has been prepared on the basis set out in note III of the the PRCGAAP Consolidated Financial Information in conformity with the Generally Accepted Accounting Principles in the PRC. The Company understands that, if such reorganization materializes, Shenzhen Chiwan will be required under relevant PRC regulatory requirements to include, *inter alia*, the PRCGAAP Consolidated Financial Information and certain other key operating data and management commentary of the Group (which are reproduced in Appendix 2 to this announcement) in its public filings.

Shareholders and potential investors should note that the PRCGAAP Consolidated Financial Information has been prepared on the basis set out in note III of the the PRCGAAP Consolidated Financial Information in conformity with the Generally Accepted Accounting Principles in the PRC, which is different from the basis of preparation of the Group's consolidated financial statements as included in the Company's interim and annual reports previously published by the Company. As such, the financial information in Appendix 1 may differ substantially from the data previously published. Public investors are hereby reminded of the risks which may result from inappropriate reliance upon the relevant information. There is also no assurance that the possible reorganization will materialize or eventually be consummated. 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 of
China Merchants Port Holdings Company Limited
Fu Gangfeng
Chairman

Hong Kong, 15 June 2018

As at the date of this announcement, the Board comprises Mr. Fu Gangfeng, Mr. Hu Jianhua, Mr. Su Jian, Mr. Xiong Xianliang, Mr. Bai Jingtao, Mr. Wang Zhixian and Mr. Zheng Shaoping as executive directors; and Mr. Kut Ying Hay, Mr. Lee Yip Wah Peter, Mr. Li Kwok Heem John, Mr. Li Ka Fai David and Mr. Bong Shu Ying Francis as independent non-executive directors.

Appendix 1

The PRCGAAP Consolidated Financial Information

China Merchants Port Holdings Company Limited

Consolidated Financial Information excluding Shenzhen Chiwan Wharf Holdings Limited and its subsidiaries for the two years and three months ended 31 March 2018 (the “Consolidated Financial Information”) and the Auditor’s Report

China Merchants Port Holdings Company Limited

Consolidated Financial Information excluding Shenzhen Chiwan Wharf Holdings Limited and its subsidiaries and Auditor's Report

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

<u>Content</u>	<u>Page</u>
Auditor's Report	1-7
Consolidated Statement of Financial Position	8-9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Cash Flows	11 - 12
Notes to the Consolidated Financial Information	13-167

Auditor's Report

To the shareholders of China Merchants Port Holdings Company Limited:

I. Audit Opinions

We have audited the consolidated financial information of China Merchants Port Holdings Company Limited (hereinafter referred to as "China Merchants Port") and its subsidiaries (collectively the "Group") excluding Shenzhen Chiwan Wharf Holdings Limited ("Shenzhen Chiwan") and its subsidiaries (the "Shenzhen Chiwan Group") according to the basis of preparation described in Note (III) to the consolidated financial information, including the consolidated statements of financial positions of the Group excluding the Shenzhen Chiwan Group as at March 31, 2018, December 31, 2017 and December 31, 2016, the consolidated statements of profit or loss and other comprehensive income of the Group excluding the Shenzhen Chiwan Group and consolidated statements of cash flows of the Group excluding the Shenzhen Chiwan Group for period from January 1 to March 31, 2018, the years ended December 31, 2017 and 2016, as well as relevant notes to the consolidated financial information (the "Consolidated Financial Information").

We believe that the attached Consolidated Financial Information were prepared in all material aspects according to the preparation basis described in Note (III) to the Consolidated Financial Information, fairly reflecting the consolidated financial position of the Group excluding the Shenzhen Chiwan Group as at March 31, 2018, as at December 31, 2017 and as at December 31, 2016, and the consolidated financial performance of the Group excluding the Shenzhen Chiwan Group and consolidated cash flows of the Group excluding the Shenzhen Chiwan Group for the period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016 presented for China Merchants Port according to the foregoing preparation basis.

II. Basis for the Formation of Audit Opinion

We conducted the audit in accordance with the China Standards on Auditing. The "CPA's responsibility for auditing the Consolidated Financial Information" section of the auditor's report further elaborated our responsibilities under these Standards. According to the Code of Ethics for Chinese Certified Public Accountants, we were independent from China Merchants Port and performed other duties in respect of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for issuing the audit opinions.

III. Emphasis of Matters - Preparation Basis and Restrictions on Distribution and Use

We remind users of the Consolidated Financial Information to pay attention to the preparation basis described in notes (III) to the Consolidated Financial Information. The Consolidated Financial Information were prepared only for the purpose of Shenzhen Chiwan's filing in respect of a major asset restructuring with the China Securities Regulatory Commission. Therefore, the Consolidated Financial Information may not be applicable for other purposes. Our report is for the above purpose only and may not be used for any other purpose without our written consent. The content of this paragraph does not affect the published audit opinion.

IV. Key Audit Matters

The key audit matters are the matters that we consider to be of the utmost importance in the audit of the Consolidated Financial Information for the period from January 1 to March 31, 2018 and year 2017 according to professional judgment. The response to these matters is based on the overall audit of the financial statements and the formation of audit opinion. We do not comment on these matters separately. We confirm that the following matters are key audit matters that need to be communicated in the auditor's report.

IV. Key Audit Matters - continued

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

As described in Note (VI)14 to the Consolidated Financial Information, China Merchants Port made equity investments in a number of companies and had joint control or significant influence on them. During the period from January 1 to March 31, 2018 and in 2017, the amount of investment income recognized by China Merchants Port under the equity method was RMB683,674,320.25 and RMB4,679,965,781.07, respectively, accounting for 81.81% and 94.96% of the consolidated net profit of the Group excluding the Shenzhen Chiwan Group during the corresponding period. As at March 31, 2018 and December 31, 2017, the closing balances of China Merchants Port's long-term equity investments in associates and joint ventures were RMB44,879,967,370.12 and RMB44,230,306,274.53, respectively, accounting for 60.26% and 59.73% of the consolidated net assets of the Group excluding the Shenzhen Chiwan Group as at the end of the corresponding periods. Given the significant effect of the subsequent measurement of long-term equity investments, we identify the subsequent measurement of the above long-term equity investments in associates and joint ventures as a key audit matter in the Consolidated Financial Information.

In response to the above key audit matter, the audit procedures we performed mainly include:

- (1) Identify and assess the risk of material misrepresentation in our audit of the Consolidated Financial Information, by reading the financial statements of the major associates and joint ventures of China Merchants Port and discussing with the management of the associates and joint ventures the financial performance and major events of the associates and joint ventures during the reporting periods, and based on the important judgments and estimates made in the preparation of the financial statements.
- (2) Discuss with the component auditors of the major associates and joint ventures of China Merchants Port on their assessment of the audit risk of the components, identification of the key audit areas, and implementation of the corresponding audit procedures, so as to evaluate whether the component auditors' audit work was appropriate.
- (3) Evaluate whether the audit evidence obtained by the foregoing component auditors is adequate and appropriate, based on reviewing the audit documents prepared by them, when we consider it necessary.
- (4) Review whether the accounting policies and accounting periods adopted by the associates and joint ventures are consistent with those adopted by China Merchants Port. If they are inconsistent, review whether the financial statements of the associates and joint ventures have been adjusted according to the accounting policies and accounting periods of China Merchants Port, and based on which, determine the adjustment amount using equity method.

IV. Key Audit Matters - continued

2. Accounting treatment for acquisition of entities not under common control

As disclosed in Note (VII)1 to the Consolidated Financial Information, during the period from January 1 to March 31, 2018, China Merchants Port obtained 90% of the shares of TCP Participações S.A. (hereinafter referred to as “TCP”). In 2017, China Merchants Port obtained 60% equity stake in Shantou China Merchants Port Group Co., Ltd. (hereinafter referred to as “Shantou Port”) and 85% equity stake in Hambantota International Port Group (Private) Limited (hereinafter referred to as “HIPG”). Whereas the analysis of control rights, the judgment about acquisition date, the determination of fair value on acquisition dates, the calculation of goodwill, etc. in the acquisition of entities not under common control involve significant judgments and estimates of the management, we identify the above-mentioned accounting treatment for acquisition of entities not under common control as a key audit matter in the Consolidated Financial Information.

In response to the above key audit matter, the audit procedures we performed mainly include:

- (1) Review the relevant clauses of the acquisition agreement, and assess the rationality of the management's analysis of China Merchants Port's acquisition of control over TCP, Shantou Port and HIPG in accordance with the regulations of the Chinese Accounting Standards on control.
- (2) Review the conditions for the acquisition agreement to enter into force, analyze the time when China Merchants Port began to dominate relevant activities of TCP, Shantou Port and HIPG and enjoy variable returns, and assess whether the management's judgment on the acquisition date was appropriate.
- (3) Evaluate the independence and professional competence of third-party assessment agencies employed by China Merchants Port, based on interviews and inquiries. Evaluate whether the methods and assumptions adopted by China Merchants Port in determining the fair value of identifiable net assets of Shantou Port and HIPG were reasonable, based on our understanding of the industry and business.
- (4) Check whether the calculation of goodwill was correct and whether the accounting treatment for enterprise mergers was correct.
- (5) Discuss with the component auditors on the design and implementation of audit procedures and review the necessary audit documents of the component auditors to assess whether the component audit work is appropriate.

IV. Key Audit Matters - continued

3. Provision for goodwill impairment

As stated in the notes to the Consolidated Financial Statements, the book balance of goodwill in the consolidated statements of financial position of the Group excluding the Shenzhen Chiwan Group was RMB5,296,438,614.63 and RMB3,046,815,005.07, respectively, as at March 31, 2018 and December 31, 2017. No provision was made for goodwill. Devaluation preparation. At the end of each year, China Merchants Port conducts impairment test on goodwill. The impairment test requires the estimation of the recoverable amount of the relevant asset group containing goodwill. In determining the present value of the estimated future cash flow of relevant asset group, the management of China Merchants Port needs to make significant judgments and use key assumptions such as growth rate, gross profit margin and discount rate. Because of the importance of goodwill to the Consolidated Financial Information as a whole and taking into account that the impairment test involves the management's judgment and significant estimates, we identify the recognition and measurement of the provisions for goodwill impairment as a key audit matter in the Consolidated Financial Information.

In response to the above key audit matter, the audit procedures we performed mainly include:

- (1) With reference to industry practice, assess whether the assumptions used by the management in preparing the cash flow forecasts were reasonable and whether the methods used were appropriate.
- (2) Compare the data used for cash flow forecasts with historical data and approved budgets, and assess the rationality of the data used.
- (3) Compare the growth rate of business volume in the forecast period with the historical growth rate of business volume, and evaluate its rationality. Understand the basis, based on which the management determined the business growth rate during the follow-up forecast period, and assess its rationality.
- (4) Compare the gross profit margin for the forecast period with the historical performance, and assess its rationality based on business plan and market trends.
- (5) Assess the rationality of the discount rate adopted by the management, based on the market risk-free interest rate and asset-liability ratio for the base period, and by taking into account the weighted average capital cost of each asset group.
- (6) Review whether the net present value of estimated future cash flow was calculated correctly.

IV. Key Audit Matters - continued

4. Impairment of accounts receivable

As at March 31, 2018 and December 31, 2017, the book balance of accounts receivable presented in Consolidated Financial Information was RMB982,800,301.87 and RMB713,090,303.42, respectively, and the corresponding provision for bad debts was RMB45,421,965.89 and RMB42,443,096.89, respectively. As the provisions for bad debts of accounts receivable requires the use of significant accounting estimates and judgments by the management, we identify the impairment of accounts receivable as a key audit matter in the Consolidated Financial Information.

In response to the above key audit matter, the audit procedures we performed mainly include:

- (1) Analyze whether the bad debt provision policy for accounts receivable meets the provisions of Chinese Accounting Standards and review whether it was consistently applied.
- (2) Obtain the accounts receivable classification summary, analyze whether the aging of accounts receivable was reasonable from the whole, and take samples to check the accuracy of the aging of accounts receivable.
- (3) For accounts receivable with individually significant amount, analyze a customer's repayment ability based on the aging of accounts receivable, customer credit, and historic and subsequent repayment recovery situation, and review whether the management's bad debt provision for these accounts receivables was made in a correct preparation method and whether the provision amount was sufficient.
- (4) According to the characteristics of credit risk portfolio, re-calculate the provision for bad debts that shall be made according to the bad debt provision policy for accounts receivable, and assess whether relevant provision for bad debt of corresponding accounts receivable was sufficient.

V. The Management and the Governance's Responsibilities for Consolidated Financial Information

The management of China Merchants Port is responsible for preparing the Consolidated Financial Information and disclosing them fairly in accordance with the preparation basis described in Note (III) to the Consolidated Financial Information, and designing, implementing and maintaining necessary internal control, in order to ensure the Consolidated Financial Information are free from material misrepresentation, whether due to fraud or errors.

In preparing the Consolidated Financial Information, the management is responsible for assessing the going concern ability of China Merchants Port, disclosing the going-concern related issues (if applicable) and applying going-concern assumptions, unless the management plans to liquidate China Merchants Port or terminate its operation or there is no other realistic choice.

The governance is responsible for supervising the financial reporting of China Merchants Port.

VI. Auditors' Responsibility for Auditing the Consolidated Financial Information

Our objective is to obtain reasonable assurance about whether the Consolidated Financial Information as a whole are free from material misrepresentation due to fraud or errors and to issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with the auditing standards can always discover a major misrepresentation that exists. Misrepresentation may be caused by fraud or errors. A misrepresentation is generally considered to be significant if it alone or aggregated, as reasonably expected, may affect the economic decisions made by users of the Consolidated Financial Information in accordance with the Consolidated Financial Information.

In carrying out the audit in accordance with the auditing standards, we exercised professional judgment and maintained professional suspicion. At the same time, we also performed the following work:

- (1) Identifying and evaluating the risk of material misrepresentation of the Consolidated Financial Information due to fraud or errors, designing and implementing audit procedures to deal with the risk, and obtaining adequate and appropriate audit evidence as the basis for expressing audit opinions. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misrepresentation due to fraud is higher than the risk of not discovering a material misrepresentation resulting from a mistake.
- (2) Understanding the internal control relevant to the auditing on the entity in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- (3) Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosure made by the management.
- (4) Drawing conclusions on the appropriateness of the management's use of the going-concern assumption. At the same time, based on the audit evidence obtained, drawing conclusions as to whether there are material uncertainties in the matters or circumstances generating major doubts about the going-concern ability of China Merchants Port. If we conclude that there are material uncertainties, the auditing standards require us to draw the attention of the report users to the relevant disclosures in the Consolidated Financial Information; if the disclosure is not sufficient, we should publish non-unqualified opinions. Our conclusions are based on the information available as at the date of the audit report. However, future events or circumstances may result in the inability of China Merchants Port to continue operating.
- (5) Evaluating the overall presentation, structure and content (including disclosure) of the Consolidated Financial Information and evaluating whether the Consolidated Financial Information fairly reflect the related transactions and events.

VI. Auditors' Responsibility for Auditing the Consolidated Financial Information-continued

- (6) Obtaining sufficient and appropriate audit evidence on the financial information of the entity or business activities of China Merchants Port to express an audit opinion on the Consolidated Financial Information. We are responsible for directing, supervising and executing the Group's audit and assume full responsibility for the audit opinions.

We communicated with the governance regarding issues such as the scope of the audit, the timing and major audit findings, including communicating the notable shortcomings of internal control identified by our audit.

We also provided a statement to the management on compliance with the ethical requirements related to independence, and communicated with the management on all relationships and other matters that may reasonably be considered to affect our independence, as well as related preventive measures (if applicable).

From the matters communicated with the governance, we determined which matters were most important for the audit of the Consolidated Financial Information for the period from January 1 to March 31, 2018 and year 2017, and thus constituted the key audit matters. We described these matters in the audit report, unless laws and regulations prohibit the public disclosure of these matters, or we determine that these matters should not be communicated in the audit report in rare cases where it is reasonably expected that the negative consequences of communicating something in the audit report will outweigh the benefits in the public interest.

Deloitte Touche Tohmatsu Certified Public Accountants LLP
Shanghai, China

Chinese CPA
(Engagement Partner)

Chinese CPA

June 15, 2018

March 31, 2018, December 31, 2017 and December 31, 2016

Consolidated Statement of Financial Position

RMB

Item	Note	March 31, 2018	December 31, 2017	December 31, 2016
Current assets:				
Cash and bank balances	(VI)1	6,256,098,409.79	7,010,046,720.27	2,827,430,381.78
Bill receivables	(VI)2	11,101,916.99	16,410,891.14	8,188,017.00
Trade debtors	(VI)3	937,378,335.98	670,647,206.53	544,055,891.31
Prepayments	(VI)4	87,696,940.40	68,274,723.92	60,114,366.17
Interests receivables	(VI)5	25,742,094.46	13,528,195.71	6,486,297.13
Dividend receivables	(VI)6	322,108,533.67	290,691,146.88	242,725,392.54
Other receivables	(VI)7	3,979,269,542.86	5,521,034,130.86	5,475,035,291.72
Inventories	(VI)8	69,996,841.32	67,967,109.18	53,893,448.71
Other current assets	(VI)9	1,182,047,703.14	1,169,773,192.59	236,188,921.79
Total current assets		12,871,440,318.61	14,828,373,317.08	9,454,118,008.15
Non-current assets:				
Available-for-sale financial assets	(VI)10		3,059,822,735.68	2,974,392,890.82
Financial assets at fair value through profit and loss	(VI)11	3,013,669,363.99		
Equity instrument investments at fair value through other comprehensive income	(VI)12	83,110,818.61		
Long-term receivables	(VI)13	9,630,371.02	9,669,034.35	8,960,516.42
Long-term equity investments	(VI)14	44,879,967,370.12	44,230,306,274.53	46,349,302,928.84
Investment properties	(VI)15	5,987,499,592.14	6,037,804,900.44	6,085,954,067.67
Property, plant and equipments	(VI)16	20,710,450,578.36	19,999,608,929.02	12,098,548,544.22
Assets under construction	(VI)17	2,938,390,287.67	2,256,101,893.73	818,959,997.92
Fixed assets pending for disposal		13,878.42	13,878.42	811.49
Intangible assets	(VI)18	22,907,920,487.72	14,899,396,341.07	10,488,852,603.02
Goodwill	(VI)19	5,296,438,614.63	3,046,815,005.07	2,494,497,268.42
Long-term prepaid expenses	(VI)20	198,289,284.43	202,064,891.53	201,190,367.75
Deferred tax assets	(VI)21	55,448,537.31	31,672,836.18	31,602,273.64
Other non-current assets	(VI)22	145,458,646.89	95,415,126.79	212,299,015.34
Total non-current assets		106,226,287,831.31	93,868,691,846.81	81,764,561,285.55
Total assets		119,097,728,149.92	108,697,065,163.89	91,218,679,293.70

China Merchants Port Holdings Company Limited

March 31, 2018, December 31, 2017 and December 31, 2016

Consolidated Statement of Financial Position-continued

RMB

Item	Note	March 31, 2018	December 31, 2017	December 31, 2016
Current liabilities:				
Short-term borrowings	(VI)23	5,373,220,000.00	2,580,000,000.00	2,293,310,450.30
Trade creditors	(VI)24	297,059,178.90	236,483,248.53	162,426,426.57
Contract liabilities	(VI)25	63,190,790.70		
Accruals	(VI)26	-	61,659,604.71	37,098,609.88
Employee benefits payable	(VI)27	187,268,830.72	295,466,425.37	266,257,841.49
Taxation payable	(VI)28	844,539,002.65	797,951,266.64	879,338,977.72
Interests payables	(VI)29	421,716,804.45	245,182,795.48	150,798,611.09
Dividend payables	(VI)30	79,589,368.51	41,285,781.00	37,685,781.00
Other payables	(VI)31	4,906,960,128.93	6,055,509,311.28	2,116,621,432.59
Current portion of non-current liabilities	(VI)32	2,494,204,175.92	2,393,237,748.47	707,022,684.19
Other current liabilities	(VI)33	281,486,184.03	285,472,328.45	1,571,956,817.56
Total current liabilities		14,949,234,464.81	12,992,248,509.93	8,222,517,632.39
Non-current liabilities:				
Long-term borrowings	(VI)34	8,742,500,199.82	7,670,516,491.15	4,907,694,818.05
Notes payable	(VI)35	11,577,359,851.90	10,292,778,301.33	9,646,354,568.16
Long-term payables	(VI)36	4,473,764,073.10	1,247,806,274.43	1,301,764,364.80
Long-term employee benefits payable	(VI)37	349,824,612.30	350,750,123.90	835,963.38
Special payables	(VI)38	10,448,934.59	10,412,745.10	17,105,764.64
Contingent liabilities	(VI)39	16,024,530.59	-	-
Deferred income	(VI)40	63,499,783.72	66,808,802.84	61,021,994.15
Deferred tax liabilities	(VI)21	3,758,161,549.52	1,955,083,126.71	1,576,921,392.68
Other non-current liabilities	(VI)41	674,136,102.30	54,763,901.68	-
Total non-current liabilities		29,665,719,637.84	21,648,919,767.14	17,511,698,865.86
Total liabilities		44,614,954,102.65	34,641,168,277.07	25,734,216,498.25
Equity:				
Total equity attributable to shareholders and other equity holders of the Company		63,549,151,052.56	62,957,932,247.27	60,952,893,552.98
Non-Controlling interests		10,933,622,994.71	11,097,964,639.55	4,531,569,242.47
Total Equity		74,482,774,047.27	74,055,896,886.82	65,484,462,795.45
Total liabilities and equity		119,097,728,149.92	108,697,065,163.89	91,218,679,293.70

The notes to the Consolidated Financial Information form an integral part of the Consolidated Financial Information .

Pages 8-167 of the Consolidated Financial Information have been signed by the following persons:

Legal representative

Principal in charge of accounting

Principal of accounting firm

China Merchants Port Holdings Company Limited

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

Consolidated Statement of Profit or Loss

RMB

Item	Note	Period from January 1 to March 31, 2018	2017	2016
I. Revenue	(VI)42	1,702,405,361.79	5,668,455,620.87	4,969,131,541.14
Less: Cost of sales	(VI)42	1,068,532,169.60	3,699,015,056.76	2,961,256,858.40
Taxes and surcharges	(VI)43	44,862,493.25	63,741,731.35	47,288,008.05
Administrative expenses	(VI)44	201,790,080.05	729,246,163.11	617,026,536.10
Finance costs	(VI)45	264,317,138.08	932,938,199.71	941,417,507.94
Asset impairment losses	(VI)46	350,133.50	636,782,578.61	23,223,699.89
Add: Gains from fair value changes	(VI)47	137,919,530.28	-	-
Investment income	(VI)48	683,674,320.25	5,760,260,854.98	3,566,499,014.40
Including: share of profit of associates and joint ventures		683,674,320.25	4,679,965,781.07	3,039,296,485.49
(Losses)/gains on disposal of assets	(VI)49	(2,298,190.92)	(715,440.96)	4,791,593.38
Other income	(VI)50	13,004,492.78	42,315,031.26	-
II. Operating profit		954,853,499.70	5,408,592,336.61	3,950,209,538.54
Add: Non-operating income	(VI)51	6,812,492.43	21,225,629.03	705,074,089.16
Less: Non-operating expenses	(VI)52	776,914.68	44,701,913.91	12,221,599.17
III. Total profit		960,889,077.45	5,385,116,051.73	4,643,062,028.53
Less: Taxation	(VI)53	125,180,947.47	456,826,648.24	515,796,449.83
IV. Net profit		835,708,129.98	4,928,289,403.49	4,127,265,578.70
(I) Classified by continuity of operations				
1. Continuing operations		835,708,129.98	4,928,289,403.49	4,127,265,578.70
2. Discontinued operations		-	-	-
(II) Classified by ownership of the equity				
1. Attributable to shareholders and other equity holders of the Company		769,631,746.83	4,718,404,464.27	3,836,225,200.29
2. Attributable to non-controlling interests		66,076,383.15	209,884,939.22	291,040,378.41
V. Other comprehensive income, net of tax		(146,576,177.43)	641,630,602.45	(1,538,113,731.45)
Attributable to shareholders and other equity holders of the Company, net of tax		(50,446,348.99)	611,482,288.48	(1,539,687,153.17)
Attributable to non-controlling interests, net of tax		(96,129,828.44)	30,148,313.97	1,573,421.72
VI. Total comprehensive income		689,131,952.55	5,569,920,005.94	2,589,151,847.25
Attributable to shareholders and other equity holders of the Company		719,185,397.84	5,329,886,752.75	2,296,538,047.12
Attributable to non-controlling interests		(30,053,445.29)	240,033,253.19	292,613,800.13

The notes to the Consolidated Financial Information form an integral part of the Consolidated Financial Information.

China Merchants Port Holdings Company Limited

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

Consolidated Statement of Cash Flows

RMB

Item	Note	Period from January 1 to March 31, 2018	2017	2016
I. Cash flows from operating activities				
Cash received from sale of goods or rendering of services		1,547,453,438.67	5,658,749,006.34	5,096,854,395.31
Tax refund		1,045,995.99	2,026,413.44	3,298,876.23
Cash received relating to other operating activities	(VI)54(1)	173,873,568.38	514,745,070.10	448,996,305.05
Sub-total of cash inflows from operating activities		1,722,373,003.04	6,175,520,489.88	5,549,149,576.59
Cash paid for goods and services		456,763,215.58	1,623,149,257.42	1,525,667,080.05
Cash paid to and on behalf of employees		452,813,129.90	1,052,603,558.85	911,072,541.22
Payments of taxes and surcharges		102,730,956.75	387,133,065.51	467,519,586.24
Cash paid relating to other operating activities	(VI)54(2)	230,767,169.29	617,415,652.19	423,282,155.95
Sub-total of cash outflows used in operating activities		1,243,074,471.52	3,680,301,533.97	3,327,541,363.46
Net cash flows from operating activities	(VI)55(1)	479,298,531.52	2,495,218,955.91	2,221,608,213.13
II. Cash flows from investing activities				
Cash received from disposal of investments		-	342,998,439.88	1,825,231.22
Cash received from returns on investments		26,038,200.59	1,568,815,544.03	1,712,438,950.32
Net cash received from disposal of fixed assets, intangible assets and other non-current assets		2,221,166.15	17,057,692.11	614,348,932.24
Net cash received from disposal of subsidiaries and other business entities	(VI)55(3)	1,411,633,655.68	7,617,940,434.09	-
Cash received relating to other investing activities	(VI)54(3)	-	218,174,398.17	12,250,000.00
Sub-total of cash inflows from investing activities		1,439,893,022.42	9,764,986,508.28	2,340,863,113.78
Cash paid to acquire fixed assets, intangible assets and other non-current assets		454,894,385.43	2,321,717,756.29	4,156,934,694.41
Cash paid to acquire investments		63,458,839.54	2,290,174,234.90	5,591,098,105.78
Net cash paid to acquire subsidiaries and other business entities	(VI)55(2)	5,231,065,184.45	1,887,623,658.13	-
Cash paid relating to other investing activities	(VI)54(4)	25,463,391.23	1,058,395,077.56	95,225,095.03
Sub-total of cash outflows used in investing activities		5,774,881,800.65	7,557,910,726.88	9,843,257,895.22
Net cash flows from investing activities		(4,334,988,778.23)	2,207,075,781.40	(7,502,394,781.44)

China Merchants Port Holdings Company Limited

Period from January 1 swto March 31, 2018, year ended December 31, 2017 and 2016

Consolidated Statement of Cash Flows-continued

RMB

Item	Note	Period from January 1 to March 31, 2018	2017	2016
III. Cash flows from financing activities:				
Cash received from capital contributions		15,950,000.00	166,540,000.00	165,599,067.16
Including: cash received from contribution from non-controlling interests		15,950,000.00	166,540,000.00	164,219,754.40
Cash received from borrowings		9,641,411,976.98	7,684,939,575.00	4,304,133,172.72
Cash received from issuing notes payable		500,000,000.00	2,500,000,000.00	1,500,000,000.00
Cash received relating to other financing activities	(VI)54(5)	-	79,950,702.77	247,092,322.17
Sub-total of cash inflows from financing activities		10,157,361,976.98	10,431,430,277.77	6,216,824,562.05
Cash repayments for borrowings		6,639,653,811.87	6,349,078,966.70	3,308,348,565.52
Cash payments for distribution of dividends profits or interest expenses		232,139,057.69	4,242,778,407.88	2,900,647,325.44
Including: Cash payments for distribution of profits to non-controlling equity holders of subsidiaries		9,307,713.92	309,757,462.89	329,505,398.64
Cash paid relating to other financing activities	(VI)54(6)	31,052,942.23	82,846,392.76	33,945,947.26
Sub-total of cash outflows used in financing activities		6,902,845,811.79	10,674,703,767.34	6,242,941,838.22
Net cash flows from financing activities		3,254,516,165.19	(243,273,489.57)	(26,117,276.17)
IV. Effect of foreign exchange rate changes		(152,774,228.96)	(276,404,909.25)	193,655,030.85
V. Net (decrease)/increase of cash and cash equivalents		(753,948,310.48)	4,182,616,338.49	(5,113,248,813.63)
Add: balance of cash and cash equivalents at the beginning of year/period	(VI)55(4)	7,010,046,720.27	2,827,430,381.78	7,940,679,195.41
VI. Balance of cash and cash equivalents at the end of year/period	(VI)55(4)	6,256,098,409.79	7,010,046,720.27	2,827,430,381.78

Notes to the Consolidated Financial Information form an integral part of the Consolidated Financial Information.

(I) Company Profile

China Merchants Port Holdings Company Limited (formerly known as China Merchants Holdings (International) Company Limited, hereinafter referred to as "the Company") is a limited liability company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited (the "HKSE") in July 1992. The Company and its subsidiaries (hereinafter collectively referred to as "the Group") are principally engaged in ports operation, bonded logistics operation and property investment.

The registered address of the Company is 38/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The parent company of the Company is China Merchants Holdings (Hong Kong) Company Limited. The ultimate holding company of the Company is China Merchants Group Limited (hereinafter referred to as "CMG").

For details of the composition of the principal subsidiaries of the Company, see note (VIII) "Interests in other entities" to the Consolidated Financial Information. For details of changes in the consolidation scope of the Group during each reporting period, please see note (VII) "Changes to consolidation scope" to the Consolidated Financial Information.

The Chinese text in this document shall prevail over the English text.

(II) Restructuring Transaction

The Company indirectly holds 33.58% shares in Shenzhen Chiwan Wharf Holdings Limited (hereinafter referred to as "Shenzhen Chiwan") (excluding those interest held through by China Nanshan Development (Group) Co., Ltd. (hereinafter referred to as "China Nanshan")). The Company, through trusteeship, is able to manage the voting right of the shares of Shenzhen Chiwan held by China Nanshan of 32.52%. As a result of the trusteeship, the Company holds 66.10% voting rights in Shenzhen Chiwan and can exercise control over it.

In order to resolve the matter of competing business between the Company and Shenzhen Chiwan, Shenzhen Chiwan applied for a major asset restructuring to the China Securities Regulatory Commission. After the completion of the restructuring, the Company will be included into the scope of consolidation of Shenzhen Chiwan.

Based on the objective of the aforesaid restructuring, the Company intends to dispose of the shares held in Shenzhen Chiwan and related voting rights through the following steps:

1. On February 5, 2018, the Company's indirect wholly-owned subsidiary Shenzhen Malai Storage Company Limited (hereinafter referred to as "Malai Shenzhen") entered into an agreement (hereinafter referred to as "Agreement A") with China Merchants Gangtong Development (Shenzhen) Co., Ltd. (hereinafter referred to as "China SPV"), intending to sell 161,190,933 ordinary A shares held in Shenzhen Chiwan by it to China SPV, which approximately represent 25% of the total issued shares of Shenzhen Chiwan as at the date of the agreement;
2. On February 5, 2018, the Company's indirect wholly-owned subsidiary Keen Field Enterprises Limited (hereinafter referred to as "KFEL") entered into an agreement (hereinafter referred to as "Agreement B") with Broadford Global Limited (hereinafter referred to as "Hong Kong SPV"), intending to sell 55,314,208 common B shares held in Shenzhen Chiwan by it to Hong Kong SPV, which approximately represent 8.58% of the total issued shares of Shenzhen Chiwan as at the date of the agreement;

(III) Restructuring Transaction—continued

3. On February 5, 2018, China Nanshan, an associate of the Group, entered into an agreement (hereinafter referred to as "Agreement C") with China SPV, intending to sell 209,687,067 common A shares held in Shenzhen Chiwan by it to China SPV, which approximately represent 32.52% of the total issued shares of Shenzhen Chiwan as at the date of the agreement. On the same day, the Company entered into an agreement with China Nanshan to terminate the agreement on custody of the ordinary A shares held in Shenzhen Chiwan by China Nanshan.

On 8 June 2018, the above-mentioned disposal of Shenzhen Chiwan shares was completed. Prior to the implementation of the above-mentioned restructuring transaction, the Company included Shenzhen Chiwan in the scope of its consolidated financial statements; after the implementation of the above-mentioned restructuring transaction, Shenzhen Chiwan will no longer be a subsidiary of the Company, and the Company will no longer include Shenzhen Chiwan in the scope of its consolidated financial statements.

(IV) Preparation Basis of Consolidated Financial Information

Preparation basis

The Consolidated Financial Information was prepared for the purpose of reporting the major assets restructuring of Shenzhen Chiwan to the China Securities Regulatory Commission. The Consolidated Financial Information is based on the following preparation basis:

1. It was assumed that the restructuring transaction described in note (II) to the Consolidated Financial Information was completed before the beginning of the reporting period and the Group structure of which remained unchanged during the reporting period. In other words, the Group had sold the Shenzhen Chiwan shares held prior to the beginning of the reporting period and terminated the entrustment agreement of the Shenzhen Chiwan shares held by China Nanshan. On this basis, Shenzhen Chiwan was not included in the scope of the Group's Consolidated Financial Information.

Pursuant to Agreement A and Agreement B, the Group's consideration for the sale of Shenzhen Chiwan shares to China SPV and Hong Kong SPV was RMB4.105 billion and HK\$738 million (equivalent to RMB619 million), respectively. Considering that Shenzhen Chiwan approved at a meeting of its shareholders to distribute cash dividend of RMB286 million during the period from the signing date of the agreement to the date of the Consolidated Financial Information, the adjusted consideration is amounted to RMB4.438 billion. The difference between the consideration RMB4.438 billion for the disposal of Shenzhen Chiwan shares by the Group and RMB2.473 billion in net assets of the Shenzhen Chiwan Group entitled to the Group according to its shareholding as at December 31, 2015 and the RMB629 million in the expected tax liabilities resulting from the share transfer transaction shall be recorded in shareholders' equity. The Group recorded the share transfer receivables under "other receivables" in the Consolidated Financial Information.

Shenzhen Chiwan holds 55% equity stake in Chiwan Container Terminal Co., Ltd. (hereinafter referred to as "CCT") during the reporting period. CCT is a subsidiary within the scope of Shenzhen Chiwan's consolidation. In addition to the 55% equity interest in CCT held by the Group through Shenzhen Chiwan, the Group also holds 20% of the shares in CCT through MTL Chiwan Holdings Limited (a subsidiary of the Company, with 70% of its equity held by the Group). As the Group assumed that the Shenzhen Chiwan shares held had been disposed prior to the beginning of the Reporting Period, CCT was accounted for in the Consolidated Financial Information as an associate with 20% of its equity interest held by the Group during the reporting period, and which was re-measured based on fair value upon the assumed disposal of Shenzhen Chiwan.

(III) Preparation Basis of Consolidated Financial Information-continued

Preparation basis-continued

2. Shenzhen Chiwan and Media Port Investments Limited (hereinafter referred to as "MPIL") and its subsidiaries Shiny Fame Limited, Shenzhen Mawan Wharf Co., Ltd. Shenzhen Mawan Port Service Co., Ltd. and Shenzhen Mawan Terminals Co., Ltd. (hereinafter referred to as "Four Subsidiaries") are subsidiaries controlled by the Company. The Company and Shenzhen Chiwan held 50% of MPIL's equity, respectively. According to the "Media Port Investments Limited Shareholders' Agreement", the board of directors is MPIL's highest authority; the board of directors is composed of six directors; the Company and Shenzhen Chiwan appointed three directors each, and the chairman of the board of directors is undertaken by a director; all major issues must be resolved by a simple majority of the directors present at the meeting. If the number of affirmative votes is equal to that of dissenting votes, the chairman of the board of directors shall have the right to make a second or decisive vote. Prior to September 30, 2017, as the chairman of MPIL was appointed by the Company, the Company had control over MPIL and its Four Subsidiaries, and Shenzhen Chiwan had no control over it and regarded it as an associate for accounting. On August 23, 2017, Shenzhen Chiwan signed a "Media Port Supplemental Shareholders Agreement" with the Company and other interested parties. According to the Media Port Supplementary Agreement, the chairman was replaced by a director appointed by Shenzhen Chiwan. The other terms of the Media Port Supplementary Agreement remained unchanged. On September 30, 2017, Shenzhen Chiwan completed the appointment of MPIL chairman and actually acquired control over MPIL and its Four Subsidiaries. On February 5, 2018, Shenzhen Chiwan signed the "Media Port Second Supplemental Shareholders Agreement" with the Company, stipulating that the chairman of MPIL shall resume to be appointed by the Company upon the completion of the disposal of Shenzhen Chiwan shares held by the Company.

Based on the preparation basis described in Note (III)1 to the Consolidated Financial Information, it was assumed that the Group had sold the Shenzhen Chiwan shares held prior to the beginning of the reporting period. As Shenzhen Chiwan controlled MPIL and its Four Subsidiaries from September 30, 2017 to the date of completion of the restructuring transaction described in the Note (II) to the Consolidated Financial Information, MPIL and its Four Subsidiaries shall not be included in the consolidation scope of the Group during the foregoing period. However, according to the actual composition of the Group, MPIL and its Four Subsidiaries are subsidiaries directly or indirectly controlled by the Group before and after September 30, 2017 and after the completion of the aforesaid restructuring transaction in the Note (II) to the consolidated financial statements, so the Company assumed that MPIL and its Four Subsidiaries were controlled by the Company and included them in the consolidation scope of the Group during the reporting period for the preparation of the Consolidated Financial Information.

(III) Preparation Basis of Consolidated Financial Information -continued

Preparation basis-continued

3. As the Group's associates and joint ventures have not yet adopted the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets", "Accounting Standards for Business Enterprises No. 24 - Hedging Accounting", "Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments" (hereinafter referred to as the "New Financial Instrument Standards") and "Accounting Standards for Business Enterprises No. 14 - Revenue" (hereinafter referred to as the "New Revenue Standards") newly revised by the Ministry of Finance in 2017, the Group did not adjust the net profit or net assets of the associates and joint ventures according to the New Financial Instrument Standards and the New Revenue Standards when accounting for the associates and joint ventures using equity method for the period from January 1, 2018 to March 31, 2018.

Taking into account the specific purpose and use of the Consolidated Financial Information, the Company did not prepare a consolidated statement of changes in shareholders' equity. At the same time, in the preparation of the consolidated Statement of financial position, only the shareholder's equity attributable to the parent company and the non-controlling interests are listed under the shareholder's equity.

Except for the above-mentioned specific issues, the Consolidated Financial Information were prepared and disclosed based on actual transactions and events, and in accordance with the Accounting Standards for Business Enterprises and relevant regulations promulgated by the Ministry of Finance, as well as the "Information Disclosure and Presentation Rules for Companies Making Public offering No. 15 - General Provisions of Financial Statements (Revised in 2014)" promulgated by the China Securities Regulatory Commission.

(III) Preparation Basis of Consolidated Financial Information -continued

Accounting basis and pricing principles

The accounting of the Group is based on the accrual basis. Except that certain financial instruments are measured at fair value, the Consolidated Financial Information use historical cost as the measurement basis. If any assets are impaired, corresponding impairment provisions shall be made according to relevant regulations.

Under historical cost measurement, assets shall be measured at the amount of the cash or cash equivalent paid or the fair value of the consideration paid at the time of acquisition. Liabilities shall be measured at the actual amount of money or assets received as a result of the current obligation, or the amount of the contract for which the current obligation is assumed, or the amount of cash or cash equivalent that is expected to be paid for the repayment of liabilities in daily activities.

Fair value refers to the amount of asset exchange or liability settlement by both transaction parties familiar with the situation in a fair deal on a voluntary basis. Whether the fair value is observable or estimated using valuation techniques, the fair value measured and disclosed in the Consolidated Financial Information shall be determined on this basis.

Fair value measurements are divided into three levels based on the observable extent of the input value of fair value and the importance of the input value to the overall fair value measurement:

- Level 1 inputs are quoted prices (unadjusted) 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 asset or liability.

Going concern

As at March 31, 2018, the total amount of current liabilities of the Group exceeded the total amount of current assets by RMB2,077,794,146.20, and the Group still has unused committed bank loans and other debt financing instruments amounting to RMB18,956,114,738.18. The management of the Group is confident that the short-term debt will be renewed upon maturity or capital will be obtained through new financing channel to replace the existing short-term debt to maintain the Group's continuing operations. Therefore, the Consolidated Financial Information were prepared on the basis of the going-concern assumption.

(IV) Significant Accounting Policies and Accounting Estimates

All the following significant accounting policies and accounting estimates are based on the Accounting Standards for Business Enterprises (“ASBE”).

1. Statement of compliance with the ASBE

The Consolidated Financial Information prepared by the Company were prepared based on the preparation basis described in Note (III) to the Consolidated Financial Information, truly and completely reflecting the consolidated statement of financial position as at March 31, 2018, December 31, 2017 and December 31, 2016, the consolidated statement of cash flows for the period from January 1 to March 31, 2018, the year ended December 31, 2017 and 2016 of the Group excluding Shenzhen Chiwan and its subsidiaries, which had been presented on the preparation basis described in Note (III) to the Consolidated Financial Information.

2. Accounting period

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

3. Operating cycle

Operating cycle is referred to the period from which an enterprise acquires assets to manufacture to the date it achieves cash or cash equivalents.

4. Functional currency

Hong Kong dollar (“HKD”) is the currency in the primary economic environment in which the Company operates. The Company uses HKD as its functional currency. The subsidiaries of the Company determine their functional currencies according to the currency in the primary economic environment in which they operate. The currency used by the Group in the preparation of the Consolidated Financial Information is Renminbi (“RMB”).

(IV) Significant Accounting Policies and Accounting Estimates-continued

5. Accounting treatments for business combinations involving or not involving enterprises under common control

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 capital reserve. If the share 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.

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 recognised in profit or loss in the periods when they are incurred.

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

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 recognised 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 recognises the remaining difference immediately in profit or loss for the current period.

(IV) Significant Accounting Policies and Accounting Estimates-continued

5. Accounting treatments for business combinations involving or not involving enterprises under common control-continued

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the Consolidated Financial Information.

6. Preparation methods of Consolidated Financial Information

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

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

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

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 statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control 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 statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

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

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

The portion of subsidiaries' equity that is not attributable to the parent is treated as non-controlling interests and presented as "non-controlling interests" in the consolidated statement of financial position under shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "non-controlling interests" in the consolidated statement of profit or loss under the "net profit" line item.

(IV) Significant Accounting Policies and Accounting Estimates-continued

6. Preparation methods of Consolidated Financial Information-continued

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

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

When the Group loses control over a subsidiary due to disposal of equity investment or other reason, 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 recognised 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.

For the step-by-step disposal of the equity investment in a subsidiary through multiple transactions until loss of the control if the terms, conditions, and economic effects of each transaction that deals with the equity investment in the subsidiary meets one or more of the following conditions, it usually indicates that the disposal is a package deal: (1) these transactions are concluded at the same time or in consideration of the influence of transaction; (2) these transactions as a whole can achieve a complete business outcome; (3) the occurrence of a transaction is determined by the occurrence of at least one other transaction; (4) each transaction is not economical separately, but economical when considered together with other transactions. If the disposal of the equity investment in the subsidiary through multiple transactions until the loss of control is a package deal, the transactions shall be treated as a disposal of the subsidiary for each disposal before loss of control, the difference between the consideration and the relevant share of net assets disposed of shall be recognised in other comprehensive income, and recorded in profit or loss in the period when control is lost. If the disposal is not a package deal, each transaction shall be accounted for separately.

(IV) Significant Accounting Policies and Accounting Estimates-continued

7. Types of joint arrangements and accounting treatment of joint operation

There are two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement. 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.

Investments in joint ventures are accounted for using the equity method by the Group, which is detailed in Note (VI) 14 “Long-term equity investments” accounted for using the equity method.

The Group as a joint operator recognises the following items in relation to its interest in a joint operation: (1) its solely-held assets, including its share of any assets held jointly; (2) its solely-assumed liabilities, including its share of any liabilities incurred jointly; (3) its revenue from the sale of its share of the output arising from the joint operation; (4) its share of the revenue from the sale of the output by the joint operation; and (5) its solely-incurred expenses, including its share of any expenses incurred jointly. The Group accounts for the recognised assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the requirements applicable to the particular assets, liabilities, revenues and expenses.

8. Recognition criteria of 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, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(IV) Significant Accounting Policies and Accounting Estimates-continued

9. Foreign currency transactions

9.1 Foreign 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 date of financial position, foreign currency monetary items are translated into functional currency using the spot exchange rates at the date of financial position.

Exchange differences arising from the differences between the spot exchange rates prevailing at the date of financial position and those on initial recognition or at the previous date of financial position are recognised 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 capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation 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 change in the value, other than the amortised cost of available-for-sale monetary items are included in other comprehensive income.

For the preparation of the Consolidated Financial Information which involves overseas operations, if there is a foreign-currency monetary item that essentially constitutes a net investment in overseas operations, the exchange difference arising from changes in exchange rate shall be presented as “Exchange differences from retranslation” included in other comprehensive income, and shall be recognised in profit or loss upon the disposal of overseas operations.

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

9.2 Translation of financial statements denominated in foreign currencies

To prepare the Consolidated Financial Information, financial statement of foreign operations are translated to Renminbi as follows: all asset and liability items in the consolidated statement of financial position shall be translated at the spot exchange rate on the date of financial position; shareholders' equity items shall be translated at the spot exchange rate on the date of occurrence; all items and the items reflecting the occurrence of profit distribution in the consolidated statement of profit or loss and other comprehensive income shall be translated at an exchange rate approximately the same as the spot exchange rate on the date when the transaction occurred. The difference between translated assets and the sum of the translated liabilities and equities shall be recognised under other comprehensive income and included in equity.

(IV) Significant Accounting Policies and Accounting Estimates-continued

9. Foreign currency transactions - continued

9.2 Translation of financial statements denominated in foreign currencies - continued

Cash flows denominated in foreign currencies and the cash flows of overseas subsidiaries shall be translated at the exchange rate approximately the same as the spot exchange rate on the date when the cash flow occurred. The effect of exchange rate changes on cash and cash equivalents shall be treated as a reconciling item and presented separately in the "effect of foreign exchange rate changes on cash and cash equivalents" in the consolidated statement of cash flows.

The amount at the beginning of the period and the actual amount of the comparable periods shall be presented at the amounts translated according to the Consolidated Financial Information of that period.

When disposing of the entire owner's equity in overseas operations of the Group or losing overseas operation control right due to disposing of part of the equity investment or other reasons, the translation difference attributable to shareholders and other equity holders of the Company, related to the overseas operations which is presented under the shareholders' equity in the consolidated statement of financial position shall be all transferred to profit or loss.

In case of a reduction in the proportion of overseas operating equity without loss of control due to disposing of part of the equity investment or other reasons, the translation difference related to the disposal of overseas operations shall be attributable to non-controlling interests and not be transferred to the profit or loss. When disposing of partial equity in an overseas operation as an associate or a joint venture, the translation difference related to the overseas operation shall be transferred to the profit or loss in the period of disposal, in proportion to the disposal of the overseas operation.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments

The Group adopted the following "financial instruments" accounting policies from January 1, 2018:

A financial asset or financial liability shall be recognised when the Group becomes a party to a financial instrument contract. Financial assets and financial liabilities shall be measured at fair value upon initial recognition. For financial assets and financial liabilities measured at fair value through profit or loss, relevant transaction costs shall be directly recognised in profit or loss; for other categories of financial assets and financial liabilities, relevant transaction costs shall be recognised in the amount initially recognised. However, if the trade debtors initially recognised by the Group do not contain the significant financing components as defined in the "Accounting Standards for Business Enterprises No. 14 - Revenue" (revised in 2017) or the "Accounting Standards for Business Enterprises No. 14 - Revenue" (revised in 2017) or do not take into account the financing components in a contract that does not exceed one year, the trade debtors shall be initially measured at the transaction price as defined according to the foregoing standard.

10.1 Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate.

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 or, where appropriate, a shorter period to the net carrying amount of the financial asset or 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 (without considering future credit losses).

10.2 Classification, recognition and measurement of financial assets

The Group classifies its financial assets into the following three categories based on its business model for managing financial assets and the contractual cash flow characteristics of financial assets:

- (1) Financial assets at amortised cost.
- (2) Financial assets at fair value through other comprehensive income.
- (3) Financial assets at fair value through profit and loss.

Where financial assets are purchased or sold in a regular way, the Group recognises the assets it will receive and the liabilities it will bear on the trade date, or de-recognises the assets sold on the trade date, and meanwhile recognises the gains or losses on disposal and the receivables from buyers. Financial assets held by the Group are mainly financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.2 Classification, recognition and measurement of financial assets - continued

- Financial assets at amortised cost

If a financial asset meets both of the following conditions, the Group classifies it as a financial asset at amortised cost:

- (1) The Group's business model for managing the financial assets is aimed at collecting contractual cash flows.
- (2) The contractual terms of the financial assets provide that the cash flows generated on specified dates shall solely be used in payments of principal and interest on the principal amount.

The financial assets classified by the Group as at amortised costs include trade debtors, bill receivables, interests receivables, dividend receivables, other receivables and entrusted loans, etc.

Financial assets at amortised cost shall be measured subsequently at amortised cost using effective interest rate method, and the profit or loss from their de-recognition, impairment or amortisation is recognised in profit or loss.

- Financial assets at fair value through other comprehensive income

If a financial assets meets both of the following conditions, the Group classifies it as a financial asset at fair value through other comprehensive income:

- (1) The Group's business model for managing the financial assets is aimed at collecting contractual cash flows and also aimed at selling the financial assets.
- (2) The contractual terms of the financial assets provide that the cash flow generated on specified dates shall solely be used in payments of principal and interest on the principal amount.

All gains or losses arising from financial assets classified as at fair value through other comprehensive income, except for impairment losses or gains and exchange gains or losses, shall be included in other comprehensive income until de-recognition or reclassification of the financial assets. However, the interest on the financial assets calculated using the effective interest rate method shall be included in profit or loss. The amount of the financial assets included in profit or loss for each period shall be equal to the amount it has been measured at amortised cost and included in profit or loss for each period. When the financial assets are derecognised, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in profit or loss.

Upon initial recognition, the Group may designate non-marketable equity instrument investments as financial assets at fair value through other comprehensive income. Once the designation is made, it must not be revoked.

Non-marketable equity instrument investments which are designated as financial assets at fair value through other comprehensive income shall be subsequently measured at fair value. When the financial assets are derecognised, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in the retained earnings. However, dividend income that meet recognition conditions shall be recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

- Financial assets at fair value through profit and loss

Except for the financial assets classified as financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income, other financial assets shall be classified by the Group as the financial assets at fair value through profit or loss. If the contingent consideration recognised in a business combination not involving enterprises under common control constitutes a financial asset, the financial asset shall be classified as at fair value through profit or loss.

If a financial asset meets one of the following conditions, the Group considers that is held for trading:

- (1) The purpose of obtaining relevant financial asset is mainly for selling it in the near future;
- (2) The relevant financial asset is part of the identifiable financial instrument portfolio that is centrally managed at initial recognition, and there is objective evidence that short-term profit model exists in the near future;
- (3) The relevant financial asset is a derivative, except for derivatives that meet the definition given in the financial guarantee contract and derivatives that are designated as effective hedging instruments.

Upon initial recognition, if accounting mismatches can be eliminated or significantly reduced, the Group may designate the financial assets as at fair value through profit or loss. Once the designation is made, it must not be revoked.

Financial assets at fair value through profit or loss shall be subsequently measured at fair value. Relevant gains or loss shall be recognised in profit or loss.

10.3 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) 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 (3) 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, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss.

(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 carrying amount of the transferred financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income, is recognised in profit or loss.

10.4 Classification, recognition and measurement of financial liabilities

The Group classifies the financial instrument or its components as financial liability or equity instrument at the time of initial recognition, based on the contractual arrangements and their economic substances, rather than legal forms, in combination with the definitions of financial liability and equity instrument.

Financial liabilities are classified as financial liabilities at fair value through profit or loss and the financial liabilities at amortised cost. Except for the following items, the Group classifies financial liabilities as at amortised cost:

- (1) Financial liabilities at fair value through profit and loss.
- (2) Financial liabilities formed because transfers of financial assets do not meet the derecognition conditions or continuing involvements in the transferred financial assets are noted.
- (3) A financial guarantee contract that does not belong to (1) or (2) above, and a commitment to loan that does not belong to (1) above which is at a rate less than the market interest rate.

- Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities which are designated as financial liabilities at fair value through profit or loss. In a business combination not involving enterprises under common control, if the contingent consideration recognised by the Group as the acquirer forms a financial liability, such financial liability shall be accounted for at fair value through profit or loss.

If a financial liability meets one of the following conditions, the Group considers that is held for trading:

- (1) The purpose of obtaining relevant financial liability is mainly for repurchasing it in the near future;

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.4 Classification, recognition and measurement of financial liabilities – continued

- (2) The relevant financial liability is part of the identifiable financial instrument portfolio that is centrally managed at initial recognition, and there is objective evidence that short-term profit model exists in the near future;
- (3) The relevant financial liability is a derivative, except for derivatives that meet the definition given in the financial guarantee contract and derivatives that are designated as effective hedging instruments.

A financial liability may be designated as at fair value through profit or loss upon initial recognition only when one of the following conditions is satisfied: (1) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring liabilities or recognising the gains or losses on them on different bases; or (2) the financial liability forms part of a group of financial liabilities or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis. Once the designation is made, it must not be revoked.

Financial liabilities at fair value through profit or loss are subsequently measured at fair value, and any gains or losses arising from changes in the fair value or any dividend or interest expense related with the financial liabilities are recognised in profit or loss.

For the financial liabilities at fair value through profit and loss, the gains or losses arising from the financial liabilities shall be accounted for in accordance with the following provisions:

- (1) The amount of change in the fair value of the financial liabilities caused by changes in the Group's own credit risk shall be recorded in other comprehensive income;
- (2) Other fair value changes of the financial liabilities shall be recognised in profit or loss. If the accounting mismatches in profit or loss is caused or expanded due to accounting of the effect of the changes in credit risk of the financial liabilities in accordance with the foregoing provisions, the Group shall recognise the entire profit or loss (including effect of the changes in credit risk of the Group) of the financial liabilities in profit or loss. When the financial liabilities are derecognised, the accumulated gains or losses previously recognised in other comprehensive income shall be transferred out from other comprehensive income and recognised in retained earnings.

- Financial liabilities at amortised cost

Financial liabilities at amortised cost shall be subsequently measured at amortised cost, and the gains or losses resulting from derecognition or amortisation shall be recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.5 Derecognition of financial liabilities

If the present obligation of a financial liability (or part of it) has been discharged, the Group shall derecognise the financial liability (or part of it). If the Group (an existing borrower) and an existing lender enter into an agreement to replace the original financial liability with a new financial liability, and the terms of the new financial liability are substantially different from the contractual terms of the original financial liability, the Group shall derecognise the original financial liability, and at the same time recognise a new financial liability. If the Group makes substantial amendments to the contractual terms of the original financial liability (or part of it), the Group shall derecognise the original financial liability and at the same time recognise a new financial liability according to the revised terms.

If a financial liability (or part of it) is derecognised, the difference between the carrying amount of the financial liability and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognised in profit or loss.

When the Group repurchases part of a financial liability, the entire carrying amount of the financial liability shall be allocated according to the ratio of the continued recognised part and the derecognised part's respective fair to the overall fair value on the date of repurchase. The difference between the carrying amount allocated to the derecognised part and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognised in profit or loss.

10.6 Impairment of financial instruments

Based on the expected credit loss, the Group conducts impairment accounting treatment and confirms loss provisions for the following items:

- (1) Financial assets classified as at amortised cost and debt instrument classified as at fair value through other comprehensive income.
- (2) Receivables on lease.
- (3) Contract assets.
- (4) Loan commitments issued by the Group other than those financial liabilities classified as at fair value through profit or loss and the financial guarantee contract governed by relevant rules.

Expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.6 Impairment of financial instruments - continued

Credit losses refer to the difference between all contractual cash flows receivable under the contract and discounted at the original effective interest rate and all cash flows expected to be received, i.e. the present value of all cash shortages. Among them, for the financial assets purchased or derived by the Group that have suffered devaluation, they shall be discounted according to the effective interest rate of the financial assets adjusted by credit.

-General impairment method

Except for the financial assets purchased or derived by for which impairment of credit has occurred and the financial assets subject to simplified methods, on each reporting date; the Group shall assess whether the credit risk of the relevant financial instruments has increased significantly since initial recognition, and measure their loss provision and recognise the expected credit losses and their changes in accordance with the following situations:

- (1) If the credit risk of the financial instrument has increased significantly since initial recognition, the Group shall measure its loss provision based on the amount of expected credit losses over the entire period of the financial instrument. Regardless of whether the Group assesses credit losses based on a single financial instrument or a combination of financial instruments, the resulting increase in loss provisions or reversal amount shall be recognised as impairment loss or gain and recognised in profit or loss.
- (2) If the credit risk of the financial instrument has not increased significantly since initial recognition, the Group shall measure its loss provision based on the amount of expected credit losses of the financial instrument over the next 12 months. Regardless of whether the Group assesses credit losses based on a single financial instrument or a combination of financial instruments, the resulting increase in loss provisions or reversal amount shall be recognised as impairment loss or gain and recognised in profit or loss.

In making relevant assessments, the Group shall consider all reasonable and well-founded information, including forward-looking information. In order to recognise the significant increase in credit risk after the initial recognition of the financial instruments, i.e. the expected credit losses over the entire duration, the Group shall consider, in some cases, whether the credit risk is significantly increased on a portfolio basis.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.6 Impairment of financial instruments - continued

- Simplified methods for receivables, contract assets and lease receivables

For each of the following items, the Group shall always measure its loss provisions in accordance with the amount of expected credit losses during the entire duration:

(1) Receivables or contract assets formed by the transactions set out in the "Accounting Standards for Business Enterprises No. 14 - Revenue" (revised in 2017), which meet one of the following conditions:

- The item does not contain any significant financing components defined in the "Accounting Standards for Business Enterprises No. 14 - Revenue" (revised in 2017), or the financing component in the contract within one year that the Group does not consider in accordance with the "Accounting Standards for Business Enterprises No. 14 - Revenue" (revised in 2017).
- The item contains the major financing components as defined in the "Accounting Standards for Business Enterprises No. 14 - Revenue" (revised in 2017). At the same time, the Group makes the accounting policy that loss provisions shall be measured based on the amount equivalent to expected credit losses for the entire duration.

(2) The lease receivables formed by the transactions set out in the "Accounting Standards for Business Enterprises No. 21 - Lease". At the same time, the Group adopts the accounting policy that loss provisions shall be measured based on the amount equivalent to expected credit losses for the entire duration.

- Purchased or derived financial assets that have suffered credit impairment

For purchased or derived financial assets that have suffered credit impairment, the Group only recognises the accumulated changes in expected credit losses for the entire duration from the initial recognition as loss provisions on the reporting date. At each reporting date, the Group records the changes in the expected credit losses for the entire duration as impairment losses or gains in profit or loss. Even if the expected credit losses for the entire duration recognised on the date of financial position are less than the expected credit losses reflected in the estimated cash flow at initial recognition, the Group also recognises the favorable changes in expected credit losses as impairment gains.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.7 Derivatives and embedded derivatives

Derivative financial instruments include put options. Derivatives shall be initially measured at fair value on the date of signing of the relevant contract and be subsequently measured at fair value.

Embedded derivatives refer to derivatives that are embedded in non-derivatives (i.e., the master contract). Embedded derivatives and the master contract constitute a mixed contract.

If the master contract included in a mixed contract is an asset set out in the financial instrument standards, the Group shall not spin off the embedded derivatives from the mixed contract. Instead, the Group shall apply the relevant standards regarding on the classification of financial assets to the mixed contract as a whole.

If the master contract included in a mixed contract does not belong to the asset set out in the financial instrument standards and meets the following conditions at the same time, the Group shall spin off the embedded derivatives from the mixed contract and treats them as separate derivatives:

- (1) The economic characteristics and risks of embedded derivatives are not closely related to the economic characteristics and risks of the master contract.
- (2) Separate instruments with the same terms as embedded derivatives are in line with the definition of derivatives.
- (3) The mixed contract is not at fair value through profit or loss.

If embedded derivatives are split from a mixed contract, the Group shall account for the master contract of the mixed contract in accordance with applicable accounting standards. If the Group is unable to reliably measure the fair value of embedded derivatives based on the terms and conditions of embedded derivatives, the fair value of embedded derivative shall be determined based on the difference between the fair value of the mixed contract and the fair value of the master contract. After applying the above methods, if the fair value of embedded derivatives cannot be measured separately on the date of acquisition or subsequent reporting date, the Group shall designate the entire mixed contract as a financial asset at fair value through profit or loss.

10.8 Offsetting of financial assets and financial liabilities

When the Group has statutory rights to offset recognised financial assets and financial liabilities, and such statutory rights are currently enforceable, and the Group plans to use net settlement or simultaneously realise the financial assets and settle the financial liabilities, the financial assets and financial liabilities shall be stated in the statement of financial position at an amount after mutual offsetting. In addition, financial assets and financial liabilities shall be separately stated in the statement of financial position and not be offset by each other.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.9 Dividend income

Dividend income can be recognised and recorded in profit or loss only when the Group meets the following conditions at the same time:

- (1) The Group's right to receive dividends has been established;
- (2) The economic benefits associated with dividends are likely to flow to the Group;
- (3) The amount of dividends can be measured reliably.

10.10 Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the Group's remaining equity in assets after deducting all liabilities. The Group's issuance (including refinancing), repurchase, sale or cancellation of equity instruments shall be treated as changes in equity. The Group does not recognise the fair value changes of equity instruments. Transaction costs related to equity transactions shall be deducted from equity.

The Group's distribution to holders of equity instruments shall be treated as a distribution of profits. The stock dividends issued do not affect the total amount of shareholders' equity.

The accounting policies of the following financial instruments apply to year 2017 and year 2016:

A financial asset or financial liability was recognised when the Group becomes a party to a financial instrument contract. Financial assets and financial liabilities were measured at fair value at the time of initial recognition. The relevant transaction costs of the financial assets or financial liabilities at fair value through profit or loss shall be directly recognised in profit or loss; the relevant transaction costs of other types of financial assets or financial liabilities shall be recognised in the initial recognition amount.

10.11 Effective interest rate method

The effective interest rate method refers to the method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income or expenses over the relevant period. The effective interest rate refers to the interest rate used in discounting the future cash flow of a financial asset or financial liability through the expected life of the financial asset or financial liability, or, as appropriate, a shorter period, to the net carrying amount at initial recognition.

When calculating the effective interest rate, the Group estimates future cash flows (irrespective of future credit losses) on the basis of considering all contractual terms of financial assets or financial liabilities, and also considers various fees, transaction costs and discounts or premiums paid or collected between parties to a financial asset or financial liability contract, which constitute parts of the effective interest rate.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.12 Classification, recognition and measurement of financial assets

Financial assets shall be classified upon initial recognition as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. The purchase and sale of financial assets in the regular way shall be recognised and derecognised in accordance with the trade date basis.

10.12.1 Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include held for trading and the financial assets designated as fair value through profit or loss.

A financial asset that satisfies one of the following conditions shall be classified as a held for trading if: (1) The purpose of obtaining the financial asset is mainly for the purpose of selling in the near future; (2) It is upon initial recognition as part of an identifiable financial instrument portfolio for centralised management, and there is objective evidence that the Group has recently adopted a short-term profit model to manage the portfolio; (3) It is a derivative, except for derivatives that are designated and are valid hedging instruments, derivatives that belong to a financial guarantee contract and that are linked with the equity instrument investment not quoted in an active market and must be settled through delivery of the equity instruments.

A financial asset other than a financial asset held for trading (or contingent consideration that may be received by an acquirer as part of a business combination) may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss shall be subsequently measured at fair value, and the gains or losses arising from changes in fair value and the dividends and interest income related to such financial assets shall be recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.12 Classification, recognition and measurement of financial assets-continued

10.12.2 Held-to-maturity investment

Held-to-maturity investments are non-derivative financial assets with fixed maturity, fixed or determinable recovery amount, which the Group has positive intention and ability to hold to maturity.

Held-to-maturity investments are subsequently carried at amortised cost using the effective interest method, and the gain or loss from derecognition, impairment or amortisation is included in profit or loss.

10.12.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables by the Group include bill receivables, trade debtors, interests receivables, dividends receivable and other receivables, etc.

Loans and receivables shall be measured are subsequently carried at amortised cost using the effective interest method, and the gain or loss from derecognition, impairment or amortisation is included in profit or loss.

10.12.4 Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated on initial recognition, and financial assets not classified as financial assets at fair value through profit or loss, loans and receivables, and held-to-maturity investments.

Available-for-sale financial assets shall be measured subsequently at fair value. Except for impairment losses and the exchange differences related to amortised cost of financial assets are recognised in profit or loss, changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income, transferred out upon derecognition of the financial assets and recognised in profit or loss.

The interest earned and the dividends declared by the investee during the period when the available-for-sale financial assets are held are recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.13 Impairment of financial assets

Except for financial assets at fair value through profit or loss, the Group assess the carrying amounts of financial assets at the end of each reporting period. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be measured reliably.

Objective evidence that a financial asset is impaired includes the following observable events:

- (1) Significant financial difficulty of the issuer or obligor;
- (2) A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (3) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower;
- (4) It becoming probable that the borrower will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer;
- (6) Upon an overall assessment of a group of financial assets, observable data indicates that there is a measurable decrease in the estimated future cash flows from the group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group. Such observable data includes: - Adverse changes in the payment status of borrower in the group of assets; - Economic conditions in the country or region of the borrower which may lead to a failure to pay the group of assets;
- (7) Significant adverse changes in the technological, market, economic or legal environment in which the issuer of equity instruments operates, indicating that the cost of the investment in the equity instrument may not be recovered by the investor;
- (8) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost;
- (9) Other objective evidence indicating there is an impairment of a financial asset.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.13 Impairment of financial assets - continued

- Impairment of financial assets measured at amortised cost

If financial assets carried at cost or amortised cost are impaired, the carrying amounts of the financial assets are reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of reduction is recognised as an impairment loss in profit or loss. If, subsequent to the recognition of an impairment loss on financial assets carried at amortised cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed. However, the reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed.

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset (whether significant or not), it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets for which an impairment loss is individually recognised are not included in a collective assessment of impairment.

- Impairment of available-for-sale financial assets

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value previously recognised directly in other comprehensive income is reclassified from the capital reserve to profit or loss. The amount of the cumulative loss that is reclassified from capital reserve to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and the fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

If, subsequent to the recognition of an impairment loss on available-for-sale financial assets, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed. The amount of reversal of impairment loss on available-for-sale equity instruments is recognised as other comprehensive income and included in the capital reserve, while the amount of reversal of impairment loss on available-for-sale debt instruments is recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.13 Impairment of financial assets - continued

- Impairment of financial assets measured at cost

If an impairment loss has been incurred on an investment in unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of reduction is recognised as an impairment loss in profit or loss. The impairment loss on such financial asset is not reversed once.

10.14 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) 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 (3) 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, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss.

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts. The difference between (1) the carrying amount allocated to the part derecognised; and (2) the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income, is recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.15 Classification, recognition and measurement of financial

Debt and equity instruments issued by the Group are classified into financial liabilities or equity on the basis of the substance of the contractual arrangements and definitions of financial liability and equity instrument. On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

10.15.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading and those designated as at fair value through profit or loss on initial recognition.

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

(1) It has been acquired principally for the purpose of repurchasing in the near term; or (2) 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 (3) It is a derivative, except for a derivative that is a designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured.

A financial liability other than a financial liability held for trading (or contingent consideration that may be paid by an acquirer as part of a business combination) may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are subsequently measured at fair value, and any gains or losses arising from changes in the fair value or any dividend or interest expense related with the financial liabilities are recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.15 Classification, recognition and measurement of financial - continued

10.15.2 Other financial liabilities

For a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, it is subsequently measured at cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with gains or losses arising from derecognition or amortisation recognised in profit or loss.

10.15.3 Financial guarantee contracts

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, are initially measured at their fair values less the directly attributable transaction costs. Subsequent to initial recognition, they are measured at the higher of the amount determined in accordance with "Accounting Standards for Business Enterprises No. 13 - Contingencies"; and the amount initially recognised less cumulative amortisation recognised in accordance with the principles set out in "Accounting Standards for Business Enterprises No. 14 – Revenue".

10.16 Derecognition of Financial Liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

10.17 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised amounts, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset with the net amount presented in the statement of financial position. Except for the circumstances above, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

(IV) Significant Accounting Policies and Accounting Estimates-continued

10. Financial instruments-continued

10.18 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. The issuance including refinancing, repurchase, sale or cancellation of equity instrument of the Group is recognised as movement of shareholders' equity. The Group does not recognise any changes in the fair value of equity instruments. Transaction costs associated with equity transactions are deducted from shareholders' equity. The distributions made by the Group to holders of the equity instruments are recognised as profit distribution. Any issuance of stock dividends do not affect the shareholders' equity.

The Group's distribution to holders of equity instruments shall be treated as a distribution of profits. The stock dividends issued do not affect the total amount of shareholders' equity.

11. Receivables

11.1 Receivables that are individually significant and for which bad debt provision is individually assessed

Basis or monetary criteria for determining individually significant receivables	Balances of receivable amounted RMB 5,000,000.00 or above are deemed as individually significant receivables by the Group.
Provision methods for receivables that are individually significant and for which bad debt provision is individually assessed	For receivables that are individually significant, the Group assesses the receivables individually for impairment; for a financial asset that is not impaired individually, the Group includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Receivables for which an impairment loss is individually recognised are not included in a collective assessment of impairment

11.2 Receivables for which bad debt provision is collectively assessed on a credit risk portfolio basis

Items	Basis for determining a portfolio	Bad debt provision methods for a portfolio
Portfolio 1	The portfolio primarily includes amounts due from related parties of the Group, deposits and petty cash etc (whether individually significant or not) .	No bad debt provision
Portfolio 2	This portfolio excludes amounts in portfolio 1 (whether individually significant or not) .	Aging Analysis Method

(IV) Significant Accounting Policies and Accounting Estimates-continued

11. Receivables - continued

11.2 Receivables for which bad debt provision is collectively assessed on a credit risk portfolio basis - continued

Portfolios that use aging analysis for bad debt provision:

Aging	Provision proportion for accounts receivable (%)	Provision proportion for other receivables (%)
Within 180 days	0-3	0-3
More than 181 days but not exceeding year	5	5
More than 1 year but not exceeding 2 years	20	20
More than 2 years but not exceeding 3 years	50	50
More than 3 years	100	100

11.3 Accounts receivable that are not individually significant but for which individual bad debt provision is individually assessed

Reasons for making individual bad debt provision	Although the amount of accounts receivable are not individually significant, the objective evidence indicates the Group is unable to collect the receivables under original terms, the company makes individual bad debt provision.
Bad debt provision methods	For receivables that are individually significant, the Group assesses the receivables individually for impairment; for a financial asset that is not impaired individually, the Group includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Receivables for which an impairment loss is individually recognised are not included in a collective assessment of impairment.

12. Inventories

12.1 Categories of inventories

Inventories include raw materials, finished goods, and revolving materials. 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.

12.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

(IV) Significant Accounting Policies and Accounting Estimates-continued

12. Inventories - continued

12.3 Basis for determining net realisable value of inventories and provision methods for decline in value of inventories

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

Net realisable 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 realisable value is determined on the basis of clear evidence obtained, after taking into consideration the purposes of inventories being held and effect of events after the reporting date.

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

After the provision for inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable 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.

12.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12.5 Amortisation methods for low cost and short-lived consumable items and packaging materials

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

13. Assets classified as held for sale

The Group shall classify a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction (including exchange of non-monetary assets with commercial substance) rather than through continuing use.

A non-current asset or disposal group classified as held for sale must satisfy the following conditions at the same time: (1) the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; (2) the sale must be highly probable i.e. the Group has already made a resolution on a sales plan and obtained a certain purchase commitment and it is expected that the sale will be completed within one year.

(IV) Significant Accounting Policies and Accounting Estimates-continued

13. Assets classified as held for sale - continued

If the sale of investment in a subsidiary results in the loss of control over the subsidiary, whether any regardless of equity interest in the subsidiary is retained after the sale, the entire investment in the subsidiary will be classified as held for sale in the parent company's individual financial statements when the proposed sale satisfies the classification conditions for held for sale, and all assets and liabilities of the subsidiary shall be classified as held for sale in the consolidated financial statements.

All or part of the equity investments in associates or joint ventures shall be classified as assets held for sale, and those classified as held for sale are no longer accounted for using the equity method from the date when they are classified as held for sale.

14. Long-term equity investments

14.1 Basis for determining joint control and significant influence over investee

Control is archived 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.

14.2 Determination of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment shall be the share of party being absorbed of the owners' equity in the consolidated financial statements of the ultimate controlling party at the date of combination. The aggregate face value of the shares issued shall be accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings.

(IV) Significant Accounting Policies and Accounting Estimates-continued

14. Long-term equity investments - continued

14.2 Determination of investment cost - continued

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

The absorbing party's or purchaser's intermediary expenses (fees in respect of auditing, legal services, valuation and consultancy services, etc.) and other administrative expenses attributable to the business combination are recognised in profit or loss in the periods when they are incurred.

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

14.3 Subsequent measurement and recognition of profit or loss

14.3.1 A long-term equity investment accounted for using the equity method

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

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 recognised 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

14. Long-term equity investments - continued

14.3 Subsequent measurement and recognition of profit or loss - continued

14.3.1 A long-term equity investment accounted for using the equity method - continued

Under the equity method, the Group recognises its share of the other comprehensive income and net profit or loss of the investee for the period as other comprehensive income and investment income or loss respectively for the period, and the carrying amount of the long-term equity investment is adjusted accordingly. The carrying amount of the investment shall be reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the investing enterprise. The investing enterprise shall adjust the carrying amount of the long-term equity investment for other changes in owners' equity of the investee (other than net profits or losses, other comprehensive income and profit distribution), and include the corresponding adjustment in capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individually identifiable assets at the acquisition date after making appropriate adjustments. Where the accounting policies and accounting period adopted by the investee are different from those of the investing enterprise, the investing enterprise shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognise other comprehensive income and investment income or losses based on the adjusted financial statements. Unrealised profits or losses resulting from the Group's transactions and assets invested or sold that are not recognised as business transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's, equity interest are eliminated. However, unrealised 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 recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee are reduced to zero. Except that if the Group has incurred obligations to assume additional losses, a provision is recognised 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 recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

For a long-term equity investment already held by the Group in an associate or joint venture before the first implementation of the Accounting Standards for Business Enterprises, if there is a debit difference in the equity investment, the amount that is amortised on a straight-line basis over the original remaining term shall be recognised in profit or loss.

(IV) Significant Accounting Policies and Accounting Estimates-continued

14. Long-term equity investments - continued

14.4 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 recognised in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognised for using the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; owners' equity recognised due to changes in other owners' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis.

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

15. Investment properties

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

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

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

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

(IV) Significant Accounting Policies and Accounting Estimates-continued

16. Property, plant and equipment

16.1 Recognition criteria for property, plant and equipment

Property, plant and equipments 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 property, plant and equipment is recognised 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. Property, plant and equipments are initially measured at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

16.2 Depreciation of each category of property, plant and equipments

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 property, plant and equipments are as follows:

Category	Estimated useful lives	Estimated residual value	Annual depreciation rate
Plants and buildings	10-50 years	0.00-10.00	1.80-10.00
Harbour works and dockyard	8-50 years	0.00-5.00	1.90-11.88
Machinery and equipment, furniture, appliances and other equipment	3-20 years	0.00-10.00	4.50-33.33
Motor vehicles and vessels	3-25 years	0.00-10.00	3.60-30.00

The estimated net residual value is the amount expected (after deducting estimated disposal expenses) from disposing the fixed asset at the end of its useful life.

(IV) Significant Accounting Policies and Accounting Estimates-continued

16. Property, plant and equipment - continued

16.3 The basis for the determination and the method for valuation and depreciation of fixed assets acquired under finance leases

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term liabilities, and their difference shall be recognised as unrecognised financing cost. In addition, the initial direct costs attributable to the lease item that occurred during the lease negotiation and signing of the lease contract shall also be recorded in the value of the asset acquired under lease.

Fixed assets acquired under financial leases shall be depreciated using the same policy as that for self-owned fixed assets. For a fixed asset acquired under financial lease, if it can be reasonably ascertain that the ownership of the fixed asset will be acquired upon expiration of lease period, the provision for the depreciation of such fixed asset shall be carried out within the remaining service life of such fixed asset; if it cannot be reasonably ascertain that the ownership of the fixed asset will be acquired upon expiration of lease period, the provision for the depreciation of such fixed asset shall be carried out within the shorter of the lease period and the service life of such fixed asset.

16.4 Other explanations

A fixed asset shall be derecognised when the assets are disposed of or no economic benefits can be generated from the use or disposal of the fixed asset. The gain on disposal of the fixed asset, net of its book value and relevant taxes shall be accounted into current profit or loss.

The Group shall review the estimated life, net residual value and depreciation method of fixed assets at least at the end of each year, and any changes shall be accounted for as changes in accounting estimate.

17. Asset under construction

Asset under construction is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs. Asset under construction is not depreciated. Asset under construction is transferred to property, plant and equipments when it is ready for intended use.

(IV) Significant Accounting Policies and Accounting Estimates-continued

18. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised 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. Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalisation 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. Capitalisation is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognised 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 capitalised 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 capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings. During the capitalisation period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalised. Exchange differences in connection with general-purpose borrowings are recognised in profit or loss in the period in which they are incurred.

19. Intangible assets

Intangible assets include land use rights, port operating right, etc.

Intangible assets shall be initially measured at cost. For an intangible asset with finite useful life, the original value shall be amortised over its estimated useful life using the straight-line method from the moment it is available for use while the port operating right held by the Group shall be amortised using an economic usage basis, which is based on the ratio of minimum guaranteed output volume compared to the total minimum guaranteed output volume over the periods which the Group is granted the operating rights on the relevant container terminals. When the pattern of consumption of future economic benefits of the asset cannot be determined reliably, the straight-line method over the period in which the Group operates the relevant terminals is used. Intangible assets with indefinite useful lives shall not be amortised. The amortisation methods, estimated useful lives and estimated net residual values of various intangible assets are as follows:

Category	Estimated useful lives	Estimated residual rate (%)
Land use right	40-50 years	0.00
Port operating right	30-35 years	0.00
Others	5-50 years	0.00

The residual values and useful lives of the intangible assets with a finite useful life are reviewed, and adjusted if appropriate, at the end of the reporting period.

(IV) Significant Accounting Policies and Accounting Estimates-continued

20. Impairment of long-term assets

The Group assesses at the reporting date whether there is any indication that the long-term equity investments, investment properties, property, plant and equipments, asset under construction and intangible assets with a finite useful life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

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

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

Goodwill is tested for impairment at least at the end of each year. 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 recognised if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata basis on the basis of the carrying amount of each asset (other than goodwill) in the group.

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

21. Long-term prepaid expenses

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

(IV) Significant Accounting Policies and Accounting Estimates-continued

22. Employee benefits

22.1 The accounting treatment of short-term employee benefits

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

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

22.2 The accounting treatment of post-employment benefits

All the post-employment benefits are defined contribution plans.

The contribution payable to the defined contribution plan is recognised as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group.

For the defined benefit plan, the Group shall categorise the welfare benefits arising from the defined benefit plan to the period during which the employees provide services based on the formula determined by the projected cumulative benefit unit method, and record it in current profit or loss or relevant asset cost. The employee benefit costs resulting from the defined benefit plan shall be divided into the following components:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- the net interest expense or income on net defined benefit liability or asset (including interest income on planned assets, interest expense on defined benefit plan obligations, and interest on the asset cap); and
- changes arising from remeasurement of the net liabilities or net assets of the defined benefit plan.

(IV) Significant Accounting Policies and Accounting Estimates-continued

22. Employee benefits-continued

22.2 The accounting treatment of post-employment benefits-continued

Service cost and the net interest expense or income on net defined benefit liability or asset shall be recorded in profit or loss or relevant asset cost. Changes (including the actuarial gains or losses, the amount of returns on the plan assets deducted by the net interest on the net liabilities or net assets of the defined benefit plan, the amount of changes in the effect of asset cap deducted by the net interest on the net liabilities or net assets of the defined benefit plan) arising from remeasurement of the net liabilities or net assets of the defined benefit plan shall be recognised in other comprehensive income.

The deficit or surplus resulting from the present value of obligations of the defined benefit plan minus the fair value of the defined benefit plan assets shall be recognised as a net liability or net asset of the defined benefit plan.

22.3 The accounting treatment of termination benefits

When the Group provides termination benefits to employees, employee benefit liabilities are recognised for termination benefits, with a corresponding charge to the profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group recognises costs or expenses related to restructuring that involves the payment of termination benefits.

23. Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks, uncertainties and time value of money surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows where the effect of the time value of money is material.

(IV) Significant Accounting Policies and Accounting Estimates-continued

24. Share-based payment

The Group's share-based payment is a transaction of issuing equity instruments in order to obtain services provided by employees or of assuming liabilities determined on the basis of equity instruments. The Group's share-based payment are equity-settled share-based payment transactions.

24.1 Equity-settled share payment

Equity-settled share-based payment granted to employees

The equity-settled share-based payments that are used to exchange services provided by employees shall be measured at fair value of the equity instrument granted at the date of grant. The amount of such fair value shall be based on the best estimate of the number of exercisable equity instruments during the vesting period, and recorded in relevant cost or expenses using straight-line method. When the equity instrument is immediately exercisable after grant, the fair value amount shall be recorded in relevant cost or expenses on the date of grant, and the capital reserve shall be increased accordingly.

24.2 Accounting treatments related to implementation, modification, and termination of share-based payment plan

When the Group makes modification to the share-based payment plan, if the changes increase the fair value of the equity instruments granted, the increase in the services obtained shall be recognised in accordance with the increase in the fair value of the equity instruments; if the changes increase the number of equity instruments granted, the increase in the fair value of the equity instruments shall be correspondingly recognised as an increase in the services obtained. The increase in the fair value of equity instruments refers to the difference between the fair values of the equity instruments before and after the changes on the date of change. If the changes reduce the total fair value of the share payment or if the terms and conditions of the share payment plan are modified in a manner that is unfavorable to the employees, the accounting for the services obtained shall continue as if the change never occurred, unless the Group cancels some or all of the equity instruments that have been granted.

During the vesting period, if the granted equity instrument is canceled, the Group shall treat the cancellation of the granted equity instrument as an accelerated exercise, and the amount that shall be recognised during the remaining vesting period shall be immediately recorded in profit or loss and at the same time, be recognised as capital reserve. If an employee or any other party can choose to meet the non-exercising conditions but does not satisfy it, the Group will treat it as a cancellation of the granted equity instrument.

(IV) Significant Accounting Policies and Accounting Estimates-continued

25. Revenue

The Group shall adopt the following accounting policies for revenue from January 1, 2018:

On the commencement date of the contract, the Group shall evaluate the contract, identify the individual performance obligations included in the contract, and determine whether each individual performance obligation is performed within a certain period of time, or is performed at a certain point in time. If any one of the following conditions is satisfied, it shall be regarded as fulfillment of performance obligations within a certain period of time, otherwise, it shall be regarded as fulfillment of performance obligations at a certain point in time:

- (1) When the Group fulfills performance obligations, a customer can immediately obtain and consume the economic benefits arising from the Group's performance.
- (2) A customer can control the commodities under construction during the Group's performance.
- (3) The commodities produced during the Group's performance have irreplaceable use, and the Group has the right to collect charges for the performance completed so far during the entire contract period.

25.1 Performance obligations performed within a certain period of time

For performance obligations fulfilled during a certain period of time, the Group shall recognise revenue in accordance with the performance schedule during that period of time, except that the performance schedule cannot be reasonably determined. When the Group confirms the performance schedule of the above business, the appropriate performance schedule shall be determined according to the nature of the business, using output method or input method separately. When the performance schedule cannot be reasonably determined, if the costs that have already occurred are expected to be compensated, the revenue shall be recognised according to the amount of costs that have already occurred, until the performance schedule can be reasonably determined.

25.2 Performance obligations performed at a certain point in time

For performance obligations fulfilled at a certain point in time, the Group shall recognise revenue when the customer obtains control of the relevant commodities. When judging whether a customer obtains control of a commodity, the Group considers the following signs:

- (1) The Group has the right to collect charges on the commodity immediately, i.e. the customer has the obligation to pay for the commodity immediately.
- (2) The Group has transferred the legal title of the commodity to the customer, i.e., the customer has legal ownership of the commodity.
- (3) The Group has transferred the commodity in kind to the customer, i.e., the customer has physically taken possession of the commodity.
- (4) The Group has transferred the major risks and rewards arising from the ownership of the commodity to the customer, i.e. the customer has acquired the major risks and rewards arising from the ownership of the commodity.
- (5) The customer has accepted the commodity.
- (6) Other information indicating that the customer has obtained control of the commodity.

(IV) Significant Accounting Policies and Accounting Estimates-continued

25. Revenue-continued

The following revenue accounting policies apply to year 2017 and year 2016:

25.3 Revenue from sale of goods

Revenue from sale of goods shall be recognised when all the following conditions are satisfied simultaneously: the major risks and rewards of the ownership have been transferred to the buyer; the Group neither retains continuous management right associated with the ownership nor implements effective control over the sold commodities; the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Group; and relevant costs incurred or to be incurred can be measured in a reliable way.

25.4 Revenue from provision of services

The Group provides load and unload services, logistics services and other related harbor services to customers. Revenue from rendering of services is recognised when the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the enterprise; and the associated costs incurred or to be incurred can be measured reliably.

If the results of the provision of labor services cannot be reliably estimated, the revenue from provision of labor services shall be recognised according to the cost of labor services that have already incurred and are expected to be recovered, and the incurred service costs shall be recognised as current expenses. If the labor costs that have already occurred are not expected to be recovered, the revenue shall not be recognised.

26. Government grants

Government grants refer to the monetary assets and non-monetary assets obtained by the Group from the government without consideration. Government grants shall be recognised when the conditions attached to government grants are met and the grants can be received.

If a government grant is a monetary asset, it shall be measured according to the amount received or receivable. If a government grant is a non-monetary asset, it shall be measured at its fair value. If the fair value cannot be measured reliably, it shall be measured at a nominal amount. Government grants measured at nominal amounts shall be directly recorded in profit or loss.

26.1 The accounting treatment of government grants related to assets

Among the Group's government grants, the Qianwan Bonded Port Area project and the bulk grain transit storage project are related to the purchase, construction and use of assets, so they are government grants related to assets.

A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset.

(IV) Significant Accounting Policies and Accounting Estimates-continued

26. Government grants - continued

26.2 The accounting treatment of government grants related to income

The Group's government grants for berths 8# and 9# and international capacity cooperation grant are used to compensate for the relevant expenses and losses that have occurred or will occur, so such government grants are classified as government grants related to income.

A government grant relating to income, if used to compensate the related expenses or losses to be incurred in subsequent periods, is determined as deferred income and recognised in profit or loss over the periods in which the related costs are recognised; if used to compensate the related expenses or losses already incurred, is recognised immediately in profit or loss for the period.

From January 1, 2017, government grants related to daily activities of the Group shall be recorded in other income according to the nature of the economic business. Government grants not related to the Group's daily activities are recorded in non-operating income.

27. Deferred tax assets and liabilities

Income tax includes current income tax and deferred income tax.

27.1 Current income tax

At the reporting 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 relevant tax laws.

27.2 Deferred income tax assets and 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 recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (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 recognised.

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

(IV) Significant Accounting Policies and Accounting Estimates-continued

27. Deferred tax assets and liabilities - continued

27.2 Deferred income tax assets and liabilities - continued

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

At the reporting date, deferred tax assets and liabilities are measured at the tax rates applicable in the period in which the asset is realised 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 recognised in other comprehensive income or in equity, in which case they are recognised in other comprehensive income or in equity, and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the reporting 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 utilised. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

27.3 Offsetting of income tax

When the Group has the legal right to settle at net, and the intention to settle at net or the Group acquires assets and clears liabilities simultaneously, the Group's current income tax assets and current income tax liabilities are presented at the net after offset.

The Group's deferred tax assets and deferred tax liabilities are presented at the net after offset, when the Group has a legal right to settle current income tax assets and liabilities at net, and the deferred tax assets and liabilities are related to the income tax levied by same taxation authority on same taxpayer or related to different taxpayers, but the taxpayers involved have the intention to settle current income tax assets and liabilities at net or acquire assets and clear liabilities at the same time in every important period of reversion of deferred income tax assets and liabilities in the future.

(IV) Significant Accounting Policies and Accounting Estimates-continued

28. Leasing

The leasing with all the risks and rewards related to asset ownership transferred substantially shall be recognised as finance lease, and other leasing other than finance lease shall be recognised as operating lease.

28.1 Accounting treatment for operating lease

28.1.1 The Group records the operating lease as a lessee

The rental expense related to operating lease shall be recorded in relevant asset cost or profit or loss using straight-line method in each period during the lease. The initial direct costs shall be recorded in profit or loss. Contingent rents shall be recorded in profit or loss when they actually occur.

28.1.2 The Group records the operating lease as a lessor

The rental income related to operating lease shall be recorded in profit or loss using straight-line method in each period during the lease. The initial direct costs that are of relatively large amount shall be capitalised when they occur, and be recorded in profit or loss on the same basis as that for the recognition of rental income; other initial direct costs that are of small amount shall be recorded in profit or loss when they occur. Contingent rents shall be recorded in profit or loss when they actually occur.

28.2 Accounting treatment of finance leases

28.2.1 The Group records finance leases as a lessee

For relevant accounting treatments, see Note (IV) 16.3 "The basis for the determination and the method for valuation and depreciation of fixed assets acquired under finance leases" to the Consolidated Financial Information.

The unrecognized financing expenses shall be calculated using the effective interest rate method during the lease term and be recognised as current financing expenses. Contingent rents shall be recorded in profit or loss when they actually occur. The balance of the minimum lease payments after deducting the unrecognised financing charges shall be presented as long-term liabilities and the long-term liabilities due within one year.

(IV) Significant Accounting Policies and Accounting Estimates-continued

29. Important judgments made during the application of accounting policies and key assumptions adopted in accounting estimates

During the process of applying the accounting policies described above, due to the inherent uncertainty of operating activities, the Group shall make judgments, estimates and assumptions on the book value of the statement items that cannot be accurately measured. These judgments, estimates and assumptions shall be based on the past historical experience of the management of the Group and are based on consideration of other relevant factors. The actual results may differ from the Group's estimates.

The Group shall make periodic review of the above judgments, estimates and assumptions in a going-concern basis. Changes in accounting estimates only influence the current period of the change, and the amount of influence shall be recognised in the current period of change; if it influences both the current period of change and the future period, the amount of influence shall be recognised in the current period and future periods.

On the reporting date, the key assumptions and uncertainties in the accounting estimates that may cause major adjustments to the book value of assets and liabilities in the future are:

29.1 Impairment of goodwill

As at March 31, 2018, December 31, 2017 and December 31, 2016, the book values of goodwill in the Consolidated Financial Information was RMB5,296,438,614.63, RMB3,046,815,005.07 and RMB2,494,497,268.42, respectively. The Group conducts impairment test on goodwill at least annually. When conducting impairment test on goodwill, the Group shall calculate the present value of the estimated future cash flow of the relevant asset group or portfolio of asset groups that includes the goodwill, estimate the future cash flow of the asset group or portfolio of asset groups, and meanwhile determine a pre-tax interest rate that appropriately reflects the current market currency time value and the specific risk of the asset.

29.2 Subsidiaries with a total shareholding ratio of less than 50%

Although the total shareholding of the Group in certain entities is less than 50%, the Group enjoys more than 50% of the voting rights in these entities, so the Group can exercise control over the investee and participate in the relevant activities of the investee to enjoy variable returns. Therefore, these entities shall be included in the scope of consolidation as subsidiaries of the Group.

(IV) Significant Accounting Policies and Accounting Estimates-continued

30. Changes in significant accounting policies

From January 1, 2018, the Group has begun to implement the New Financial Instrument Standards and the New Revenue Standard.

New Financial Instrument Standards

Before the implementation of the New Financial Instrument Standards, the Group's financial assets shall be classified upon initial recognition as financial assets at fair value through current profit or loss, held-to-maturity investments, loans, receivables, and available-for-sale financial assets. The accounting for impairment of financial assets shall be mainly based on "incurred loss method".

After the implementation of the New Financial Instrument Standards, the Group shall classify financial assets into financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, based on the business model of financial assets under its management and the contractual cash flow characteristics of financial assets. The accounting for impairment of financial assets shall be mainly based on estimated loss method. At the same time, the Group also streamlined the accounting treatment of embedded derivatives and adjusted the accounting treatment of non-trading equity instrument investments.

The Group adopts a retrospective adjustment method to account for the above changes in accounting policies and reclassify and measure (including impairments) financial instruments in accordance with the requirements of the New Financial Instrument Standards. The difference between the original book value of financial instruments and the new book value on the date of implementation of the New Financial Instrument Standards has been recorded in the retained earnings or other comprehensive income at the beginning of the period or other comprehensive income of the Consolidated Financial Information, and the data of the previous period of comparative financial statements is not restated.

(IV) Significant Accounting Policies and Accounting Estimates-continued

30. Changes in significant accounting policies-continued

New Revenue Standards

Prior to the implementation of the New Revenue Standards, the Group regarded the time when main risks and rewards on the ownership of commodities are transferred to the purchaser as the basis for timing of the recognition of revenue from commodity sales. The Group provides port services, bonded logistics services and other labor services. When labor services have been provided, the amount of income from providing labor services can be reliably measured, the related economic benefits are likely to flow into the Group, and the relevant costs incurred or to be incurred can be reliably measured, the labor revenue will be recognised.

After the implementation of the New Revenue Standards, the Group shall distinguish between fulfilling performance obligations at a certain point in time and fulfilling performance obligations within a certain period of time. For the fulfillment of the performance obligation at a certain point in time, when the customer obtains the control of the relevant goods (or services), it is used as a criterion for determining the timing of revenue recognition; for the fulfillment of the performance obligation within a certain period of time, the Group recognises revenue in the said period according to the progress of performance, except that the progress of performance cannot be reasonably determined.

The Group adopts a retrospective adjustment method to perform accounting treatment on the above changes in accounting policies and adopts a unified revenue recognition model to regulate the revenue generated by all contracts with customers in accordance with the provisions of the New Revenue Standards. The Group also conducts re-judgment on whether revenue shall be recognized "in a certain period of time" or "at a certain point in time". The management of the Group judged that the implementation of the New Revenue Standards did not have a material effect on the Group's financial statement items, nor did it require a restatement of the data of the previous period of comparative financial statements.

(V) Taxes

1. Main taxes and tax rates

Category	Tax base	Tax rate
Corporate income tax	Taxable income	12.5%-34% (Note 1)
	Dividend income tax	5%, 10% (Note 2)
Value-added tax ("VAT") (Note 3)	Revenue from sale of goods	13%-17%
	Transportation, loading and container yard management business and some modern service	6%
Business tax (Note 4)	Sales income of real estate, property management income, etc.	5%
	Real estate rental income	5%
Social contribution tax (Note 5)	Revenue	0.65%-7.6%
Deed tax	Transferred amount of land use rights and houses	3%-5%
House property tax	70% of the original value of the house	1.2%
	Rental income	12%
City maintenance and construction tax	VAT and business tax paid	1%-7%
Education surtax	VAT and business tax paid	3%

Note 1: The Group's corporate income tax is calculated based on the current local tax rate. The income tax rate of the Company and Hong Kong subsidiaries is 16.5%, the corporate income tax rate of domestic subsidiaries in China is 12.5%-25%, and the tax rate of other overseas subsidiaries is 25%-34%.

Since January 1, 2008 when the new tax law has been implemented, certain of the Group's domestic subsidiaries that enjoyed regular tax reduction and exemption benefits, such as "exemptions for the first five years followed by a 50% reduction for the next five years " will be continue to enjoy those policies until their maturity based on the provisions of the old tax law, administrative regulation and relevant documents, and the half-cut tax rate shall be subject to an appropriate transitional tax rate. After expiry of the above policies, the statutory tax rate following the maturity year shall be applied.

Certain of the Group's subsidiaries enjoy the preferential tax rate of 15% upon the fulfilment of the criteria of the PRC tax laws. Certain of the Group's overseas subsidiaries are exempted from corporate income tax in the relevant countries.

(V) **Taxes** - continued

1. Main taxes and tax rates - continued

Note 2: 10% withholding tax is generally imposed on dividends relating to any profits earned commencing from 2008 to foreign investors, while for some PRC entities held by companies incorporated in certain places, including Hong Kong and Singapore, preferential tax rate of 5% will be applied according to PRC tax regulations if such companies are the beneficial owner of over 25% of these PRC entities.

Note 3: The amount of VAT is the amount of sales tax netted off of deductible import tax. The amount of sales tax is calculated based on sales revenue and corresponding tax rate stipulated in China's relevant tax laws.

Note 4: According to the "Notice of Ministry of Finance and State Administration of Taxation on Fully Promoting the Pilot of Replacing Business Tax with value added tax" (Ministry of Finance and State Administration of Taxation C. S. [2016] No. 36), the Group has replaced business tax with VAT in relation to its real estate sales revenue and property management income since May 1, 2016, and the applicable tax rate is 5%.

According to the "Interim Measures for the Administration of Collection of Value added Tax from Taxpayers for the Provision of Real Estate Operational Lease Services" issued by the State Administration of Taxation (State Administration of Taxation Announcement [2016] No. 16), the Group's income from leasing of real estate shall be subject to VAT calculated according to simple tax method from May 1, 2016, and the applicable tax rate is 5%.

Note 5: Social contribution tax is the tax paid by the Group's overseas subsidiaries to the local government.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information

1. Cash and bank balances

	RMB		
	March 31, 2018	December 31, 2017	December 31, 2016
Cash in hand	514,690.12	586,621.67	247,014.48
RMB	135,619.82	120,504.31	73,375.69
HKD	33,212.35	38,264.99	28,570.15
United States Dollar (“USD”)	34,033.49	35,272.93	7,652.90
Brazilian Real (“BRL”)	19,460.65	-	-
Others	292,363.81	392,579.44	137,415.74
Cash at bank	6,242,278,824.30	6,997,407,660.47	2,819,604,363.33
RMB	3,485,122,287.09	3,936,041,307.58	1,820,673,070.79
HKD	395,811,708.35	2,232,732,253.80	477,858,541.31
USD	731,247,119.42	588,073,352.61	469,269,559.56
Euro (“EURO”)	291,136,061.42	218,799,953.75	33,773,482.34
BRL	1,316,563,332.25	-	-
Others	22,398,315.77	21,760,792.73	18,029,709.33
Other deposits	13,304,895.37	12,052,438.13	7,579,003.97
RMB	13,304,895.37	12,052,438.13	7,579,003.97
Total	6,256,098,409.79	7,010,046,720.27	2,827,430,381.78
Including: Total amount deposited outside PRC	3,306,974,863.32	3,099,645,200.42	865,583,054.23

Note: As at March 31, 2018, December 31, 2017 and December 31, 2016, the Group did has no restricted cash and bank balances.

2. Bill receivables

(1) Bill receivable are summarised by categories as follows:

	RMB		
Category	March 31, 2018	December 31, 2017	December 31, 2016
Bank acceptance bills	11,101,916.99	16,410,891.14	8,188,017.00

(2) As at March 31, 2018, December 31, 2017 and December 31, 2016, the Group has no pledged bill receivables.

(3) Endorsed or discounted unmatured bank acceptance notes

	RMB	
	Amount derecognised at end of year	Amount not derecognised at end of year
December 31, 2017		
Bank acceptance bills	7,957,897.75	-

Note: As at March 31, 2018 and December 31, 2016, the Group has no endorsed or discounted unmatured bills receivables.

(4) As at March 31, 2018, December 31, 2017 and December 31, 2016, the Group did not convert the bill receivables into trade debtors due to the inability of the drawer to perform the contract.

(VI) Notes to the Consolidated Financial Information—continued**3. Trade debtors****(1) Disclosure of trade debtors by categories**

RMB

Item	Carrying amount		Provision for doubtful debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
March 31, 2018					
Trade debtors with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis (Note)	27,058,640.35	2.75	27,058,640.35	100.00	-
Trade debtors with provision for doubtful debts made according to credit risk characteristics					
Portfolio 1	146,383,623.53	14.89	-	-	146,383,623.53
Portfolio 2	798,432,012.71	81.25	7,437,300.26	0.93	790,994,712.45
Subtotal of portfolio	944,815,636.24	96.14	7,437,300.26	0.79	937,378,335.98
Trade debtors with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis	10,926,025.28	1.11	10,926,025.28	100.00	-
Total	982,800,301.87	100.00	45,421,965.89	4.62	937,378,335.98
December 31, 2017					
Trade debtors with amounts that are individually significant and that the related Provision for doubtful debts is provided on the individual basis (Note)	27,136,524.51	3.81	27,136,524.51	100.00	-
Trade debtors with provision for doubtful debts made according to credit risk characteristics					
Portfolio 1	121,337,977.03	17.01	-	-	121,337,977.03
Portfolio 2	553,539,424.13	77.63	4,230,194.63	0.76	549,309,229.50
Subtotal of portfolio	674,877,401.16	94.64	4,230,194.63	0.63	670,647,206.53
Trade debtors with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis	11,076,377.75	1.55	11,076,377.75	100.00	-
Total	713,090,303.42	100.00	42,443,096.89	5.95	670,647,206.53
December 31, 2016					
Trade debtors with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis (Note)	32,034,124.64	5.42	31,928,682.24	99.67	105,442.40
Trade debtors with provision for doubtful debts made according to credit risk characteristics					
Portfolio 1	80,616,286.01	13.63	-	-	80,616,286.01
Portfolio 2	467,411,051.58	79.04	4,076,888.68	0.87	463,334,162.90
Subtotal of portfolio	548,027,337.59	92.67	4,076,888.68	0.74	543,950,448.91
Trade debtors with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis	11,278,002.00	1.91	11,278,002.00	100.00	-
Total	591,339,464.23	100.00	47,283,572.92	8.00	544,055,891.31

(VI) Notes to the Consolidated Financial Information-continued

3. Trade debtors - continued

(1) Disclosure of trade debtors by categories - continued

Note: The Group recognises a trade debtor with amount over RMB5,000,000.00 (inclusive of RMB5,000,000.00) as a trade debtor with amount that is individually significant.

Trade debtors with amount that are individually significant and that the related provision for doubtful debts is provided on the individual basis:

				RMB
Trade debtors (by entity)	Carrying amount	Provision for doubtful debts	Proportion (%)	Reason for provision
March 31, 2018				
Client A	27,058,640.35	27,058,640.35	100.00	Bankruptcy
December 31, 2017				
Client A	27,136,524.51	27,136,524.51	100.00	Bankruptcy
December 31, 2016				
Client A	32,034,124.64	31,928,682.24	99.67	Bankruptcy

(VI) Notes to the Consolidated Financial Information-continued

3. Trade debtors-continued

(1) Disclosure of trade debtors by categories - continued

Trade debtors with provision for doubtful debts made according to credit risk characteristics:

Portfolio 1: portfolio with low recovery risk

RMB

Trade debtors (by entity)	Carrying amount	Proportion (%)	Provision for doubtful debts	Book value
March 31, 2018				
Related parties	33,532,890.48	22.91	-	33,532,890.48
Others	112,850,733.05	77.09	-	112,850,733.05
Total	146,383,623.53	100.00	-	146,383,623.53
December 31, 2017				
Related parties	26,512,147.60	21.85	-	26,512,147.60
Others	94,825,829.43	78.15	-	94,825,829.43
Total	121,337,977.03	100.00	-	121,337,977.03
December 31, 2016				
Related parties	39,975,164.40	49.59	-	39,975,164.40
Others	40,641,121.61	50.41	-	40,641,121.61
Total	80,616,286.01	100.00	-	80,616,286.01

Portfolio 2: portfolio by ageing

RMB

Trade debtors (by ageing)	Carrying amount	Proportion (%)	Provision for doubtful debt	Book value
March 31, 2018				
Within 1 year	776,980,787.90	97.31	1,688,300.88	775,292,487.02
1-2 years	18,786,675.21	2.35	3,757,149.64	15,029,525.57
2-3 years	1,345,399.66	0.17	672,699.80	672,699.86
Over 3 years	1,319,149.94	0.17	1,319,149.94	-
Total	798,432,012.71	100.00	7,437,300.26	790,994,712.45
December 31, 2017				
Within 1 year	546,645,583.63	98.75	1,644,427.97	545,001,155.66
1-2 years	5,048,782.56	0.91	1,009,756.48	4,039,026.08
2-3 years	538,095.52	0.10	269,047.76	269,047.76
Over 3 years	1,306,962.42	0.24	1,306,962.42	-
Total	553,539,424.13	100.00	4,230,194.63	549,309,229.50
December 31, 2016				
Within 1 year	463,826,443.96	99.23	1,707,549.71	462,118,894.25
1-2 years	1,008,081.13	0.22	201,616.23	806,464.90
2-3 years	817,607.51	0.17	408,803.76	408,803.75
Over 3 years	1,758,918.98	0.38	1,758,918.98	-
Total	467,411,051.58	100.00	4,076,888.68	463,334,162.90

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

3. Trade debtors-continued

(1) Disclosure of trade debtors by categories - continued

Trade debtors with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis:

RMB

Trade debtors (by entity)	Carrying amount	Provision for doubtful debt	Proportion (%)	Reason for provision
March 31, 2018				
深圳市嘉运通物流有限公司	4,828,983.86	4,828,983.86	100.00	Expected to be unrecoverable
山东省烟台国际海运公司	2,862,107.63	2,862,107.63	100.00	Expected to be unrecoverable
海南泛洋船务代理有限公司	1,342,914.90	1,342,914.90	100.00	Expected to be unrecoverable
深圳市友利贸易发展有限公司	689,484.63	689,484.63	100.00	Expected to be unrecoverable
志晓船务有限公司	591,048.57	591,048.57	100.00	Expected to be unrecoverable
建富船务有限公司	121,007.10	121,007.10	100.00	Expected to be unrecoverable
Others	490,478.59	490,478.59	100.00	Expected to be unrecoverable
Total	10,926,025.28	10,926,025.28	100.00	
December 31, 2017				
深圳市嘉运通物流有限公司	4,828,983.86	4,828,983.86	100.00	Expected to be unrecoverable
山东省烟台国际海运公司	2,977,518.07	2,977,518.07	100.00	Expected to be unrecoverable
海南泛洋船务代理有限公司	1,342,914.90	1,342,914.90	100.00	Expected to be unrecoverable
深圳市友利贸易发展有限公司	689,484.63	689,484.63	100.00	Expected to be unrecoverable
志晓船务有限公司	614,881.77	614,881.77	100.00	Expected to be unrecoverable
Others	622,594.52	622,594.52	100.00	Expected to be unrecoverable
Total	11,076,377.75	11,076,377.75	100.00	
December 31, 2016				
深圳市嘉运通物流有限公司	4,828,983.86	4,828,983.86	100.00	Expected to be unrecoverable
山东省烟台国际海运公司	3,162,744.70	3,162,744.70	100.00	Expected to be unrecoverable
海南泛洋船务代理有限公司	1,342,914.90	1,342,914.90	100.00	Expected to be unrecoverable
深圳市友利贸易发展有限公司	689,484.63	689,484.63	100.00	Expected to be unrecoverable
志晓船务有限公司	657,987.49	657,987.49	100.00	Expected to be unrecoverable
Others	595,886.42	595,886.42	100.00	Expected to be unrecoverable
Total	11,278,002.00	11,278,002.00	100.00	

(VI) Notes to the Consolidated Financial Information-continued

3. Trade debtors-continued

(2) Provision for doubtful debts made, recovered or reversed during each reporting period

RMB

Item	Balance at the beginning of the year/period	Acquisition of subsidiaries	Increase in current year/period	Decrease in current year/period		Other (Note)	Balance at the end of the year/period
				Reversal	Write off		
Period from January 1 to March 31, 2018							
Provision for doubtful debts	42,443,096.89	2,816,610.62	737,360.08	387,226.58	-	(187,875.12)	45,421,965.89
2017							
Provision for doubtful debts	47,283,572.92	-	2,016,467.18	6,184,546.95	374,302.56	(298,093.70)	42,443,096.89
2016							
Provision for doubtful debts	16,890,813.88	-	30,898,884.39	714,983.60	-	208,858.25	47,283,572.92

Note: The other is exchange adjustment.

(3) Trade debtors that are written off

RMB

Name of entity	Trade debtors	The amount written off	Reasons for written off	Write-off procedures performed	Whether a receivable is incurred due to related party transaction
2017					
宏信陶瓷原料公司	Bulk cargo handling charges, etc.	374,302.56	Failed enforcement after winning the lawsuit	Approval by the management	None

Note: In the period from January 1 to March 31, 2018 and the year ended December 31, 2016, the Group did not have trade debtors actually written off.

(VI) Notes to the Consolidated Financial Information-continued

3. Trade debtors-continued

(4) The five largest balances of trade debtors are analysed as follows:

RMB

Name of entity	Trade debtors balance at the end of the year/period	% of total trade debtors	Provision for doubtful debt balance at the end of the year/period
March 31, 2018			
Client B	126,850,893.53	12.91	29,404.31
Client C	97,897,093.24	9.96	1,491,600.80
Client D	93,103,584.91	9.47	23,855.70
Client E	44,878,861.88	4.57	203,284.44
Client A	27,058,640.35	2.75	27,058,640.35
Total	389,789,073.91	39.66	28,806,785.60
December 31, 2017			
Client B	117,224,276.25	16.44	20,630.56
Client D	82,237,327.44	11.53	53,991.99
Client C	74,033,670.68	10.38	1,109,119.00
Client F	30,279,779.76	4.25	34,953.24
Client E	29,894,976.76	4.19	54,390.35
Total	333,670,030.89	46.79	1,273,085.14
December 31, 2016			
Client B	49,284,826.05	8.33	74,536.13
Client F	33,040,808.55	5.59	122,290.52
Client A	32,034,124.64	5.42	31,928,682.24
Client G	23,979,048.12	4.06	-
Client H	22,668,348.80	3.83	-
Total	161,007,156.16	27.23	32,125,508.89

4. Prepayments

(1) The ageing analysis of prepayments is as follows:

RMB

Ageing	March 31, 2018		December 31, 2017		December 31, 2016	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	86,988,005.46	99.19	67,817,709.15	99.33	59,371,008.37	98.76
1-2 years	584,934.94	0.67	333,014.77	0.49	364,669.80	0.61
2-3 years	-	-	-	-	254,688.00	0.42
Over 3 years	124,000.00	0.14	124,000.00	0.18	124,000.00	0.21
Total	87,696,940.40	100.00	68,274,723.92	100.00	60,114,366.17	100.00

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

4. Prepayments-continued

(2) The five largest balances of prepayments are analysed as follows:

RMB

Name of entity	Relationship with the Company	Balance at the end of the year/period	% of total balance
March 31, 2018			
Sri Lanka Ports Authority	Third party	23,009,762.00	26.24
Saham Assurance SA	Third party	5,762,576.86	6.57
CCCC Fourth Harbor Engineering Co., Ltd.	Third party	5,000,000.00	5.70
深圳市交通共用设施管理局	Third party	4,020,000.00	4.58
CCCC Third Harbor Engineering Co., Ltd.	Third party	2,652,643.00	3.02
Total		40,444,981.86	46.11
December 31, 2017			
Sri Lanka Ports Authority	Third party	32,812,095.14	48.06
深圳市交通共用设施管理局	Third party	6,006,232.00	8.80
Saham Assurance SA	Third party	5,238,718.84	7.67
Kingdee Software (China) Co., Ltd.	Third party	1,293,901.62	1.90
AMEG Inc.	Third party	984,615.38	1.44
Total		46,335,562.98	67.87
December 31, 2016			
Sri Lanka Ports Authority	Third party	33,770,439.24	56.18
Saham Assurance SA	Third party	7,115,602.46	11.84
CNBMIT Co., Ltd.	Third party	3,603,108.00	5.99
TOPJOYS	Third party	1,770,135.50	2.94
ZPMC Electric	Third party	1,152,000.00	1.92
Total		47,411,285.20	78.87

(VI) Notes to the Consolidated Financial Information-continued

5. Interests receivables

(1) Classification of interests receivables

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Interests receivable from related parties	19,051,659.02	7,325,901.62	556,294.20
Others	6,690,435.44	6,202,294.09	5,930,002.93
Total	25,742,094.46	13,528,195.71	6,486,297.13

(2) As at the end of each reporting period, the Group did not have significant overdue interests receivables.

6. Dividend receivables

(1) Dividend receivables

RMB

	March 31, 2018	December 31, 2017	December 31, 2016
China Nanshan	193,261,750.00	193,261,750.00	174,427,062.17
CCT	97,429,396.88	97,429,396.88	-
Modern Terminals Limited	31,417,386.79	-	-
Port de Djibouti S.A.	-	-	58,328,845.96
Others	-	-	9,969,484.41
Total	322,108,533.67	290,691,146.88	242,725,392.54

(2) Significant dividend receivables with ageing over 1 year

RMB

Item	Balance at the end of the year/period	Reasons for failed recovery	Whether or not impaired
March 31, 2018			
China Nanshan	122,984,750.00	Relevant procedures are undergoing; expected to be recovered by the end of 2018	None
December 31, 2017			
China Nanshan	122,984,750.00	Relevant procedures are undergoing; expected to be recovered by the end of 2018	None
December 31, 2016			
Port de Djibouti S.A.	58,328,845.96	Recovered in 2017	None
China Nanshan	51,442,312.17	Recovered in 2017	None
Total	109,771,158.13		

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

7. Other receivables

(1) Other receivables are analysed by categories as follows:

RMB

Item	Carrying amount		Provision for doubtful debt		Book value
	Amount	Proportion (%)	Amount	Percentage of provision (%)	
March 31, 2018					
Other receivable with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis (Note)	6,364,726.00	0.16	6,364,726.00	100.00	-
Other receivable with bad debt provision made according to credit risk characteristics					
Portfolio 1	3,972,019,015.50	99.22	-	-	3,972,019,015.50
Portfolio 2	21,735,175.88	0.54	14,484,648.52	66.64	7,250,527.36
Subtotal of portfolio	3,993,754,191.38	99.76	14,484,648.52	0.36	3,979,269,542.86
Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis	3,399,100.42	0.08	3,399,100.42	100.00	-
Total	4,003,518,017.80	100.00	24,248,474.94	0.61	3,979,269,542.86
December 31, 2017					
Other receivable with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis (Note)	6,364,726.00	0.11	6,364,726.00	100.00	-
Other receivable with bad debt provision made according to credit risk characteristics					
Portfolio 1	5,517,845,288.10	99.51	-	-	5,517,845,288.10
Portfolio 2	17,673,491.28	0.32	14,484,648.52	81.96	3,188,842.76
Subtotal of portfolio	5,535,518,779.38	99.83	14,484,648.52	0.26	5,521,034,130.86
Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis	3,403,885.83	0.06	3,403,885.83	100.00	-
Total	5,545,287,391.21	100.00	24,253,260.35	0.44	5,521,034,130.86
December 31, 2016					
Other receivable with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis (Note)	-	-	-	-	-
Other receivable with bad debt provision made according to credit risk characteristics					
Portfolio 1	5,474,417,923.74	99.72	-	-	5,474,417,923.74
Portfolio 2	14,736,909.12	0.27	14,119,541.14	95.81	617,367.98
Subtotal of portfolio	5,489,154,832.86	99.99	14,119,541.14	0.26	5,475,035,291.72
Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis	822,729.97	0.01	822,729.97	100.00	-
Total	5,489,977,562.83	100.00	14,942,271.11	0.27	5,475,035,291.72

Note : The Group recognises other receivables more than RMB5,000,000.00 (inclusive of RMB5,000,000.00) as other receivables with significant individual amount.

Other receivables with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis

RMB

Name of entity	Carrying amount	Provision for doubtful debt	Percentage of provision (%)	Reason for provision
March 31, 2018 and December 31, 2017				
Shantou Overseas Trust & Investment Corp.	6,364,726.00	6,364,726.00	100.00	Expected to be unrecoverable due to long time span

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

7. Other receivables-continued

Other receivables with bad debt provision made according to credit risk characteristics:

Portfolio 1: portfolio with lower recovery risk

RMB

Name of entity	Carrying amount	Proportion (%)	Provision for doubtful debt	Book value
March 31, 2018				
Related party transactions	3,482,599,695.79	87.68	-	3,482,599,695.79
Others	489,419,319.71	12.32	-	489,419,319.71
Total	3,972,019,015.50	100.00	-	3,972,019,015.50
December 31, 2017				
Related party transactions	4,919,516,064.47	89.16	-	4,919,516,064.47
Others	598,329,223.63	10.84	-	598,329,223.63
Total	5,517,845,288.10	100.00	-	5,517,845,288.10
December 31, 2016				
Related party transactions	4,901,266,121.55	89.53	-	4,901,266,121.55
Others	573,151,802.19	10.47	-	573,151,802.19
Total	5,474,417,923.74	100.00	-	5,474,417,923.74

Portfolio 2: portfolio by ageing analysis

RMB

Ageing	Carrying amount	Proportion (%)	Provision for doubtful debt	Book value
March 31, 2018				
Within 1 year (inclusive of 1 year)	7,250,527.36	33.36	-	7,250,527.36
Over 3 years	14,484,648.52	66.64	14,484,648.52	-
Total	21,735,175.88	100.00	14,484,648.52	7,250,527.36
December 31, 2017				
Within 1 year	3,188,842.76	18.04	-	3,188,842.76
Over 3 years	14,484,648.52	81.96	14,484,648.52	-
Total	17,673,491.28	100.00	14,484,648.52	3,188,842.76
December 31, 2016				
Within 1 year	617,367.98	4.19	-	617,367.98
Over 3 years	14,119,541.14	95.81	14,119,541.14	-
Total	14,736,909.12	100.00	14,119,541.14	617,367.98

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

7. Other receivables-continued

Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis:

RMB

Name of entity	Carrying amount	Bad debt provisions	Percentage of provision (%)	Reason for provision
March 31, 2018				
Electron & SA	873,736.80	873,736.80	100.00	Purchase refunds receivable that are not yet refunded by suppliers and have entered litigation
Others	2,525,363.62	2,525,363.62	100.00	Expected to be unrecoverable as the time span is too long.
Total	3,399,100.42	3,399,100.42	100.00	
December 31, 2017				
Electron & SA	878,522.21	878,522.21	100.00	Purchase refunds receivable that are not yet refunded by suppliers and have entered litigation
Others	2,525,363.62	2,525,363.62	100.00	Expected to be unrecoverable, as the time span is too long.
Total	3,403,885.83	3,403,885.83	100.00	
December 31, 2016				
Electron & SA	822,729.97	822,729.97	100.00	Refund rejected by the counterpart

(2) Provision for doubtful debt made, recovered or reversed

RMB

Item	Balance at the beginning of the year/period	Acquisition of subsidiaries	Increase in current year/period	Decrease in current year/period		Other (Note)	Balance at the end of the year/period
				Reversal	Write off		
Period from January 1 to March 31, 2018							
Provision for doubtful debt	24,253,260.35	-	-	-	-	(4,785.41)	24,248,474.94
2017							
Provision for doubtful debt	14,942,271.11	8,890,089.62	365,107.38	-	-	55,792.24	24,253,260.35
2016							
Provision for doubtful debt	14,119,541.14	-	827,380.26	-	-	(4,650.29)	14,942,271.11

Note: The other is the exchange adjustment.

(3) During the period from January 1 to March 31, 2018, year ended December 31, 2017 and year ended December 31, 2016, the Group did not have other receivables actually written off.

(4) Other receivables are summarised by nature as follows

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Receivable due to disposal of subsidiaries	3,289,211,352.93	4,722,798,968.85	4,766,071,826.91
Indemnification from related parties (Note)	321,067,428.45	400,848,897.19	376,013,878.98
Fund transfer	129,256,054.52	128,678,734.45	268,759,691.00
Deposits	7,700,810.38	9,046,840.10	2,961,369.81
Others	256,282,371.52	283,913,950.62	76,170,796.13
Total	4,003,518,017.80	5,545,287,391.21	5,489,977,562.83

Note: Amount being the indemnification from the holding companies of a non-controlling shareholder of a subsidiary in connection with the operation of the relevant subsidiary.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

7. Other receivables-continued

(5) The five largest balances of other receivables are analysed as follow:

RMB

Name of entity	Nature of other receivable	Balance at the end of the year/period	Ageing	% of total balance of other receivables at the end of year/period	Provision of doubtful debt balance at the end of year/period
March 31, 2018					
China SPV (Note)	Receivable due to disposal of a subsidiary	2,873,873,144.46	N/A	71.78	-
Hong Kong SPV (Note)	Receivable due to disposal of a subsidiary	415,338,208.47	N/A	10.37	-
Global Terminal Limited	Indemnification from related parties	321,067,428.45	1-2 years	8.02	-
Shenzhen Chiwan	Current account	74,084,437.52	Within 1 year	1.85	-
Foshan Shunde District Port (Group) Co., Ltd.	Current account	69,804,488.47	Within 1 year, 1-2 years, 2-3 years	1.74	-
Total		3,754,167,707.37		93.76	-
December 31, 2017					
China SPV (Note)	Receivable due to disposal of a subsidiary	4,105,533,063.51	N/A	74.04	-
Hong Kong SPV (Note)	Receivable due to disposal of a subsidiary	617,265,905.34	N/A	11.13	-
Global Terminal Limited	Indemnification from related parties	400,848,897.19	1-2 years	7.23	-
Shenzhen Chiwan	Current account	74,664,101.30	Within 1 year	1.35	-
Foshan Shunde District Port (Group) Co., Ltd.	Current account	67,550,743.96	Within 1 year, 1-2 years, 2-3 years	1.22	-
Total		5,265,862,711.30		94.97	-
December 31, 2016					
China SPV (Note)	Receivable due to disposal of a subsidiary	4,105,533,063.51	N/A	74.78	-
Hong Kong SPV (Note)	Receivable due to disposal of a subsidiary	660,538,763.40	N/A	12.03	-
Global Terminal Limited	Indemnification from related parties	376,013,878.98	Within 1 year	6.85	-
Foshan Shunde District Port (Group) Co., Ltd.	Current account	66,156,539.77	Within 1 year, 1-2 years	1.21	-
Chu Kong River Trade Terminal Co., Ltd.	Current account	61,228,525.00	Over 3 years	1.12	-
Total		5,269,470,770.66		95.99	-

Note: Subject to the preparation basis set out in Note (III) to the Consolidated Financial Information, the receivables arose from the assumption of the disposal of Shenzhen Chiwan's shares before the beginning of the reporting period.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

8. Inventories

(1) Inventories are summarised by categories as follows:

RMB

Item	March 31, 2018			December 31, 2017			December 31, 2016		
	Balance before impairment	Provision for decline in the value of inventories	Book value	Balance before impairment	Provision for decline in the value of inventories	Book value	Balance before impairment	Provision for decline in the value of inventories	Book value
Raw materials	53,678,773.08	1,821,070.11	51,857,702.97	52,934,179.36	1,821,070.11	51,113,109.25	37,472,679.74	1,494,198.54	35,978,481.20
Spare parts and consumables	161,736.65	-	161,736.65	100,509.49	-	100,509.49	1,218,144.15	-	1,218,144.15
Others	17,977,401.70	-	17,977,401.70	16,753,490.44	-	16,753,490.44	16,696,823.36	-	16,696,823.36
Total	71,817,911.43	1,821,070.11	69,996,841.32	69,788,179.29	1,821,070.11	67,967,109.18	55,387,647.25	1,494,198.54	53,893,448.71

(VI) Notes to the Consolidated Financial Information-continued

8. Inventories-continued

(2) Provision for decline in the value of inventories are as follows:

RMB

Item	Balance at the beginning of the year/period	Increase in current year/period		Decrease in current year/period		Balance at the end of the year/period
		Provision	Acquisition of subsidiaries	Reversal	Written off	
Period from January 1 to March 31, 2018						
Raw materials	1,821,070.11	-	-	-	-	1,821,070.11
2017						
Raw materials	1,494,198.54	-	326,871.57	-	-	1,821,070.11
2016						
Raw materials	1,646,104.01	-	-	151,905.47	-	1,494,198.54

(3) At the end of each reporting period, there was no capitalisation of borrowing costs in the balance of the Group's inventory.

(4) At the end of each reporting period, there were no completed but unrecorded assets due to construction contracts being included in the inventories balance.

9. Other current assets

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Loans to associates of related parties	945,687,360.00	980,134,545.00	-
Entrusted loans	120,000,000.00	120,000,000.00	120,000,000.00
Prepaid tax	24,643,322.36	978,566.31	2,869,598.54
Other (Note)	91,717,020.78	68,660,081.28	113,319,323.25
Total	1,182,047,703.14	1,169,773,192.59	236,188,921.79

Note: It is mainly the tax retained at the end of the year/period regarding value added tax levied on the Group's subsidiaries in China.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

10. Available-for-sale financial assets

(1) Available-for-sale financial assets

RMB

Item	March 31, 2018			December 31, 2017			December 31, 2016		
	Carrying amount	Impairment provisions	Book value	Carrying amount	Impairment provisions	Book value	Carrying amount	Impairment provisions	Book value
Available-for-sale financial assets									
At fair value				3,059,822,735.68	-	3,059,822,735.68	2,974,392,890.82	-	2,974,392,890.82

Note: For the method for determining the fair value of available-for-sale financial assets , see Note (X) to the Consolidated Financial Information.

(VI) Notes to the Consolidated Financial Information-continued

10. Available-for-sale financial assets-continued

(2) Available-for-sale financial assets measured at fair value as at the end of the each reporting period

	RMB
Classification of available-for-sale financial assets	Available-for-sale equity instruments
December 31, 2017	
Cost of equity instruments	1,245,051,120.85
Fair value	3,059,822,735.68
Accumulative amount of fair value changes recorded in other comprehensive income	1,814,771,614.83
Provision for impairment	-
December 31, 2016	
Cost of equity instruments	1,291,204,106.79
Fair value	2,974,392,890.82
Accumulative amount of fair value changes recorded in other comprehensive income	1,683,188,784.03
Provision for impairment	-

11. Financial assets at fair value through profit and loss

(1) Financial assets at fair value through profit and loss

	RMB
Item	Carrying amount
March 31, 2018	
Financial assets at fair value through profit and loss	3,013,669,363.99

Note: for the method for determining the fair value of financial assets at fair value through profit and loss, see Note (X) to the Consolidated Financial Information.

(2) Financial assets at fair value as at the end of the reporting period

	RMB
Item	Equity instrument investment
March 31, 2018	
Cost of equity instruments	1,129,803,643.54
Fair value	3,013,669,363.99
Accumulative amount of fair value changes recorded in profit or loss	1,883,865,720.45

12. Equity instrument investments at fair value through other comprehensive income

(1) Equity instrument investments at fair value through other comprehensive income

	RMB
Item	Carrying amount
March 31, 2018	
Equity instrument investments at fair value through other comprehensive income	83,110,818.61

Note: For the method for determining the fair value of equity instrument investments at fair value through other comprehensive income, see Note (X) to the Consolidated Financial Information.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

12. Equity instrument investments at fair value through other comprehensive income-continued

(2) Financial assets at fair value as at the end of the reporting period

RMB

Item	Equity instrument investment
March 31, 2018	
Cost of equity instruments	83,110,818.61
Fair value	83,110,818.61
Accumulative amount of fair value changes recorded in other comprehensive income	-

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

13. Long-term receivables

(1) Long-term receivables

RMB

Item	March 31, 2018			December 31, 2017			December 31, 2016		
	Carrying amount	Impairment provisions	Book value	Carrying amount	Impairment provisions	Book value	Carrying amount	Impairment provisions	Book value
Advance to an associate	9,630,371.02	-	9,630,371.02	9,669,034.35	-	9,669,034.35	8,960,516.42	-	8,960,516.42

14. Long-term equity investments

RMB

Invested entity	January 1, 2018	Movement in current period								March 31, 2018	Provision for impairment at the end of the period
		Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Cash dividend declared or profit	Provision for impairment	Exchange adjustments		
I. Joint ventures											
Euro-Asia Oceangate, S.a` r.l.	2,543,905,022.59	-	-	22,066,089.71	-	-	-	-	(89,594,669.30)	2,476,376,443.00	-
Zhanjiang Port (Group) Co., Ltd.	2,053,843,683.66	-	-	(5,855,397.21)	-	-	-	-	-	2,047,988,286.45	-
Qingdao Qianwan United Container Terminal Co., Ltd. ("QQCTU")	1,523,008,583.00	-	-	34,766,012.63	-	519,158.27	-	-	-	1,558,293,753.90	-
Others	2,029,488,434.19	-	-	45,573,503.96	-	1,045,780.14	-	-	(4,389,104.44)	2,071,718,613.85	-
Sub-total	8,150,245,723.44	-	-	96,550,209.09	-	1,564,938.41	-	-	(93,983,773.74)	8,154,377,097.20	-
II. Associates											
Shanghai International Port (Group) Co., Ltd. ("SIPG") (A share listed in Mainland China) (Note 1)	20,140,460,412.59	60,458,839.54	-	437,181,146.79	128,881,373.00	(30,825,865.44)	-	-	90,310.73	20,736,246,217.21	-
China Nanshan	4,957,187,803.74	-	-	1,008,660.28	147,837,730.79	(92,048,890.21)	-	-	-	5,013,985,304.60	-
Dalian Port (PDA) Company Limited (A share listed in Mainland China and H share listed in Hong Kong)	3,188,107,183.18	-	-	(13,204,665.00)	(2,877,982.33)	-	-	-	23,938,837.20	3,195,963,373.05	593,668,385.50
Others	7,794,305,151.58	1,000,000.00	-	162,138,969.09	48,067,697.55	523,199.32	59,587,623.01	-	(167,052,016.47)	7,779,395,378.06	-
Sub-total	36,080,060,551.09	61,458,839.54	-	587,124,111.16	321,908,819.01	(122,351,556.33)	59,587,623.01	-	(143,022,868.54)	36,725,590,272.92	593,668,385.50
Total	44,230,306,274.53	61,458,839.54	-	683,674,320.25	321,908,819.01	(120,786,617.92)	59,587,623.01	-	(237,006,642.28)	44,879,967,370.12	593,668,385.50

Note 1: During the period from January 1 to March 31, 2018, the Group purchased 8,707,300 shares of SIPG in the open market. Since then, the Group's shares in SIPG increased from 26.45% to 26.49%.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

14. Long-term equity investments-continued

RMB

Invested entity	January 1, 2017	Effect of changes in consolidation scope	Movement in current year								December 31, 2017	Provision for impairment at the end of the year
			Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Cash dividend declared or profit	Provision for impairment	Exchange adjustments		
I. Joint ventures												
QQCTU	1,363,644,941.69	-	-	-	163,655,930.56	-	(4,292,289.25)	-	-	-	1,523,008,583.00	-
Euro-Asia Oceangate, S.a` r.l.	2,693,312,175.34	-	-	-	74,107,255.10	-	-	67,727,439.00	-	(155,786,968.85)	2,543,905,022.59	-
Zhanjiang Port (Group) Co., Ltd.	2,086,359,271.70	-	-	-	(32,515,588.04)	-	-	-	-	-	2,053,843,683.66	-
Others	1,826,138,334.76	-	150,000,000.00	3,680,374.56	128,821,812.92	22,002,683.51	1,765.25	76,500,000.00	-	(17,295,787.69)	2,029,488,434.19	-
Sub-total	7,969,454,723.49	-	150,000,000.00	3,680,374.56	334,069,410.54	22,002,683.51	(4,290,524.00)	144,227,439.00	-	(173,082,756.54)	8,150,245,723.44	-
II. Associates												
China International Marine Containers (Group) Co., Ltd ("CIMC") (A share listed in Mainland China and H share listed in Hong Kong) (Note 2)	6,971,072,627.99	-	-	6,762,162,345.97	165,369,876.99	15,791,650.84	(336,800,207.85)	44,113,526.25	-	(9,158,075.75)	-	-
SIPG (A share listed in Mainland China) (Note 3)	15,822,655,440.67	-	1,997,374,966.40	-	2,986,681,299.47	453,084,034.71	(206,009,964.75)	913,488,707.16	-	163,343.25	20,140,460,412.59	-
Dalian Port (PDA) Company Limited (A share listed in Mainland China and H share listed in Hong Kong)	3,745,389,030.17	-	-	-	105,414,178.27	(3,784,239.09)	(583,523.47)	40,721,040.00	640,585,551.00	22,978,328.30	3,188,107,183.18	617,607,222.70
China Nanshan	4,618,552,952.62	-	-	-	380,486,882.72	(5,057,141.57)	37,233,109.97	74,028,000.00	-	-	4,957,187,803.74	-
Others	7,222,178,153.90	229,516,758.41	56,000,000.00	-	707,944,133.08	70,586,183.72	41,563,758.66	487,315,204.13	-	(46,168,632.06)	7,794,305,151.58	-
Sub-total	38,379,848,205.35	229,516,758.41	2,053,374,966.40	6,762,162,345.97	4,345,896,370.53	530,620,488.61	(464,596,827.44)	1,559,666,477.54	640,585,551.00	(32,185,036.26)	36,080,060,551.09	617,607,222.70
Total	46,349,302,928.84	229,516,758.41	2,203,374,966.40	6,765,842,720.53	4,679,965,781.07	552,623,172.12	(468,887,351.44)	1,703,893,916.54	640,585,551.00	(205,267,792.80)	44,230,306,274.53	617,607,222.70

Note 2: CIMC is an associate of Soares Limited, a wholly-owned subsidiary of the Company. On April 7, 2017, the Company and China Merchants Industry Holdings Co., Ltd. (hereinafter referred to as "China Merchants Industry") entered into a "Share Transfer Agreement between China Merchants Port Holdings Company Limited and China Merchants Industry Holdings co., Ltd. Regarding the Transfer of the Entire Issued Share Capital of Soares Limited (the "Transfer Agreement"), pursuant to which, the Company transferred all the issued shares of Soares Limited, and the shareholders' loan outstanding of Soares Limited to China Merchants Industry. The consideration of total equity was HK\$7,050,226,444.66 (equivalent to RMB6,145,682,391.81). On June 9, 2017, all the delivery preconditions under the Transfer Agreement signed between the Company and China Merchants Industry were fulfilled and the equity transfer was completed.

Note 3: In 2017, 302,685,482 shares of SIPG were purchased by the Group from open market. Consequently, the Group's interest in SIPG increased from 25.15% to 26.45%.

(VI) Notes to the Consolidated Financial Information-continued**14. Long-term equity investments-continued**

RMB

Invested entity	January 1,2016	Movement in current year								December 31, 2016	Provision for impairment at the end of the year
		Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Cash dividend declared or profit	Provision for impairment	Exchange adjustments		
I. Joint ventures											
QQCTU	1,209,292,582.19	-	-	150,689,002.57	-	3,663,356.93	-	-	-	1,363,644,941.69	-
Euro-Asia Oceangate, S.a` r.l.	2,505,477,369.46	-	-	17,175,883.57	(1,136,715.58)	-	-	-	171,795,637.89	2,693,312,175.34	-
Zhanjiang Port (Group) Co., Ltd.	2,147,380,998.93	-	-	(41,103,818.42)	-	-	19,917,908.81	-	-	2,086,359,271.70	-
Others	1,712,255,246.98	40,000,000.00	1,825,090.31	127,404,337.79	4,922,087.66	(80,278.61)	74,700,000.00	-	18,162,031.25	1,826,138,334.76	-
Sub-total	7,574,406,197.56	40,000,000.00	1,825,090.31	254,165,405.51	3,785,372.08	3,583,078.32	94,617,908.81	-	189,957,669.14	7,969,454,723.49	-
II. Associates											
CIMC (A share listed in Mainland China and H share listed in Hong Kong) (Note 4)	6,443,568,849.58	384,739,808.98	-	90,636,109.20	200,297,261.99	691,296.04	157,894,114.85	-	9,033,417.05	6,971,072,627.99	-
SIPG (A share listed in Mainland China) (Note 5)	14,264,955,091.22	1,304,248,042.00	-	1,727,681,701.96	(582,665,896.72)	(1,340.48)	893,126,720.18	-	1,564,562.87	15,822,655,440.67	-
Dalian Port (PDA) Company Limited (A share listed in Mainland China and H share listed in Hong Kong) (Note 6)	-	3,731,548,568.95	-	104,554,212.64	(3,879,777.49)	725,846.31	88,524,000.00	-	964,179.76	3,745,389,030.17	-
China Nanshan	4,395,711,839.70	-	-	246,404,427.70	72,966,865.76	33,018,819.46	129,549,000.00	-	-	4,618,552,952.62	-
Others	6,741,543,906.09	34,800,000.00	-	615,854,628.48	(96,664,141.07)	4,923,881.80	387,759,728.23	-	309,479,606.83	7,222,178,153.90	-
Sub-total	31,845,779,686.59	5,455,336,419.93	-	2,785,131,079.98	(409,945,687.53)	39,358,503.13	1,656,853,563.26	-	321,041,766.51	38,379,848,205.35	-
Total	39,420,185,884.15	5,495,336,419.93	1,825,090.31	3,039,296,485.49	(406,160,315.45)	42,941,581.45	1,751,471,472.07	-	510,999,435.65	46,349,302,928.84	-

Note 4: In 2016, 43,277,500 shares of CIMC were purchased by the Group from open market. Consequently, the Group's interest in CIMC increased from 23.08% to 24.53%.

Note 5: In 2016, 254,170,980 shaes of SIPG were purchased by the Group from open market. Consequently, the Group's interest in SIPG increased from 24.05% to 25.15%.

(VI) Notes to the Consolidated Financial Information-continued

14. Long-term equity investments-continued

Note 6: The Company entered into a share purchase agreement with Dalian Port (PDA) Company Limited and other parties on January 12, 2016. Dalian Port (PDA) Company Limited is a joint stock company established in China that is listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. Pursuant to the distribution and issuance terms agreed by Dalian Port (PDA) Company Limited, the Company agreed to subscribe for 1,180,320,000 shares of Dalian Port (PDA) Company Limited (hereinafter referred to as "subscription shares") at a total consideration of HK\$4,331,774,400.00. The subscription shares represent 21.05% of the enlarged issued share capital of Dalian Port (PDA) Company Limited after the issuance of the subscription shares. This transaction was completed in 2016. The Group has significant influence on Dalian Port (PDA) Company Limited and the investment in it is accounted for using the equity method.

15. Investment properties

(1) Investment properties measured using cost model

Item	RMB
Period from January 1 to March 31, 2018	
I. Cost	
1. Balance as at 1 January	6,263,636,387.09
2. Increased amount in the current period	-
3. Decreased amount in the current period	-
4. Balance as at 31 March	6,263,636,387.09
II. Accumulated depreciation	
1. Balance as at 1 January	225,831,486.65
2. Increased amount in the current period	50,305,308.30
(1) Depreciation	50,305,308.30
3. Decreased amount in the current period	-
4. Balance as at 31 March	276,136,794.95
III. Provision for impairment	
1. Balance as at 1 January	-
2. Increased amount in the current period	-
3. Decreased amount in the current period	-
4. Balance as at 31 March	-
IV. Net book value	
1. Net book value as at 31 March	5,987,499,592.14
2. Net book value as at 1 January	6,037,804,900.44

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

15. Investment properties - continued

	RMB
Item	Plants and buildings
2017	
I. Cost	
1. Balance as at 1 January	6,116,412,602.16
2. Amount of increase in current year	148,473,784.93
(1) Additions	456,563.43
(2) Acquisition of assets through acquisition of subsidiaries	148,017,221.50
3. Amount of decrease in current year	1,250,000.00
(1) Disposal	1,250,000.00
4. Balance as at 31 December	6,263,636,387.09
II. Accumulated depreciation	
1. Balance as at 1 January	30,458,534.49
2. Amount of increase in current year	195,372,952.16
(1) Depreciation	195,372,952.16
3. Amount of decrease in current year	-
4. Balance as at 31 December	225,831,486.65
III. Provision for impairment	
1. Balance as at 1 January	-
2. Amount of increase in current year	-
3. Amount of decrease in current year	-
4. Balance as at 31 December	-
IV. Net book value	
1. Net book value as at 31 December	6,037,804,900.44
2. Net book value as at 1 January	6,085,954,067.67

(VI) Notes to the Consolidated Financial Information-continued

15. Investment properties - continued

	RMB
Item	Plants and buildings
2016	
I. Cost	
1. Balance as at 1 January	233,918,299.57
2. Amount of increase in current year	5,882,494,302.59
(1) Additions (Note)	5,882,494,302.59
3. Amount of decrease in current year	-
4. Balance as at 31 December	6,116,412,602.16
II. Accumulated depreciation	
1. Balance as at 1 January	16,857,967.51
2. Amount of increase in current year	13,600,566.98
(1) Depreciation	13,600,566.98
3. Amount of decrease in current year	-
4. Balance as at 31 December	30,458,534.49
III. Provision for impairment	
1. Balance as at 1 January	-
2. Amount of increase in current year	-
3. Amount of decrease in current year	-
4. Balance as at 31 December	-
IV. Net book value	
1. Net book value as at 31 December	6,085,954,067.67
2. Net book value as at 1 January	217,060,332.06

Note: Additions in 2016 includes 南海意库梦工场大厦 (RMB3,173,397,561.59) located in 3 Industrial Road, Nanshan District, Shenzhen, Guangdong Province and Qianhaiwan Garden (RMB2,709,096,741.00) located in Qianhai Free Trade Zone, Shenzhen City, Guangdong Province.

(2) Investment properties without certificate of title

	RMB	
Item	Book value	Reasons why certificate of title is not obtained
December 31, 2016		
南山区工业三路南海意库梦工场大厦	3,082,200,270.70	Under processing, completed in 2017

Note: As at March 31, 2018 and December 31, 2017, the Group did not hold any investment properties without title of certificate.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

16. Property, plant and equipment

(1) Status of property, plant and equipment

RMB

Item	Plants and buildings	Harbour works and dockyard	Machinery and equipment, furniture, appliances and other equipment	Motor vehicles and vessels	Total
Period from January 1 to March 31, 2018					
I. Cost					
1. Balance as at 1 January	1,027,575,388.20	18,501,852,331.77	7,327,766,937.12	928,503,736.67	27,785,698,393.76
2. Increased amount in the current period	39,454,492.28	1,236,223,793.65	799,732,904.64	37,633,076.15	2,113,044,266.72
(1) Additions	507,468.72	4,767,665.68	9,420,210.05	353,920.19	15,049,264.64
(2) Amount transferred from assets under construction	38,947,023.56	7,497,889.86	1,628,941.40	-	48,073,854.82
(3) Acquisition of subsidiaries	-	1,223,958,238.11	788,683,753.19	37,279,155.96	2,049,921,147.26
3. Decreased amount in the current period	-	159,635,521.25	3,356,787.59	658,645.38	163,650,954.22
(1) Disposals	-	12,421,916.57	3,356,787.59	658,645.38	16,437,349.54
(2) Transferred to assets under construction	-	147,213,604.68	-	-	147,213,604.68
4. Exchange adjustments	(9,720,520.21)	(359,720,461.56)	(101,828,510.18)	(18,969,141.65)	(490,238,633.60)
5. Balance as at 31 March	1,057,309,360.27	19,218,720,142.61	8,022,314,543.99	946,509,025.79	29,244,853,072.66
II. Accumulated depreciation					
1. Balance as at 1 January	187,523,071.28	3,479,601,732.02	3,803,446,557.97	315,474,060.64	7,786,045,421.91
2. Increased amount in the current period	7,326,607.21	431,438,769.81	440,601,739.59	28,301,576.51	907,668,693.12
(1) Depreciation	7,326,607.21	125,928,692.80	115,931,410.62	14,025,202.21	263,211,912.84
(2) Acquisition of subsidiaries	-	305,510,077.01	324,670,328.97	14,276,374.30	644,456,780.28
3. Decreased amount in the current period	-	92,022,706.01	3,071,371.99	574,704.87	95,668,782.87
(1) Disposals	-	5,215,698.31	3,071,371.99	574,704.87	8,861,775.17
(2) Transferred to assets under construction	-	86,807,007.70	-	-	86,807,007.70
4. Exchange adjustments	(1,028,063.93)	(24,804,095.00)	(34,878,293.23)	(2,976,428.53)	(63,686,880.69)
5. Balance as at 31 March	193,821,614.56	3,794,213,700.82	4,206,098,632.34	340,224,503.75	8,534,358,451.47
III. Provision for impairment					
1. Balance as at 1 January	-	-	44,042.83	-	44,042.83
2. Increased amount in the current period	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decreased amount in the current period	-	-	-	-	-
(1) Disposals	-	-	-	-	-
4. Balance as at 31 March	-	-	44,042.83	-	44,042.83
IV. Net book value					
(1) Net book value as at 31 March	863,487,745.71	15,424,506,441.79	3,816,171,868.82	606,284,522.04	20,710,450,578.36
(2) Net book value as at 1 January	840,052,316.92	15,022,250,599.75	3,524,276,336.32	613,029,676.03	19,999,608,929.02

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

16. Property, plant and equipment-continued

(1) Status of property, plant and equipment-continued

RMB

Item	Plants and buildings	Harbour works and dockyard	Machinery and equipment, furniture, appliances and other equipment	Motor vehicles and vessels	Total
2017					
I. Cost					
1. Balance as at 1 January	683,684,661.74	10,390,208,043.09	6,604,686,044.09	437,271,886.92	18,115,850,635.84
2. Amount of increase in current year	358,815,260.58	8,723,641,797.53	883,966,845.55	531,945,826.99	10,498,369,730.65
(1) Additions	30,980,332.96	4,256,204.23	40,975,676.06	5,934,876.12	82,147,089.37
(2) Amount transferred from assets under construction	67,170,886.48	309,448,197.39	43,388,693.91	644,612.07	420,652,389.85
(3) Acquisition of subsidiaries	260,664,041.14	8,409,937,395.91	799,602,475.58	525,366,338.80	9,995,570,251.43
3. Amount of decrease in current year	1,309,352.14	202,348,262.64	115,301,549.19	20,050,924.01	339,010,087.98
(1) Disposals	1,309,352.14	37,735,538.67	115,301,549.19	20,050,924.01	174,397,364.01
(2) Transferred to assets under construction	-	164,612,723.97	-	-	164,612,723.97
4. Exchange adjustments	(13,615,181.98)	(409,649,246.21)	(45,584,403.33)	(20,663,053.23)	(489,511,884.75)
5. Balance as at 31 December	1,027,575,388.20	18,501,852,331.77	7,327,766,937.12	928,503,736.67	27,785,698,393.76
II. Accumulated depreciation					
1. Balance as at 1 January	147,188,638.09	2,572,553,257.47	3,089,701,681.09	207,787,369.18	6,017,230,945.83
2. Amount of increase in current year	42,777,264.94	1,013,367,511.20	831,360,322.33	123,475,238.02	2,010,980,336.49
(1) Depreciation	20,416,849.32	344,132,926.14	410,910,496.91	30,785,939.79	806,246,212.16
(2) Acquisition of subsidiaries	22,360,415.62	669,234,585.06	420,449,825.42	92,689,298.23	1,204,734,124.33
3. Amount of decrease in current year	732,618.26	92,239,612.78	97,566,014.26	12,246,536.44	202,784,781.74
(1) Disposals	732,618.26	27,880,428.80	97,566,014.26	12,246,536.44	138,425,597.76
(2) Transferred to assets under construction	-	64,359,183.98	-	-	64,359,183.98
4. Exchange adjustments	(1,710,213.49)	(14,079,423.87)	(20,049,431.19)	(3,542,010.12)	(39,381,078.67)
5. Balance as at 31 December	187,523,071.28	3,479,601,732.02	3,803,446,557.97	315,474,060.64	7,786,045,421.91
III. Provision for impairment					
1. Balance as at 1 January	-	-	71,145.79	-	71,145.79
2. Amount of increase in current year	-	-	-	-	-
3. Amount of decrease in current year	-	-	27,102.96	-	27,102.96
(1) Disposals	-	-	27,102.96	-	27,102.96
4. Balance as at 31 December	-	-	44,042.83	-	44,042.83
IV. Net book value					
(1) Net book value as at 31 December	840,052,316.92	15,022,250,599.75	3,524,276,336.32	613,029,676.03	19,999,608,929.02
(2) Net book value as at 1 January	536,496,023.65	7,817,654,785.62	3,514,913,217.21	229,484,517.74	12,098,548,544.22

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

16. Property, plant and equipment-continued

(1) Status of property, plant and equipment-continued

RMB

Item	Plants and buildings	Harbour works and dockyard	Machinery and equipment, furniture, appliances and other equipment	Motor vehicles and vessels	Total
2016					
I. Cost					
1. Balance as at 1 January	598,578,259.01	10,092,553,960.47	6,268,927,180.48	432,108,169.28	17,392,167,569.24
2. Amount of increase in current year	77,668,910.82	166,271,166.16	308,459,897.05	7,082,213.61	559,482,187.64
(1) Additions	77,503,910.82	10,329,455.66	249,089,539.71	6,654,726.26	343,577,632.45
(2) Amount transferred from assets under construction	165,000.00	155,941,710.50	59,370,357.34	427,487.35	215,904,555.19
3. Acquisition of subsidiaries	-	13,890,658.00	77,771,094.25	8,680,410.78	100,342,163.03
(1) Disposals	-	9,457,275.82	77,771,094.25	8,680,410.78	95,908,780.85
(2) Transferred to assets under construction	-	4,433,382.18	-	-	4,433,382.18
4. Reclassification	-	(1,257,136.00)	1,257,136.00	-	-
5. Exchange adjustments	7,437,491.91	146,530,710.46	103,812,924.81	6,761,914.81	264,543,041.99
6. Balance as at 31 December	683,684,661.74	10,390,208,043.09	6,604,686,044.09	437,271,886.92	18,115,850,635.84
II. Accumulated depreciation					
1. Balance as at 1 January	129,587,754.63	2,271,773,194.49	2,754,856,331.51	186,672,859.61	5,342,890,140.24
2. Amount of increase in current year	16,371,129.23	304,245,578.22	387,168,493.69	26,027,149.57	733,812,350.71
(1) Depreciation	16,371,129.23	304,245,578.22	387,168,493.69	26,027,149.57	733,812,350.71
3. Amount of decrease in current year	-	8,289,953.74	71,042,285.91	8,101,961.82	87,434,201.47
(1) Disposals	-	8,289,953.74	71,042,285.91	8,101,961.82	87,434,201.47
4. Reclassification	-	(59,712.00)	59,712.00	-	-
5. Exchange adjustments	1,229,754.23	4,884,150.50	18,659,429.80	3,189,321.82	27,962,656.35
6. Balance as at 31 December	147,188,638.09	2,572,553,257.47	3,089,701,681.09	207,787,369.18	6,017,230,945.83
III. Provision for impairment					
1. Balance as at 1 January	-	-	71,145.79	-	71,145.79
2. Amount of increase in current year	-	-	-	-	-
3. Amount of decrease in current year	-	-	-	-	-
4. Balance as at 31 December	-	-	71,145.79	-	71,145.79
IV. Net book value					
(1) Net book value as at 31 December	536,496,023.65	7,817,654,785.62	3,514,913,217.21	229,484,517.74	12,098,548,544.22
(2) Net book value as at 1 January	468,990,504.38	7,820,780,765.98	3,513,999,703.18	245,435,309.67	12,049,206,283.21

(VI) Notes to the Consolidated Financial Information-continued

16. Property, plant and equipment-continued

(2) At the end of each reporting period, the Group had no temporarily idle fixed assets.

(3) Property, plant and equipment held through finance leases

RMB

Item	Cost	Accumulated depreciation	Net book value
March 31, 2018			
Harbour works and dockyard	6,152,148,536.75	37,842,131.60	6,114,306,405.15
Machinery and equipment, furniture, appliances and other equipment	420,883,300.39	198,673,303.39	222,209,997.00
Plants and buildings	140,065,830.67	1,916,235.51	138,149,595.16
Motor vehicles and vessels	38,350,000.00	27,324,383.30	11,025,616.70
Total	6,751,447,667.81	265,756,053.80	6,485,691,614.01
December 31, 2017			
Haubour works and dockyard	6,376,196,581.68	10,051,927.79	6,366,144,653.89
Machineery and equipment, furniture, appliances and other equipment	360,123,362.29	195,705,709.38	164,417,652.91
Plants and buildings	145,166,727.59	509,005.71	144,657,721.88
Motor vehicles and vessels	38,350,000.00	26,413,571.63	11,936,428.37
Total	6,919,836,671.56	232,680,214.51	6,687,156,457.05
December 31, 2016			
Machine and equipment, furniture, appliances and other equipment	262,150,668.68	103,820,085.45	158,330,583.23

(4) Property, plant and equipment leased under finance lease

RMB

Item	Net book value on March 31, 2018	Net book value on December 31, 2017	Net book value on December 31, 2016
Haubour works and dockyard	1,006,663,819.76	971,151,561.19	1,020,313,089.23
Plants and buildings	268,209,211.28	289,588,337.69	268,921,575.15
Machinery and equipment, furniture, appliances and other equipment	253,479.35	255,687.15	490,830.06
Total	1,275,126,510.39	1,260,995,586.03	1,289,725,494.44

(5) Property, plant and equipment without certificate of title

RMB

Item	Net book value on March 31, 2018	Net book value on December 31, 2017	Net book value on December 31, 2016
Plants and buildings, Harbour works and dockyard	1,236,436,345.96	1,248,664,317.56	1,224,419,957.77

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

17. Assets under construction

(1) Assets under construction

RMB

Item	March 31, 2018			December 31, 2017			December 31, 2016		
	Carrying amount	Impairment provisions	Book value	Carrying amount	Impairment provisions	Book value	Carrying amount	Impairment provisions	Book value
Port and wharf facilities	1,854,762,211.65	-	1,854,762,211.65	1,747,445,992.42	-	1,747,445,992.42	667,832,492.29	-	667,832,492.29
Berths and yards	589,959,579.18	-	589,959,579.18	669,284.74	-	669,284.74	117,106,621.62	-	117,106,621.62
Machinery equipment	206,287,001.60	-	206,287,001.60	213,801,119.70	-	213,801,119.70	-	-	-
Ships under construction	137,406,021.80	-	137,406,021.80	142,411,112.12	-	142,411,112.12	-	-	-
Infrastructure	36,887,033.42	-	36,887,033.42	33,294,832.66	-	33,294,832.66	27,745,810.03	-	27,745,810.03
Others	113,088,440.02	-	113,088,440.02	118,479,552.09	-	118,479,552.09	6,275,073.98	-	6,275,073.98
Total	2,938,390,287.67	-	2,938,390,287.67	2,256,101,893.73	-	2,256,101,893.73	818,959,997.92	-	818,959,997.92

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

17. Assets under construction-continued

(2) Changes in important assets under construction in the year/period:

RMB

Project name	Budgeted amount	Balance at the beginning of the period	Increased amount in the current period	Acquisition of subsidiaries	Other decreased amount in the current period	Exchange adjustments	Balance at the end of the period	Proportion of accumulated project investment to budget (%)	Progress of construction (%)	Cumulative capitalised interest	Including: current year capitalised interest	Interest capitalisation rate (%)	Source of funds
Period from January 1 to March 31, 2018													
Guang'ao Phase II	2,875,500,000.00	726,456,652.38	-	-	432,737.27	-	726,023,915.11	25.26	25.26	13,447,553.66	-	4.82	Bank loans and self-funding
No. 3 berth in Shigang District, Xiamen Port	840,000,000.00	679,113,997.53	20,293,954.89	-	-	-	699,407,952.42	83.26	95.00	43,645,269.15	4,380,041.16	4.72	Bank loans and self-funding
TCP terminal expansion project	1,053,050,164.34	-	149,571,617.08	468,960,983.54	1,955,376.78	(27,285,284.31)	589,291,939.53	55.96	55.96	27,821,513.80	3,722,835.91	9.50	Bonds issued
Hydraulic engineering for the modification of berths 1#-4#, Haixing terminal	1,157,913,900.00	210,348,590.96	86,293,238.38	-	-	-	296,641,829.34	25.62	25.62	-	-	-	Self-funding
HIPG early project	294,797,721.18	213,801,119.70	-	-	-	(7,514,118.10)	206,287,001.60	100.00	90.00	-	-	-	Self-funding
HIPG ships under construction	196,362,256.87	142,411,112.12	-	-	-	(5,005,090.32)	137,406,021.80	100.00	90.00	-	-	-	Self-funding
Djibouti International Free Trade Zone Logistics Park Project Phase I	355,956,722.30	31,797,066.40	24,257,818.82	-	-	(1,324,416.41)	54,730,468.81	15.38	18.00	-	-	-	Self-funding
E-RTG "Electricity Changed from Oil" Project	39,403,640.00	40,598,774.98	-	-	-	(1,426,858.41)	39,171,916.57	100.00	99.41	-	-	-	Self-funding
Mawan Port RTG Remote Control System Phase III	46,562,033.00	28,862,136.68	287,050.13	-	-	-	29,149,186.81	62.60	62.60	-	-	-	Self-funding
Total	6,859,546,437.69	2,073,389,450.75	280,703,679.30	468,960,983.54	2,388,114.05	(42,555,767.55)	2,778,110,231.99			84,914,336.61	8,102,877.07		

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

17. Assets under construction-continued

(2) Changes in important assets under construction in the year/period: -continued

RMB

Project name	Budgeted amount	Balance at the beginning of the year	Increases in current year	Acquisition of subsidiaries	Transferred-in this year Amount of fixed assets	Other decreases this year	Exchange adjustments	Balance at the end of the year	Proportion of accumulated project investment to budget (%)	Progress of construction (%)	Cumulative capitalised interest	Including: current year capitalised interest	Interest capitalisation rate (%)	Source of funds
2017														
Guang'ao Phase II	2,875,500,000.00	-	367,412,918.14	359,043,734.24	-	-	-	726,456,652.38	25.26	25.26	13,447,553.66	4,195,728.08	4.82	Bank loans and self-funding
No. 3 berth in Shigang District, Xiamen Port	840,000,000.00	537,306,917.53	141,807,080.00	-	-	-	-	679,113,997.53	80.85	93.00	39,265,227.99	16,560,460.93	4.80	Bank loans and self-funding
HIPG early project	203,514,860.66	-	-	221,066,325.66	-	-	(7,265,205.96)	213,801,119.70	100.00	90.00	-	-	-	Self-funding
Hydraulic engineering for the modification of berths 1#-4#, Haixing terminal	1,157,913,900.00	35,347,142.67	175,001,448.29	-	-	-	-	210,348,590.96	18.17	18.17	-	-	-	Self-funding
HIPG ships under construction	305,535,891.18	-	-	147,250,404.18	-	-	(4,839,292.06)	142,411,112.12	100.00	90.00	-	-	-	Self-funding
E-RTG "Electricity Changed from Oil" Project	40,838,939.38	6,605,931.68	35,544,692.89	-	-	-	(1,551,849.59)	40,598,774.98	100.00	99.41	-	-	-	Self-funding
Guang'ao Joint Inspection Building	113,000,000.00	-	616,748.02	104,867,287.41	66,568,062.51	-	-	38,915,972.92	34.44	34.44	-	-	-	Self-funding
Djibouti International Free Trade Zone Logistics Park Project Phase I	368,922,642.74	-	32,877,708.60	-	-	-	(1,080,642.20)	31,797,066.40	8.62	7.00	-	-	-	Self-funding
Mawan Port RTG Remote Control System Phase III	46,562,033.00	37,260.71	28,824,875.97	-	-	-	-	28,862,136.68	61.99	61.99	-	-	-	Self-funding
Total	5,951,788,266.96	579,297,252.59	782,085,471.91	832,227,751.49	66,568,062.51	-	(14,736,989.81)	2,112,305,423.67			52,712,781.65	20,756,189.01		

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

17. Assets under construction-continued

(2) Changes in important assets under construction in the year/period: -continued

RMB

Project name	Budgeted amount	Balance at the beginning of the year	Increases in current year	Transferred-in this year Amount of fixed assets	Other decreases this year	Exchange adjustments	Balance at the end of the year	Proportion of accumulated project investment to budget (%)	Progress of construction (%)	Cumulative capitalised interest	Including: current year capitalised interest	Interest capitalisation rate (%)	Source of funds
2016													
No. 3 berth in Shigang District, Xiamen Port	840,000,000.00	377,665,385.37	159,641,532.16	-	-	-	537,306,917.53	63.97	74.14	22,704,767.06	13,791,882.88	4.82	Bank loans and self-funding
Liaogeshan terminal earthwork project	386,120,083.00	138,692,299.03	80,848,750.81	-	9,862,814.03	-	209,678,235.81	54.30	54.30	18,712,033.94	2,185,386.52	4.50	Bank loans and self-funding
Modification of berths 1#-4#, Haixing terminal	1,157,913,900.00	7,688,131.00	27,659,011.67	-	-	-	35,347,142.67	3.05	3.05	-	-	-	Self-funding
Total	2,384,033,983.00	524,045,815.40	268,149,294.64	-	9,862,814.03	-	782,332,296.01			41,416,801.00	15,977,269.40		

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

18. Intangible assets

(1) Intangible assets

RMB

	Land use right	Port operating right	Others	Total
Amortisation period	45-50 years	30-35 years	5-50 years	
Period from January 1 to March 31, 2018				
I. Cost				
1. Balance as at 1 January	11,585,388,311.55	5,171,928,708.25	190,060,280.40	16,947,377,300.20
2. Increased amount in the current period	-	9,204,324,440.28	198,060,935.90	9,402,385,376.18
(1) Additions	-	5,924,254.54	4,724,880.40	10,649,134.94
(2) Acquisition of subsidiaries	-	9,198,400,185.74	193,336,055.50	9,391,736,241.24
3. Decreased amount in the current period	-	-	117,932.87	117,932.87
(1) Disposal	-	-	117,932.87	117,932.87
4. Exchange adjustments	(92,962,368.64)	(320,522,759.76)	(10,037,097.61)	(423,522,226.01)
5. Balance as at 31 March	11,492,425,942.91	14,055,730,388.77	377,966,185.82	25,926,122,517.50
II. Accumulated amortisation				
1. Balance as at 1 January	1,602,950,998.13	336,212,844.34	108,817,116.66	2,047,980,959.13
2. Increased amount in the current period	49,903,310.42	886,512,532.66	84,344,904.61	1,020,760,747.69
(1) Amortisation during the period	49,903,310.42	62,495,758.11	9,627,521.36	122,026,589.89
(2) Acquisition of subsidiaries	-	824,016,774.55	74,717,383.25	898,734,157.80
3. Decreased amount in the current period	-	-	-	-
(1) Disposal	-	-	-	-
4. Exchange adjustments	(2,999,178.77)	(43,577,120.65)	(3,963,377.62)	(50,539,677.04)
5. Balance as at 31 March	1,649,855,129.78	1,179,148,256.35	189,198,643.65	3,018,202,029.78
III. Provision for impairment				
1. Balance as at 1 January	-	-	-	-
2. Increased amount in the current period	-	-	-	-
(1) Provision	-	-	-	-
3. Decreased amount in the current period	-	-	-	-
(1) Disposal	-	-	-	-
4. Balance as at 31 March	-	-	-	-
IV. Net book value				
1. Net book value as at 31 March	9,842,570,813.13	12,876,582,132.42	188,767,542.17	22,907,920,487.72
2. Net book value as at 1 January	9,982,437,313.42	4,835,715,863.91	81,243,163.74	14,899,396,341.07

(VI) Notes to the Consolidated Financial Information-continued

18. Intangible assets-continued

(1) Intangible assets - continued

RMB

Item	Land use right	Port operating right	Others	Total
Amortisation period	45-50 years	35 years	5-50 years	
Year 2017				
I. Cost				
1. Balance as at 1 January	7,137,319,178.16	4,917,822,045.98	143,052,526.63	12,198,193,750.77
2. Amount of increase in current year	4,523,528,610.21	50,369,923.07	41,783,608.80	4,615,682,142.08
(1) Additions	673,658,277.00	50,369,923.07	5,139,253.80	729,167,453.87
(2) Acquisition of subsidiaries	3,849,870,333.21	-	36,644,355.00	3,886,514,688.21
3. Amount of decrease in current year	-	-	-	-
(1) Disposal	-	-	-	-
4. Exchange difference	(75,459,476.82)	203,736,739.20	5,224,144.97	133,501,407.35
5. Balance as at 31 December	11,585,388,311.55	5,171,928,708.25	190,060,280.40	16,947,377,300.20
II. Accumulated amortisation				
1. Balance as at 1 January	1,422,110,813.43	200,776,743.96	86,453,590.36	1,709,341,147.75
2. Amount of increase in current year	190,803,743.31	128,204,966.98	19,500,685.77	338,509,396.06
(1) Amortisation during the year	151,732,265.18	128,204,966.98	16,955,023.63	296,892,255.79
(2) Acquisition of subsidiaries	39,071,478.13	-	2,545,662.14	41,617,140.27
3. Amount of decrease in current year	-	-	-	-
(1) Disposal	-	-	-	-
4. Exchange difference	(9,963,558.61)	7,231,133.40	2,862,840.53	130,415.32
5. Balance as at 31 December	1,602,950,998.13	336,212,844.34	108,817,116.66	2,047,980,959.13
III. Provision for impairment				
1. Balance as at 1 January	-	-	-	-
2. Amount of increase in current year	-	-	-	-
3. Amount of decrease in current year	-	-	-	-
4. Balance as at 31 December	-	-	-	-
IV. Net book value				
1. Net book value as at 31 December	9,982,437,313.42	4,835,715,863.91	81,243,163.74	14,899,396,341.07
2. Net book value as at 1 January	5,715,208,364.73	4,717,045,302.02	56,598,936.27	10,488,852,603.02

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

18. Intangible assets-continued

(1) Intangible assets - continued

RMB

Item	Land use right	Port operating right	Others	Total
Amortisation period	45-50 years	35 years	5-50 years	
Year 2016				
I. Cost				
1. Balance as at 1 January	6,834,411,781.93	4,703,857,942.40	135,090,953.84	11,673,360,678.17
2. Amount of increase in current year	331,099,038.99	36,417,987.16	5,046,045.32	372,563,071.47
(1) Additions	331,099,038.99	36,417,987.16	5,046,045.32	372,563,071.47
3. Amount of decrease in current year	38,022,600.00	-	1,293,478.14	39,316,078.14
(1) Disposal	38,022,600.00	-	-	38,022,600.00
(2) Other decreases	-	-	1,293,478.14	1,293,478.14
4. Exchange difference	9,830,957.24	177,546,116.42	4,209,005.61	191,586,079.27
5. Balance as at 31 December	7,137,319,178.16	4,917,822,045.98	143,052,526.63	12,198,193,750.77
II. Accumulated amortisation				
1. Balance as at 1 January	1,331,383,926.48	83,867,945.93	69,744,734.39	1,484,996,606.80
2. Amount of increase in current year	126,880,141.33	113,910,745.52	17,128,185.47	257,919,072.32
(1) Amortisation during the year	126,880,141.33	113,910,745.52	17,128,185.47	257,919,072.32
3. Amount of decrease in current year	38,022,600.00	-	1,582,266.11	39,604,866.11
(1) Disposal	38,022,600.00	-	-	38,022,600.00
(2) Other decreases	-	-	1,582,266.11	1,582,266.11
4. Exchange difference	1,869,345.62	2,998,052.51	1,162,936.61	6,030,334.74
5. Balance as at 31 December	1,422,110,813.43	200,776,743.96	86,453,590.36	1,709,341,147.75
III. Provision for impairment				
1. Balance as at 1 January	-	-	-	-
2. Amount of increase in current year	-	-	-	-
3. Amount of decrease in current year	-	-	-	-
4. Balance as at 31 December	-	-	-	-
IV. Net book value				
1. Net book value as at 31 December	5,715,208,364.73	4,717,045,302.02	56,598,936.27	10,488,852,603.02
2. Net book value as at 1 January	5,503,027,855.45	4,619,989,996.47	65,346,219.45	10,188,364,071.37

(2) Situation of land use right without certificate of title

RMB

Item	Net book value on March 31, 2018	Net book value on December 31, 2017	Net book value on December 31, 2016
Land use right	1,415,347,931.42	1,449,489,654.34	797,818,658.73

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

19. Goodwill

(1) Original book value of goodwill

RMB

Name of invested entity	Balance at the beginning of the year/period	Increase in current year/period	Decrease in current year/period	Exchange difference	Balance at the end of the year/period
Period from January 1 to March 31, 2018					
Mega Shekou Container Terminals Limited	1,815,509,322.42	-	-	-	1,815,509,322.42
TCP Participações S.A. ("TCP") (Note 1)	-	2,268,969,726.79	-	(19,346,117.23)	2,249,623,609.56
Shantou Group Co., Ltd. (formerly known as "Shantou Port Group Co., Ltd.") ("Shantou Port") (Note 2)	552,317,736.65	-	-	-	552,317,736.65
Shenzhen Mawan Project (Note 3)	408,773,001.00	-	-	-	408,773,001.00
Others	270,214,945.00	-	-	-	270,214,945.00
Total	3,046,815,005.07	2,268,969,726.79	-	(19,346,117.23)	5,296,438,614.63
2017					
Mega Shekou Container Terminals Limited	1,815,509,322.42	-	-	-	1,815,509,322.42
Shantou Port (Note 2)	-	552,317,736.65	-	-	552,317,736.65
Shenzhen Mawan Project (Note 3)	408,773,001.00	-	-	-	408,773,001.00
Others	270,214,945.00	-	-	-	270,214,945.00
Total	2,494,497,268.42	552,317,736.65	-	-	3,046,815,005.07
2016					
Mega Shekou Container Terminals Limited	1,828,184,981.88	-	-	(12,675,659.46)	1,815,509,322.42
Shenzhen Mawan Project (Note 3)	408,773,001.00	-	-	-	408,773,001.00
Others	270,214,945.00	-	-	-	270,214,945.00
Total	2,507,172,927.88	-	-	(12,675,659.46)	2,494,497,268.42

Note 1: TCP was incorporated in Brazil. In February 2018, it was included in the consolidation scope of the Group. Details of acquisition of TCP are set out in Note (VII)1 to the Consolidated Financial Information.

Note 2: Shantou Port was included in the consolidation scope of the Group since August 2017. Details of acquisition of Shantou Port are set out in Note (VII)1 to the Consolidated Financial Information.

Note 3: The Shenzhen Mawan Project includes Shenzhen Mawan Wharf Co., Ltd, Shenzhen Mawan Port Service Co., Ltd. and Shenzhen Mawan Terminals Co., Ltd.

(VI) Notes to the Consolidated Financial Information-continued

19. Goodwill-continued

(2) Description of goodwill impairment test

The Group conducts impairment tests for all subsidiaries that generate goodwill as an asset group. The recoverable amount of each subsidiary that generates goodwill is determined based on the present value of the estimated future cash flow of each subsidiary. The management of the Group estimates the future cash flow based on the 5-year detailed forecast period and subsequent forecast periods. The estimated future cash flow during the detailed forecast period is determined based on the business plan formulated by the management. The estimated future cash flow during the subsequent forecast periods is determined according to the level of the last year of the detailed forecast period, in consideration of factors such as the Group's business plan, industry development trend and inflation rate. The key assumptions used by the Group in estimating future cash flows include business volume growth rate, gross profit margin and discount rate. After testing, the management of the Group believes that there is no impairment of goodwill.

20. Long-term prepaid expenses

RMB

Item	Balance at the beginning of the year/period	Acquisition of subsidiaries	Increase in current year/period	Amortisation in current year/period	Other decreases	Exchange difference	Balance at the end of the year/period
Period from January 1 to March 31, 2018							
Tonggu Sea-route	124,252,340.58	-	-	2,602,309.53	-	-	121,650,031.05
Nanhai Rescue Bureau Relocation Project	41,165,331.01	-	-	264,445.38	-	-	40,900,885.63
Expenses in renovation of fixed assets acquired under lease	21,819,104.34	-	-	708,200.33	-	-	21,110,904.01
Others	14,828,115.60	-	809,445.27	670,601.14	339,495.99	-	14,627,463.74
Total	202,064,891.53	-	809,445.27	4,245,556.38	339,495.99	-	198,289,284.43
2017							
Tonggu Sea-route	135,750,383.96	-	-	11,498,043.38	-	-	124,252,340.58
Nanhai Rescue Bureau Relocation Project	42,104,658.13	-	123,540.59	1,062,867.71	-	-	41,165,331.01
Expenses in renovation of fixed assets acquired under lease	21,922,689.20	2,268,200.87	810,033.35	3,181,819.08	-	-	21,819,104.34
Others	1,412,636.46	15,560,741.26	24,786.32	1,266,714.81	903,333.63	-	14,828,115.60
Total	201,190,367.75	17,828,942.13	958,360.26	17,009,444.98	903,333.63	-	202,064,891.53
2016							
Tonggu Sea-route	117,328,973.34	-	23,486,258.99	4,801,203.69	-	(263,644.68)	135,750,383.96
Nanhai Rescue Bureau Relocation Project	-	-	42,175,970.61	71,312.48	-	-	42,104,658.13
Expenses in renovation of fixed assets acquired under lease	19,985,028.23	-	3,843,355.21	1,905,694.24	-	-	21,922,689.20
Others	2,054,333.59	-	-	641,697.13	-	-	1,412,636.46
Total	139,368,335.16	-	69,505,584.81	7,419,907.54	-	(263,644.68)	201,190,367.75

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

21. Deferred tax assets and liabilities

(1) Deferred tax assets

RMB

Item	March 31, 2018		December 31, 2017		December 31, 2016	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Tax loss	51,384,283.18	15,363,402.22	23,413,934.04	5,853,483.51	-	-
Accumulated impairment provision of property, plant and equipment	35,354,962.76	9,033,487.90	34,005,103.41	8,303,635.07	36,931,636.09	8,958,263.32
Deferred income	26,997,373.25	5,631,720.99	29,064,485.21	5,965,458.18	17,062,287.73	4,223,155.27
Provisions	16,024,530.59	5,448,340.41	-	-	-	-
Accumulated amortisation of computer software	16,552,962.31	4,138,240.58	16,552,962.31	4,138,240.58	16,543,100.61	4,135,775.15
Accumulated depreciation of property, plant and equipment	8,785,515.00	2,196,378.75	8,313,777.73	2,078,444.43	22,855,774.82	5,713,943.70
Others	49,127,274.07	13,636,966.46	25,063,294.18	5,333,574.41	42,622,154.55	8,571,136.20
Total	204,226,901.16	55,448,537.31	136,413,556.88	31,672,836.18	136,014,953.80	31,602,273.64

(2) Deferred tax liabilities

RMB

Item	March 31, 2018		December 31, 2017		December 31, 2016	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Revaluation of available-for-sale financial assets	/	/	1,814,771,614.83	190,566,523.96	1,722,892,839.17	172,289,283.92
Arising from acquisitions	9,828,957,075.59	2,608,625,330.57	4,836,948,279.07	874,093,308.95	2,883,468,919.00	393,811,459.11
Withholding tax relating to unremitted earnings	13,686,803,981.48	745,797,545.44	13,292,107,553.93	721,717,347.16	13,560,307,026.63	812,894,299.50
Fair value changes of financial assets at fair value through profit and loss	1,883,469,476.55	201,300,310.11	/	/	/	/
Accumulated depreciation of property, plant and equipment	784,898,701.15	191,240,058.87	749,768,170.77	165,420,721.18	789,567,902.24	192,728,975.84
Others	36,414,660.11	11,198,304.53	13,140,902.07	3,285,225.46	20,789,497.24	5,197,374.31
Total	26,220,543,894.88	3,758,161,549.52	20,706,736,520.67	1,955,083,126.71	18,977,026,184.28	1,576,921,392.68

(3) Unrecognised deferred income tax assets

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Deductible temporary differences	207,052,824.67	163,496,191.79	207,824,003.31
Tax loss	887,686,596.19	577,278,808.84	508,308,989.86
Total	1,094,739,420.86	740,775,000.63	716,132,993.17

Note: The Group recognises deferred tax assets to the limit of the future taxable income that is likely to be acquired to offset deductible temporary differences and tax losses. If deductible temporary difference and tax loss exceed the future taxable income, the excess portion shall be recognised as deferred income tax assets.

(VI) Notes to the Consolidated Financial Information-continued

21. Deferred tax assets and liabilities-continued

(4) Unrecognised tax losses will expire in the following years

RMB

Year	March 31, 2018	December 31, 2017	December 31, 2016
2017	-	-	55,190,645.80
2018	55,913,532.44	119,109,685.42	120,909,328.84
2019	122,108,013.28	118,972,066.86	118,972,066.86
2020	197,412,535.44	133,792,159.85	133,792,159.85
2021	333,589,447.64	79,184,777.20	79,415,517.79
2022	162,580,100.52	126,192,766.36	-
2023	16,082,966.87	-	-
No expiration date	-	27,353.15	29,270.72
Total	887,686,596.19	577,278,808.84	508,308,989.86

22. Other non-current assets

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Prepayments for land use right	43,472,687.00	43,472,687.00	43,472,687.00
Prepayments for port concession rights	29,992,641.83	29,974,884.20	143,540,703.52
Prepayments for property, plant and equipment	48,963,767.49	14,666,643.64	18,614,626.93
Other	23,029,550.57	7,300,911.95	6,670,997.89
Total	145,458,646.89	95,415,126.79	212,299,015.34

23. Short-term borrowings

(1) Classification of short-term borrowings

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Credit borrowings	5,373,220,000.00	2,540,000,000.00	2,293,254,000.00
Guaranteed loan (Note)	-	40,000,000.00	-
Other	-	-	56,450.30
Total	5,373,220,000.00	2,580,000,000.00	2,293,310,450.30

Note: As at December 31, 2017, the loan was guaranteed by China Merchants International Container Terminals (Qingdao) Co., Ltd, a subsidiary of the Group.

(2) As at the end of each reporting period, the Group had no short-term borrowing that had been matured but not yet been repaid.

(VI) Notes to the Consolidated Financial Information-continued

24. Trade creditors

(1) Classification of trade creditors

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Service charge payable	31,924,582.29	25,977,450.30	21,143,913.11
Payable for construction	100,106,044.88	102,768,661.81	47,833,777.94
Payable for materials	77,978,619.97	54,988,218.07	48,913,596.62
Rental payable	5,714,938.77	6,918,316.69	4,079,756.85
Payable for property, plant and equipment	44,005,972.48	10,101,427.93	14,271,424.13
Others	37,329,020.51	35,729,173.73	26,183,957.92
Total	297,059,178.90	236,483,248.53	162,426,426.57

(2) Significant trade creditors with ageing over 1 year

RMB

Name of entity	Book balance	Cause of failing to repay or carry forward
March 31, 2018		
CCCC Third Harbor Engineering Co., Ltd.	44,436,964.92	According to the contract, the project has been completed but not yet settled
December 31, 2017		
CCCC Third Harbor Engineering Co., Ltd.	40,527,552.70	According to the contract, the project has been completed but not yet settled
December 31, 2016		
CCCC Third Harbor Engineering Co., Ltd.	23,990,924.24	According to the contract, the project has been completed but not yet settled
Urban Planning, Land & Resources Commission of Shenzhen Municipality Nanshan Bureau	21,642,795.50	The government planning project has not been completed and the certificate of title has not been processed
Total	45,633,719.74	

Note: The Group classifies a trade creditor with an amount more than RMB5,000,000.00 (inclusive of RMB5,000,000.00) as a significant trade creditor.

25. Contract liabilities

(1) Details of contract liabilities

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Service charges received in advance	63,190,790.70		

(2) As at March 31, 2018, the Group had no significant contract liabilities aged over one year.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

26. Accruals

(1) Details of accruals

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Service charges received in advance	-	61,659,604.71	37,098,609.88

(2) At the end of each reporting period, the Group had no significant accruals aged over one year.

27. Employee benefits payable

(1) Details of employee benefits payable:

RMB

Item	Balance at the beginning of the year/period	Acquisition of subsidiaries	Increase in current year/period	Decrease in current year/period	Balance at the end of the year/period
Period from January 1 to March 31, 2018					
1. Short-term benefits	295,573,061.67	30,980,580.94	330,783,626.35	474,733,550.24	182,603,718.72
2. Defined contribution plan	299,320.00	3,472,756.59	29,083,268.62	27,986,436.31	4,868,908.90
3. Dismissal benefits	-	-	8,927,967.20	8,927,967.20	-
4. Others	(405,956.30)	-	1,061,920.64	859,761.24	(203,796.90)
Total	295,466,425.37	34,453,337.53	369,856,782.81	512,507,714.99	187,268,830.72
2017					
1. Short-term benefits	266,172,231.85	10,921,333.06	1,026,824,218.66	1,008,344,721.90	295,573,061.67
2. Defined contribution plan	299,320.00	-	83,643,341.64	83,643,341.64	299,320.00
3. Dismissal benefits	-	-	13,872,183.65	13,872,183.65	-
4. Others	(213,710.36)	-	4,200,977.47	4,393,223.41	(405,956.30)
Total	266,257,841.49	10,921,333.06	1,128,540,721.42	1,110,253,470.60	295,466,425.37
2016					
1. Short-term benefits	225,117,085.80	-	917,029,828.40	875,974,682.35	266,172,231.85
2. Defined contribution plan	306,840.85	-	71,636,746.87	71,644,267.72	299,320.00
3. Dismissal benefits	-	-	13,085,705.03	13,085,705.03	-
4. Others	(364,620.20)	-	3,428,982.11	3,278,072.27	(213,710.36)
Total	225,059,306.45	-	1,005,181,262.41	963,982,727.37	266,257,841.49

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

27. Employee benefits payable-continued

(2) Details of short-term benefits

RMB

Item	Balance at the beginning of the year/period	Acquisition of subsidiaries	Increase in current year/period	Decrease in current year/period	Balance at the end of the year/period
Period from January 1 to March 31, 2018					
1. Wages, bonuses and allowances	283,872,114.74	30,942,785.78	291,501,740.02	434,050,202.43	172,266,438.11
2. Employee benefits	-	-	8,864,703.26	8,798,691.26	66,012.00
3. Social insurance	2,284,921.87	-	12,433,217.85	13,072,819.64	1,645,320.08
Including: Medical insurance	2,256,946.66	-	9,580,533.61	10,219,653.20	1,617,827.07
Employment injury insurance	-	-	1,585,204.78	1,585,204.78	-
Maternity insurance	-	-	608,171.78	608,171.78	-
Others	27,975.21	-	659,307.68	659,789.88	27,493.01
4. Housing provident fund	-	-	13,789,164.29	13,789,164.29	-
5. Labor union expenditures and employee education funds	9,416,025.06	37,795.16	3,907,275.06	4,735,146.75	8,625,948.53
6. Other short-term benefits	-	-	287,525.87	287,525.87	-
Total	295,573,061.67	30,980,580.94	330,783,626.35	474,733,550.24	182,603,718.72
2017					
1. Wages, bonuses and allowances	257,915,438.41	9,109,275.39	867,449,162.60	850,601,761.66	283,872,114.74
2. Employee benefits	-	-	46,286,737.62	46,286,737.62	-
3. Social insurance	333,358.25	-	46,831,980.27	44,880,416.65	2,284,921.87
Including: Medical insurance	313,464.16	-	37,073,497.55	35,130,015.05	2,256,946.66
Employment injury insurance	-	-	5,190,505.04	5,190,505.04	-
Maternity insurance	-	-	1,935,401.17	1,935,401.17	-
Others	19,894.09	-	2,632,576.51	2,624,495.39	27,975.21
4. Housing provident fund	-	-	49,658,406.40	49,658,406.40	-
5. Labor union expenditures and employee education funds	7,923,435.19	1,812,057.67	14,309,659.14	14,629,126.94	9,416,025.06
6. Other short-term benefits	-	-	2,288,272.63	2,288,272.63	-
Total	266,172,231.85	10,921,333.06	1,026,824,218.66	1,008,344,721.90	295,573,061.67
2016					
1. Wages, bonuses and allowances	216,527,872.41	-	779,928,425.74	738,540,859.74	257,915,438.41
2. Employee benefits	-	-	38,467,129.13	38,467,129.13	-
3. Social insurance	173,650.87	-	37,962,658.49	37,802,951.11	333,358.25
Including: Medical insurance	173,650.87	-	30,204,140.47	30,064,327.18	313,464.16
Employment injury insurance	-	-	3,521,132.78	3,521,132.78	-
Maternity insurance	-	-	1,713,982.11	1,713,982.11	-
Others	-	-	2,523,403.13	2,503,509.04	19,894.09
4. Housing provident fund	-	-	44,535,697.27	44,535,697.27	-
5. Labor union expenditures and employee education funds	8,415,562.52	-	14,936,193.64	15,428,320.97	7,923,435.19
6. Other short-term benefits	-	-	1,199,724.13	1,199,724.13	-
Total	225,117,085.80	-	917,029,828.40	875,974,682.35	266,172,231.85

(VI) Notes to the Consolidated Financial Information-continued**27. Employee benefits payable-continued****(3) Defined contribution plan**

RMB

Item	Balance at the beginning of the year/period	Acquisition of subsidiaries	Increase in current year/period	Decrease in current year/period	Balance at the end of the year/period
Period from January 1 to March 31, 2018					
1. Endowment insurance	-	2,392,877.37	21,226,704.60	20,186,325.63	3,433,256.34
2. Unemployment insurance	-	1,079,879.22	1,539,269.83	1,482,030.49	1,137,118.56
3. Enterprise annuity payment	299,320.00	-	6,317,294.19	6,318,080.19	298,534.00
Total	299,320.00	3,472,756.59	29,083,268.62	27,986,436.31	4,868,908.90
2017					
1. Endowment insurance	-	-	57,310,108.25	57,310,108.25	-
2. Unemployment insurance	-	-	855,005.17	855,005.17	-
3. Enterprise annuity payment	299,320.00	-	25,478,228.22	25,478,228.22	299,320.00
Total	299,320.00	-	83,643,341.64	83,643,341.64	299,320.00
2016					
1. Endowment insurance	7,520.85	-	46,457,472.30	46,464,993.15	-
2. Unemployment insurance	-	-	384,282.86	384,282.86	-
3. Enterprise annuity payment	299,320.00	-	24,794,991.71	24,794,991.71	299,320.00
Total	306,840.85	-	71,636,746.87	71,644,267.72	299,320.00

Note: The subsidiaries of the Group participated in the endowment insurance and unemployment insurance plans established by government agencies according to regulations. According to these plans, the Group paid endowment insurance and unemployment insurance premiums to these plans according to the proportions prescribed by the local government. In addition to the above, the Group no longer undertakes other payment obligations. Corresponding expenses shall be recorded in profit or loss or the cost of relevant assets when incurred.

28. Taxation payable

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Corporate income tax (Note)	648,334,838.29	628,566,157.90	709,469,930.68
Value added tax (Note)	166,454,337.90	137,664,468.21	139,262,889.69
House property tax	7,093,858.04	7,871,619.43	5,681,482.07
Individual income tax	4,719,690.39	5,040,869.36	3,365,922.88
Land use tax	4,033,454.05	9,416,309.93	5,632,641.82
City maintenance and construction tax	218,252.51	392,019.54	377,276.35
Education surtax	163,578.38	285,277.87	259,921.67
Other taxes (Note)	13,520,993.09	8,714,544.40	15,288,912.56
Total	844,539,002.65	797,951,266.64	879,338,977.72

Note: As described in Note (III) to the Consolidated Financial Information, these amounts include the total taxes and charges of RMB629 million incurred by the Group's disposal of the Shenzhen Chiwan shares held before the beginning of the reporting period.

(VI) Notes to the Consolidated Financial Information-continued

29. Interests payables

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Interest on enterprise bonds	318,501,536.00	209,927,163.76	119,472,620.80
Interest on long-term borrowings	86,540,733.11	29,371,285.14	24,840,688.56
Interest payable on short-term borrowing	6,988,236.85	3,400,732.73	3,966,482.99
Others	9,686,298.49	2,483,613.85	2,518,818.74
Total	421,716,804.45	245,182,795.48	150,798,611.09

30. Dividend payables

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Ordinary share-dividends	79,589,368.51	41,285,781.00	37,685,781.00
Among which: Sinotrans South China Co., Ltd. (formerly known as: Sinotrans Guangdong Co., Ltd.)	25,949,781.00	25,949,781.00	25,949,781.00
PARANAGUA CONTEINERES E REEFERS PARTICIP	16,382,490.11	-	-
Qingdao Port (Group) Co., Ltd.	15,336,000.00	15,336,000.00	11,736,000.00
SOIFER PART.SOCIETARIAS	9,192,886.68	-	-
PATTAC IND.COM.MINERAIS	2,983,857.80	-	-
TUC PARTICIPACOES PORTUARIAS S/A	2,983,750.85	-	-
GALIGRAIN S/A	2,064,569.13	-	-
TERM.CONT.BARCELONA S/A	1,926,675.80	-	-
PARANA LOGISTICA PORTUARIA PARTICIPACOES	1,624,076.62	-	-
INFRAESTRUTURA PORTOS E SERVICOS PARTICI	1,145,280.52	-	-

Note: As at March 31, 2018, December 31, 2017 and December 31, 2016, dividend payables of the Group with aging over 1 year were RMB41,285,781.00, RMB37,685,781.00 and RMB11,736,000.00, respectively, which were not yet collected by investors.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

31. Other payables

(1) Other payables are summarised by categories as follows:

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Consideration payables for acquisition of subsidiaries (Note)	3,683,114,536.08	4,473,272,642.90	1,011,389,120.00
Construction payables and quality warranty deposits	402,004,408.98	665,195,326.46	515,938,107.17
Provision for expenses	172,558,744.84	63,222,555.07	104,590,575.74
Guarantee and deposits	117,961,758.35	104,882,300.75	130,515,514.70
Customers discounts	97,285,165.11	104,377,194.16	81,921,012.83
Balance of transfer of land use right	93,258,350.90	93,258,350.90	93,258,350.90
Port construction fees and security fees	24,841,645.48	59,156,849.70	34,221,110.73
Others	315,935,519.19	492,144,091.34	144,787,640.52
Total	4,906,960,128.93	6,055,509,311.28	2,116,621,432.59

Note: The balances as at March 31, 2018 and December 31, 2017 were the consideration payable for acquisition of equity interests in Hambantota International Port Group (Private) Limited ("HIPG"). The balance as at December 31, 2016 was the consideration payable for acquisition of equity interest in China Merchants Qianhaiwan Real Estate Co., Ltd..

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

31. Other payables-continued

(2) Significant other payables aged over 1 year

RMB

Name of entity	Balance at the end of the year/period	Cause of failing to repay or carry forward
March 31, 2018		
Shanghai Zhenhua Heavy Industries Co., Ltd. (“ZPMC”)	100,685,851.17	Remaining payment for equipment is to be paid after confirmation by both parties
China Merchants Zhangzhou Development Zone Co., Ltd.	93,258,350.90	Payment delayed upon negotiation
Foshan Shunde District Port (Group) Co., Ltd.	50,200,000.00	Advances received
China Merchants Construction (Shenzhen) Co., Ltd.	36,752,490.18	Quality guarantee deposit
CCCC Forth Harbor Engineering Co., Ltd.	28,291,777.00	Quality guarantee deposit
CCCC Third Harbor Engineering Co., Ltd.	27,940,289.00	Quality guarantee deposit
Qingdao Maritime Affairs Bureau	20,713,982.12	Container and bulk cargo port construction fee
广东恒泰国通实业有限公司	10,000,000.00	Performance Bond
Total	367,842,740.37	
December 31, 2017		
ZPMC	149,994,226.28	Remaining payment for equipment is to be paid after confirmation by both parties
China Merchants Zhangzhou Development Zone Co., Ltd.	93,258,350.90	Payment delayed upon negotiation
Foshan Shunde District Port (Group) Co., Ltd.	50,200,000.00	Advances received
China Merchants Construction (Shenzhen) Co., Ltd.	35,756,041.43	Quality guarantee deposit
CCCC Third Harbor Engineering Co., Ltd.	29,580,128.00	Quality guarantee deposit
CCCC Forth Harbor Engineering Co., Ltd.	28,291,777.00	Quality guarantee deposit
Qingdao Maritime Affairs Bureau	20,713,982.12	Container and bulk cargo port construction fee
Guangdong Guotong Logistics City Co., Ltd.	10,000,000.00	Performance Bond
Total	417,794,505.73	
December 31, 2016		
China Merchants Zhangzhou Development Zone Co., Ltd.	93,258,350.90	Payment delayed upon negotiation
ZPMC	92,281,509.01	Remaining payment for equipment is to be paid after confirmation by both parties
Foshan Shunde District Port (Group) Co., Ltd.	50,200,000.00	Advances received
CCCC Third Harbor Engineering Co., Ltd.	26,559,522.00	Quality guarantee deposit
Qingdao Maritime Affairs Bureau	20,713,982.12	Container and bulk cargo port construction fee
CCCC Forth Harbor Engineering Co., Ltd.	20,499,412.00	Quality guarantee deposit
Guangdong Guotong Logistics City Co., Ltd.	10,000,000.00	Performance Bond
Total	313,512,776.03	

Note: The Group classifies an other payable with an amount more than RMB5,000,000.00 (inclusive of RMB5,000,000.00) as a significant other payable.

(VI) Notes to the Consolidated Financial Information-continued

32. Current portion of non-current liabilities

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Long-term borrowings due within one year	1,089,230,065.06	773,035,147.51	684,505,263.08
Including: Credit borrowings	448,277,320.03	127,230,000.00	461,028,000.00
Guaranteed loans	338,000,000.00	338,000,000.00	18,000,000.00
Mortgage loans	302,952,745.03	307,805,147.51	205,477,263.08
Notes payable due within one year	1,260,447,275.89	1,555,654,132.52	-
Long-term employee benefits payable due within one year	19,480,000.00	19,480,000.00	-
Long-term payables due within one year	125,046,834.97	45,068,468.44	22,517,421.11
Total	2,494,204,175.92	2,393,237,748.47	707,022,684.19

33. Other current liabilities

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Borrowings from associates	222,236,529.60	230,331,618.08	-
Provision for intermediary and professional agency fees	37,398,926.22	38,342,089.20	16,051,047.33
Short-term notes payable	-	-	1,505,637,123.28
Borrowings from non-controlling shareholders	-	-	39,787,437.82
Others	21,850,728.21	16,798,621.17	10,481,209.13
Total	281,486,184.03	285,472,328.45	1,571,956,817.56

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

33. Other current liabilities-continued

Movements in short-term notes payable

RMB

Note title	Par value	Date of issuance	Maturity of note	Issued amount	Balance at the beginning of the year	Issued this year	As per par value Provision for interest	Amortisation of premium and discount	Repayment this year	Balance at the end of the year
2017										
3.190% RMB1.5 billion super short-term notes	RMB1,500,000,000.00	16/11/2016	270 days	RMB1,500,000,000.00	1,505,637,123.28	-	29,758,767.13	-	1,535,395,890.41	-
2016										
3.190% RMB1.5 billion super short-term notes	RMB1,500,000,000.00	16/11/2016	270 days	RMB1,500,000,000.00	-	1,500,000,000.00	5,637,123.28	-	-	1,505,637,123.28

Note: As at March 31, 2018 and December 31, 2017, the Group had no short-term notes payable.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

34. Long-term borrowing

(1) Long-term borrowings are summarised by categories as follows:

Item	RMB		
	March 31, 2018	December 31, 2017	December 31, 2016
Credit borrowings	2,203,254,538.09	741,493,000.00	1,388,130,000.00
Guaranteed loans (Note 2)	4,121,000,000.00	4,121,000,000.00	439,000,000.00
Mortgage loans (Note 3)	3,507,475,726.79	3,581,058,638.66	3,765,070,081.13
Total	9,831,730,264.88	8,443,551,638.66	5,592,200,081.13
Less: Current portion of long-term borrowings	1,089,230,065.06	773,035,147.51	684,505,263.08
Including: Credit borrowings	448,277,320.03	127,230,000.00	461,028,000.00
Guaranteed loans	338,000,000.00	338,000,000.00	18,000,000.00
Mortgage loans	302,952,745.03	307,805,147.51	205,477,263.08
Long-term borrowings – Non-current portion	8,742,500,199.82	7,670,516,491.15	4,907,694,818.05

Note 1: The annual interest rate for loans from January 1, 2018 to March 31, 2018 was 1.20%-9.39%; the annual interest rate for loans in 2017 was 1.20%-5.78%; the annual interest rate for loans in 2016 was 1.20%-5.78%.

Note 2: As at March 31, 2018 and December 31, 2017, guaranteed loans were guaranteed by Shenzhen Mawan Terminals Co., Ltd., China Merchants Port Services (Shenzhen) Co., Ltd. and the Company.

As at December 31, 2016, guaranteed loans were guaranteed by Shenzhen Mawan Terminals Co., Ltd., China Merchants Shekou Industrial Zone Holdings Co., Ltd. and China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.

Note 3: As at March 31, 2018, December 31, 2017 and December 31, 2016, the Group obtained long-term borrowings of RMB3,507,475,726.79, RMB3,581,058,638.66 and RMB3,765,070,081.13, respectively, with pledge of all its interest in Colombo International Container Terminals Limited and Thesar Maritime Limited and land use right, property, plant and equipment and assets under construction of Guangdong Yide Port Limited (hereinafter referred to as “Yide Port”).

Mortgage loans are summarised by categories as follows:

Lender	RMB			Collateral
	March 31, 2018	December 31, 2017	December 31, 2016	
China Development Bank Corporation	1,775,007,801.81	1,839,649,776.16	2,075,555,255.97	All the Group's interests in Colombo International Container Terminals Limited
International Finance Corporation	592,169,737.50	595,413,018.76	612,766,510.16	
African Development Bank	272,077,987.50	273,568,143.76	281,037,795.00	The equity interest in Thesar Maritime Limited held by the Group
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	224,064,225.00	225,291,412.50	232,538,910.00	
The Opec Fund For International Development	192,055,050.00	193,106,925.00	199,475,640.00	
Societe de Promotion et de Participation pour la Cooperation Economique S.A	192,055,050.00	193,106,925.00	198,379,620.00	
Deutsche Investitions-und Entwicklungsgesellschaft MBH	160,045,874.98	160,922,437.48	165,316,350.00	
China Construction Bank - Shunde Branch	100,000,000.00	100,000,000.00	-	Property, plant and equipment, assets under construction and land use right of Yide Port (Note)
Total	3,507,475,726.79	3,581,058,638.66	3,765,070,081.13	

Note: Details of the pledged property, plant and equipment, assets under construction and land use right of Yide Port are set out in Note (VI) 56 to the Consolidated Financial Information.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

35. Notes payable

(1) Notes payable are summarised as follows:

Item	RMB		
	March 31, 2018	December 31, 2017	December 31, 2016
4.750% USD500 million mid-term notes	3,136,152,565.92	3,249,996,583.74	3,448,196,839.07
5.000% USD500 million mid-term notes	3,127,657,383.63	3,240,255,080.34	3,433,999,259.20
4.890% RMB2.5 billion mid-term notes	2,500,000,000.00	2,500,000,000.00	-
7.125% USD200 million mid-term notes	1,260,447,275.89	1,305,654,132.52	1,383,086,881.11
3.500% USD200 million mid-term notes	1,257,105,576.19	1,302,526,637.25	1,381,071,588.78
IPCA+7.8164% BRL428 million corporate notes	757,644,746.81	-	-
5.150% RMB500 million corporate notes	500,000,000.00	-	-
CDI+3.400% BRL100 million corporate notes	187,169,461.09	-	-
CDI+3.900% BRL60 million corporate notes	111,630,118.26	-	-
6.380% RMB250 million corporate notes	-	250,000,000.00	-
Total	12,837,807,127.79	11,848,432,433.85	9,646,354,568.16
Less: Current portion of notes payable	1,260,447,275.89	1,555,654,132.52	-
Non-current portion of notes payable	11,577,359,851.90	10,292,778,301.33	9,646,354,568.16

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

35. Notes payable-continued

(2) Movements of notes payables are summarised as follows:

RMB

Note title	Par value	Date of issuance	Maturity of note	Amount issued	Balance at the beginning of the period	Acquisition of subsidiaries	Issued in current period	Amortisation of premium and discount	Repayment in current period	Exchange difference	Balance at the end of the period
Period from January 1 to March 31, 2018											
4.750% USD500 million mid-term notes	USD500,000,000.00	03/08/2015	10 years	USD500,000,000.00	3,249,996,583.74	-	-	463,927.99	-	(114,307,945.81)	3,136,152,565.92
5.000% USD500 million mid-term notes	USD500,000,000.00	04/05/2012	10 years	USD500,000,000.00	3,240,255,080.34	-	-	1,375,596.05	-	(113,973,292.76)	3,127,657,383.63
4.890% RMB2.5 billion mid-term notes	RMB2,500,000,000.00	21/04/2017	5 years	RMB2,500,000,000.00	2,500,000,000.00	-	-	-	-	-	2,500,000,000.00
7.125% USD200 million mid-term notes	USD200,000,000.00	18/06/2008	10 years	USD200,000,000.00	1,305,654,132.52	-	-	719,895.14	-	(45,926,751.77)	1,260,447,275.89
3.500% USD200 million mid-term notes	USD200,000,000.00	03/08/2015	5 years	USD200,000,000.00	1,302,526,637.25	-	-	392,841.91	-	(45,813,902.97)	1,257,105,576.19
IPCA+7.8164% BRL428 million corporate notes	BRL428,047,000.00	07/11/2016	6 years	BRL428,047,000.00	-	794,796,215.57	-	11,371,119.68	-	(48,522,588.44)	757,644,746.81
5.150% RMB500 million corporate notes	RMB500,000,000.00	06/02/2018	3 years	RMB500,000,000.00	-	-	500,000,000.00	-	-	-	500,000,000.00
CDI+3.400% BRL100 million corporate notes	BRL100,000,000.00	07/11/2016	3 years	BRL100,000,000.00	-	196,571,626.87	-	1,595,404.93	-	(10,997,570.71)	187,169,461.09
CDI+3.900% BRL60 million corporate notes	BRL60,095,000.00	07/11/2016	5 years	BRL60,095,000.00	-	117,293,650.77	-	648,562.26	-	(6,312,094.77)	111,630,118.26
6.380% RMB250 million corporate notes	RMB250,000,000.00	24/03/2015	3 years	RMB250,000,000.00	250,000,000.00	-	-	-	250,000,000.00	-	-
Total					11,848,432,433.85	1,108,661,493.21	500,000,000.00	16,567,347.96	250,000,000.00	(385,854,147.23)	12,837,807,127.79
Less: Current portion of notes payable					1,555,654,132.52						1,260,447,275.89
Non-current portion of notes payable					10,292,778,301.33						11,577,359,851.90

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China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

35. Notes payable-continued

(2) Movements of notes payable are summarised as follows: -continued

RMB

Note title	Par value	Date of issuance	Maturity of note	Amount issued	Balance at the beginning of the year	Acquisition of subsidiaries	Issued this year	Amortisation of premium and discount	Repayment this year	Exchange difference	Balance at the end of the year
2017											
4.750% USD500 million mid-term notes	USD500,000,000.00	03/08/2015	10 years	USD500,000,000.00	3,448,196,839.07	-	-	1,915,960.28	-	(200,116,215.61)	3,249,996,583.74
5.000% USD500 million mid-term notes	USD500,000,000.00	04/05/2012	10 years	USD500,000,000.00	3,433,999,259.20	-	-	5,669,191.72	-	(199,413,370.58)	3,240,255,080.34
4.890% RMB2.5 billion mid-term notes	RMB2,500,000,000.00	21/04/2017	5 years	RMB2,500,000,000.00	-	-	2,500,000,000.00	-	-	-	2,500,000,000.00
7.125% USD200 million mid-term notes	USD200,000,000.00	18/06/2008	10 years	USD200,000,000.00	1,383,086,881.11	-	-	2,903,556.79	-	(80,336,305.38)	1,305,654,132.52
3.500% USD200 million mid-term notes	USD200,000,000.00	03/08/2015	5 years	USD200,000,000.00	1,381,071,588.78	-	-	1,633,454.75	-	(80,178,406.28)	1,302,526,637.25
6.380% RMB250 million mid-term notes	RMB250,000,000.00	24/03/2015	3 years	RMB250,000,000.00	-	250,000,000.00	-	-	-	-	250,000,000.00
Total					9,646,354,568.16	250,000,000.00	2,500,000,000.00	12,122,163.54	-	(560,044,297.85)	11,848,432,433.85
Less: Current portion of notes payable					-						1,555,654,132.52
Non-current portion of notes payable					9,646,354,568.16						10,292,778,301.33
2016											
4.750% USD500 million mid-term notes	USD500,000,000.00	03/08/2015	10 years	USD500,000,000.00	3,225,744,510.56	-	-	1,794,787.25	-	220,657,541.26	3,448,196,839.07
5.000% USD500 million mid-term notes	USD500,000,000.00	04/05/2012	10 years	USD500,000,000.00	3,209,034,120.63	-	-	5,290,822.09	-	219,674,316.48	3,433,999,259.20
7.125% USD200 million mid-term notes	USD200,000,000.00	18/06/2008	10 years	USD200,000,000.00	1,291,967,364.87	-	-	2,654,047.71	-	88,465,468.53	1,383,086,881.11
3.500% USD200 million mid-term notes	USD200,000,000.00	03/08/2015	5 years	USD200,000,000.00	1,291,163,303.87	-	-	1,548,219.96	-	88,360,064.95	1,381,071,588.78
Total					9,017,909,299.93	-	-	11,287,877.01	-	617,157,391.22	9,646,354,568.16
Less: Current portion of notes payable					-						-
Non-current portion of notes payable					9,017,909,299.93						9,646,354,568.16

(VI) Notes to the Consolidated Financial Information-continued

36. Long-term payables

(1) Long-term payables are summarised by categories as follows:

Item	RMB		
	March 31, 2018	December 31, 2017	December 31, 2016
Payment for purchase of port operating right (Note 1)	4,111,138,597.74	788,587,599.72	848,177,813.42
Payables to non-controlling shareholders of subsidiaries (Note 2)	373,446,450.46	371,899,413.63	332,333,140.18
Rental payable for port land	15,761,500.00	16,335,500.03	34,685,000.00
Others	98,464,359.87	116,052,229.49	109,085,832.31
Total	4,598,810,908.07	1,292,874,742.87	1,324,281,785.91
Less: Current portion of long-term payables	125,046,834.97	45,068,468.44	22,517,421.11
Non-current portion of long-term payables	4,473,764,073.10	1,247,806,274.43	1,301,764,364.80

Note 1: In August 2011, the Group reached a 35-year Build-Operate-Transfer agreement on the construction, operation, management and development of Colombo Port South Container Terminal with the Sri Lanka Port Authority through the Group's subsidiary Colombo International Container Terminals Limited (hereinafter referred to as "BOT Agreement"). The above-mentioned purchase price of the port operating right was determined based on the amount of discounted future cash flow payable calculated according to the current market interest rate set out in the BOT Agreement. As at March 31, 2018, December 31, 2017 and December 31, 2016, the amounts were RMB760,878,054.12, RMB788,587,599.72 and RMB848,177,813.42, respectively.

On February 23, 2018, the Group obtained 90% equity interest in TCP for a business combination not under common control and was included in the consolidated financial statements of the Group. TCP owns the operating rights of the Paranaguá Port with operating right until 2048. As at March 31, 2018, the above mentioned purchase price of the port operating right was RMB3,350,260,543.62, calculated based on the local current comprehensive price index set out in the agreement.

Note 2: This amount was a borrowing from non-controlling interests of Thesar Maritime Limited, a subsidiary of the Group, at an annual interest rate of 4.65%. The loan was unsecured and was not required to repay within 12 months from the end of the reporting period.

37. Long-term employees benefits payable

(1) Long-term employees benefits payable

Item	RMB		
	March 31, 2018	December 31, 2017	December 31, 2016
1. Post-employment obligation net liabilities of defined contribution plan (Note)	357,720,537.07	358,010,123.90	835,963.38
2. Dismissal benefits	11,584,075.23	12,220,000.00	-
Total	369,304,612.30	370,230,123.90	835,963.38
Less: Current portion of long-term employees benefits payable	19,480,000.00	19,480,000.00	-
Non-current of long-term employees benefits payable	349,824,612.30	350,750,123.90	835,963.38

(VI) Notes to the Consolidated Financial Information-continued

37. Long-term employees benefits payable - continued

Note: The Shantou Port, a subsidiary of the Group, post-employment benefit plan for employees registered as at October 31, 2016.

The Group has engaged a third-party actuary to estimate the present value of its above-mentioned post-employment obligation plan actuarially based on the expected cumulative benefit unit method. The Group recognises the liabilities of the Group based on the actuarial results; relevant actuarial gains or losses are recorded in other comprehensive income, and will not be transferred back to profit or loss in subsequent accounting periods. Service cost in prior periods will be recorded in the profit or loss in the period of revision to the plan. Net interest was determined by multiplying the net liabilities or net assets of the defined benefit plan by the appropriate discount rate.

38. Special payables

RMB

Item	Balance at the beginning of the year/period	Increase in current year/period	Decrease in current year/period	Balance at the end of the year/period
Period from January 1 to March 31, 2018				
Port construction fee refund (Note)	7,928,406.15	-	-	7,928,406.15
Staff housing fund	2,484,338.95	36,189.49	-	2,520,528.44
Total	10,412,745.10	36,189.49	-	10,448,934.59
2017				
Port construction fee refund (Note)	8,005,764.64	-	77,358.49	7,928,406.15
Staff housing fund	-	2,484,338.95	-	2,484,338.95
Special payables for cross-border e-commerce platform	9,100,000.00	-	9,100,000.00	-
Total	17,105,764.64	2,484,338.95	9,177,358.49	10,412,745.10
2016				
Special payables for cross-border e-commerce platform	9,100,000.00	-	-	9,100,000.00
Port construction fee refund (Note)	8,739,817.36	-	734,052.72	8,005,764.64
Total	17,839,817.36	-	734,052.72	17,105,764.64

Note: It represents the refund of port construction fee from the Shenzhen Traffic Bureau. According to the "Measures of Harbor Construction Fee Management" released by the Ministry of Finance, this amount is for special account management and is dedicated to the construction of marine transport infrastructure.

39. Contingent liabilities

RMB

Item	March 31, 2018
Pending litigation (Note)	16,024,530.59

Note: The Group's subsidiary, TCP, is likely to form external compensation due to pending litigation.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

40. Deferred income

RMB

Item	Balance at the beginning of the year/period	Increase in current year/period	Decrease in current year/period	Balance at the end of the year/period
Period from January 1 to March 31, 2018				
Government grants	59,273,302.84	-	2,609,019.12	56,664,283.72
Others	7,535,500.00	-	700,000.00	6,835,500.00
Total	66,808,802.84	-	3,309,019.12	63,499,783.72
2017				
Government grants	56,021,994.15	14,516,472.56	11,265,163.87	59,273,302.84
Others	5,000,000.00	5,035,500.00	2,500,000.00	7,535,500.00
Total	61,021,994.15	19,551,972.56	13,765,163.87	66,808,802.84
2016				
Government grants	50,883,810.80	13,363,104.16	8,224,920.81	56,021,994.15
Others	7,500,000.00	-	2,500,000.00	5,000,000.00
Total	58,383,810.80	13,363,104.16	10,724,920.81	61,021,994.15

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

40. Deferred income-continued

Projects with government grants are summarised as follows:

RMB

Debt items	Balance at the beginning of the year/period	Increase in this year/period	Recognised as other income/non-operating income in this year/period	Balance at the end of the year/period	Related to assets /revenue
Period from January 1 to March 31, 2018					
Qianwan Bonded Logistics Park Project	16,057,853.92	-	236,703.96	15,821,149.96	Related to assets
Grant to Bulk Grain Transit Storage	8,428,571.41	-	-	8,428,571.41	Related to assets
AMP project	7,709,657.14	-	240,405.18	7,469,251.96	Related to assets
Central budget subsidy to Bulk Grain Transit Terminal Project	7,685,416.67	-	-	7,685,416.67	Related to assets
"Electricity Changed from Oil" Project	6,801,927.59	-	196,209.48	6,605,718.11	Related to assets
Research and development of fully-automated wisdom terminal information technology based on cloud platform architecture	3,984,700.64	-	-	3,984,700.64	Related to assets
Special support to automated terminal operation and dispatching system	3,802,263.98	-	1,830,408.00	1,971,855.98	Related to assets
Subsidy to cranes for combat readiness	2,117,903.97	-	-	2,117,903.97	Related to assets
Green low carbon port thematic project	1,825,070.02	-	105,292.50	1,719,777.52	Related to assets
Shenzhen Special Fund for Strategic Emerging Industries Development	184,166.67	-	-	184,166.67	Related to assets
Others	675,770.83	-	-	675,770.83	Related to assets
Total	59,273,302.84	-	2,609,019.12	56,664,283.72	
2017					
Qianwan Bonded Logistics Park Project	16,638,121.06	318,738.00	899,005.14	16,057,853.92	Related to assets
Subsidy to Bulk Grain Transit Storage Project	8,714,285.70	-	285,714.29	8,428,571.41	Related to assets
AMP project	8,671,277.86	-	961,620.72	7,709,657.14	Related to assets
Central budget subsidy to Bulk Grain Transit Terminal Project	7,897,916.67	-	212,500.00	7,685,416.67	Related to assets
"Electricity Changed from Oil" Project	7,586,765.51	3,000,000.00	3,784,837.92	6,801,927.59	Related to assets
Research and development of fully-automated wisdom terminal information technology based on cloud platform architecture	-	4,000,000.00	15,299.36	3,984,700.64	Related to assets
Special support to automated terminal operation and dispatching system	-	6,600,000.00	2,797,736.02	3,802,263.98	Related to assets
Subsidy to cranes for combat readiness	2,379,912.70	-	262,008.73	2,117,903.97	Related to assets
Green low carbon port thematic project	2,246,240.02	-	421,170.00	1,825,070.02	Related to assets
Shenzhen Special Fund for Strategic Emerging Industries Development	424,166.67	-	240,000.00	184,166.67	Related to assets
Other	1,463,307.96	597,734.56	1,385,271.69	675,770.83	Related to assets
Total	56,021,994.15	14,516,472.56	11,265,163.87	59,273,302.84	
2016					
Qianwan Bonded Logistics Park Project	10,950,050.20	6,441,000.00	752,929.14	16,638,121.06	Related to assets
Subsidy to Bulk Grain Transit Storage Project	8,999,999.99	-	285,714.29	8,714,285.70	Related to assets
AMP project	4,381,578.52	6,922,104.16	2,632,404.82	8,671,277.86	Related to assets
Central budget subsidy to Bulk Grain Transit Terminal Project	8,110,416.67	-	212,500.00	7,897,916.67	Related to assets
"Electricity Changed from Oil" Project	8,372,389.65	-	785,624.14	7,586,765.51	Related to assets
Subsidy to cranes for combat readiness	2,641,921.43	-	262,008.73	2,379,912.70	Related to assets
Green low carbon port thematic project	4,144,770.35	-	1,898,530.33	2,246,240.02	Related to assets
Shenzhen Special Fund for Strategic Emerging Industries Development	664,166.67	-	240,000.00	424,166.67	Related to assets
Other	2,618,517.32	-	1,155,209.36	1,463,307.96	Related to assets
Total	50,883,810.80	13,363,104.16	8,224,920.81	56,021,994.15	

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

41. Other non-current liabilities

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Amount for acquiring non-controlling interests (Note)	619,372,200.62	-	-
Others	54,763,901.68	54,763,901.68	-
Total	674,136,102.30	54,763,901.68	-

Note: In February 2018, the Group acquired 90% of TCP's share. As part of the acquisition agreement, TCP non-controlling shareholders, can choose to sell the 10% equity held by them in TCP to the Group at the higher price of market price and BRL320 million two years later. Therefore, when the Group recognised the derivative instruments of RMB619,372,200.62.

42. Operating income and operating costs

RMB

Item	Period from January 1 to March 31, 2018		2017		2016	
	Income	Cost	Income	Cost	Income	Cost
Primary business	1,675,799,394.07	1,010,902,506.24	5,583,971,018.67	3,470,270,985.41	4,968,061,335.40	2,940,846,560.21
Including: Port business	1,591,692,830.79	962,385,337.51	5,228,837,381.42	3,268,351,422.63	4,621,098,927.70	2,745,454,399.87
Bonded logistics business	84,106,563.28	48,517,168.73	355,133,637.25	201,919,562.78	346,962,407.70	195,392,160.34
Other operations	26,605,967.72	57,629,663.36	84,484,602.20	228,744,071.35	1,070,205.74	20,410,298.19
Including: Investment properties leasing	26,605,967.72	57,629,663.36	84,484,602.20	228,744,071.35	1,070,205.74	20,410,298.19
Total	1,702,405,361.79	1,068,532,169.60	5,668,455,620.87	3,699,015,056.76	4,969,131,541.14	2,961,256,858.40

43. Taxes and surcharges

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Social contribution tax	17,308,465.44	-	-
House property tax	7,108,377.03	24,536,244.09	17,041,456.97
Land use tax	2,275,426.85	13,032,522.12	13,867,348.15
City maintenance and construction tax	854,621.88	4,902,736.24	4,934,364.19
Education surtax	605,443.51	2,972,961.69	1,998,123.11
Business tax	-	-	3,407,606.10
Other	16,710,158.54	18,297,267.21	6,039,109.53
Total	44,862,493.25	63,741,731.35	47,288,008.05

(VI) Notes to the Consolidated Financial Information-continued

44. Administrative expenses

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Staff costs	131,558,211.04	454,687,055.00	406,710,722.01
Depreciation of property, plant and equipment	7,939,008.40	25,844,187.12	26,721,663.00
Amortisation of intangible assets and land use rights	3,586,343.86	14,328,075.81	13,635,490.14
Other taxes	152,894.49	729,707.95	2,148,741.64
Others	58,553,622.26	233,657,137.23	167,809,919.31
Total	201,790,080.05	729,246,163.11	617,026,536.10

45. Finance costs, net

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Interest expenses	376,124,886.92	1,142,992,178.44	823,619,916.57
Less: amount capitalised on qualifying assets	8,670,381.60	27,180,313.84	37,107,415.29
Less: Interest income	57,721,256.12	108,584,774.61	46,130,370.29
Exchange (gains)/losses	(54,216,768.39)	(89,760,718.55)	190,447,135.57
Bank charges	7,178,898.57	8,507,986.00	1,957,351.07
Others	1,621,758.70	6,963,842.27	8,630,890.31
Finance costs, net	264,317,138.08	932,938,199.71	941,417,507.94

46. Asset impairment losses

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
I. Provision for impairment of trade debtors	350,133.50	(3,802,972.39)	31,011,281.05
II. Provision for impairment of inventories	-	-	(151,905.47)
III. Provision for impairment of long-term equity investments	-	640,585,551.00	-
IV. Others	-	-	(7,635,675.69)
Total	350,133.50	636,782,578.61	23,223,699.89

47. Gains from fair value changes

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Financial assets at fair value through profit and loss	137,919,530.28	-	-
Including: Equity investment measured at fair value	137,919,530.28	-	-

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

48. Investment income

(1) Investment income is summarised by categories as follows:

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Income from long-term equity investments accounted for using equity method	683,674,320.25	4,679,965,781.07	3,039,296,485.49
Investment income from disposal of long-term equity investments	-	750,788,928.68	-
Investment income from disposal of available-for-sale financial assets	-	265,589,701.73	438,378,397.94
Dividend income from available-for-sale financial assets	-	63,916,443.50	88,824,130.97
Total	683,674,320.25	5,760,260,854.98	3,566,499,014.40

Note: There are no material restrictions on the remittance of investment income of the Group.

49. (Losses)/gains on disposal of assets

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
(Loss)/gain on disposal of non-current assets	(2,298,190.92)	(715,440.96)	4,791,593.38
Including: (Loss)/gain on disposal of fixed assets	(2,558,363.93)	(4,018,436.70)	4,791,593.38
Gain on disposal of intangible assets	-	3,311,452.36	-
Others	260,173.01	(8,456.62)	-
Total	(2,298,190.92)	(715,440.96)	4,791,593.38

50. Other income

RMB

Item	Period from January 1 to March 31, 2018	2017	2016	Related to assets/revenue
Enterprise research and development subsidy funds for 2017	2,689,000.00	-	-	Related to revenue
Transferred from deferred income	2,609,019.12	11,265,163.87	-	Related to assets
Loan interest subsidy to key logistics companies	2,000,000.00	-	-	Related to revenue
The financial subsidy of the Transport Commission of Shenzhen Municipality to the trade container terminals in 2013	1,999,631.00	-	-	Related to revenue
Special Fund for Fujian Port and Shipping Development for 2016	1,029,000.00	-	-	Related to revenue
Nanshan District Modern Logistics Subsidy Project	1,000,000.00	-	-	Related to revenue
International Capacity Cooperation Grant Fund for 2017	-	15,000,000.00	-	Related to revenue
Port operation subsidies for 2016	-	5,058,295.00	-	Related to revenue
Qianhai Cross-border E-Commerce Support Fund	-	4,920,000.00	-	Related to revenue
Central Foreign Economic and Trade Development Fund for Cross-border E-Commerce Project	-	2,040,000.00	-	Related to revenue
Others	1,677,842.66	4,031,572.39	-	Related to revenue
Total	13,004,492.78	42,315,031.26	-	

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

51. Non-operating income

(1) Non-operating income is summarised by categories as follows:

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Compensation from breached contracts	417,200.40	633,155.24	-
Gains from inventory count	928.57	4,447.29	3,228.02
Government grants	-	482,082.82	70,605,282.85
Indemnification from related parties (Note)	-	-	378,136,696.29
Reversal of provisions	-	-	221,000,000.00
Others	6,394,363.46	20,105,943.68	35,328,882.00
Total	6,812,492.43	21,225,629.03	705,074,089.16

Note: Amount being the indemnification from holding companies of a non-controlling shareholder of a subsidiary in connection with the operation of the relevant subsidiary.

(2) Government grants are summarised as follows:

RMB

Item	From January 1 to March 31, 2018	2017	2016	Related to assets/revenue
Government grants for berths 8#9#	-	-	21,901,503.07	Related to revenue
Transferred from of deferred income	-	-	8,224,920.81	Related to assets
2015 foreign trade restructuring funds	-	-	8,000,000.00	Related to revenue
Sea-railway transport project government subsidy	-	-	6,660,000.00	Related to revenue
Subsidy to the first batch of headquarters companies in the Qianhai Shenzhen-Hong Kong Cooperation Zone in 2016	-	-	5,000,000.00	Related to revenue
Support fund for Qianhai modern logistics headquarters companies	-	-	5,000,000.00	Related to revenue
Zhangzhou Development Zone Port business subsidy income	-	-	3,546,133.46	Related to revenue
Stable foreign trade growth incentive fund	-	-	2,200,000.00	Related to revenue
Financial subsidy for domestic trade container terminal enterprises	-	-	2,128,542.50	Related to revenue
Finance Bureau support funds	-	-	1,549,800.00	Related to revenue
Loan interest subsidy to key logistics companies	-	-	1,360,100.00	Related to revenue
Others	-	482,082.82	5,034,283.01	Related to revenue
Total	-	482,082.82	70,605,282.85	

(VI) Notes to the Consolidated Financial Information-continued

52. Non-operating expenses

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Donations	283,934.16	42,165,120.27	6,237,650.71
Fines	211,821.09	270,000.00	1,468,279.91
Compensations	-	-	2,843,841.20
Others	281,159.43	2,266,793.64	1,671,827.35
Total	776,914.68	44,701,913.91	12,221,599.17

53. Taxation

(1) Taxation is summarised by categories as follows

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Current taxation	86,906,888.76	366,735,869.47	619,454,696.13
Deferred taxation	38,274,058.71	90,090,778.77	(103,658,246.30)
Total	125,180,947.47	456,826,648.24	515,796,449.83

(2) Tax reconciliation

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Profit before taxation	960,889,077.45	5,385,116,051.73	4,643,062,028.53
Taxation calculated at 16.5%	158,546,697.78	888,544,148.54	766,105,234.71
Income not taxable (Note)	(115,863,637.50)	(897,185,148.12)	(550,688,232.35)
Expenses not deductible for tax purpose	47,876,465.00	245,946,750.15	137,430,680.01
Tax losses and other temporary differences not recognised	21,504,723.03	78,120,672.31	30,846,331.64
Utilisation of previously unrecognised tax losses	(4,023,624.50)	(6,107,459.93)	(6,504,046.62)
Effect of different tax rates applied by subsidiaries	36,571,275.20	129,505,687.01	(58,506,423.46)
Effect of tax deductions of subsidiaries	(59,996,942.95)	(275,488,820.77)	(55,709,783.29)
Withholding tax on earnings of subsidiaries, associates and joint ventures	49,665,491.47	308,943,206.09	205,458,826.21
Others	(9,099,500.06)	(15,452,387.04)	47,363,862.98
Tax charge	125,180,947.47	456,826,648.24	515,796,449.83

Note: It mainly represents the tax levied on the share of results of associates and joint ventures.

(VI) Notes to the Consolidated Financial Information-continued

54. Items of statement of cash flows

(1) Cash received relating to other operating activities

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Agreement compensation received	54,568,017.55	-	-
Interest income received	48,125,284.21	106,901,630.71	34,379,035.44
Port construction fee received	21,788,544.00	92,889,161.04	102,881,029.15
Government grants received	10,395,473.66	46,048,422.77	75,743,466.20
Guarantees and deposits received	4,093,350.79	27,077,467.93	23,610,897.47
Insurance claims received	100,750.00	5,020,288.61	-
Rent received	30,524.70	13,417,084.00	3,467,566.48
Repayments of cash paid on behalf	-	18,211,292.96	34,759,658.58
Others	34,771,623.47	205,179,722.08	174,154,651.73
Total	173,873,568.38	514,745,070.10	448,996,305.05

(2) Cash paid relating to other operating activities

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Construction fee of berth dredging paid	63,414,312.00	15,853,578.00	-
Payments for operating costs, administrative expenses and other expenses related to daily operations	45,982,115.11	168,912,887.65	137,611,756.03
Port construction fee paid	26,708,088.00	91,241,072.00	96,690,653.86
Cash paid on behalf	17,632,818.58	97,397,353.27	21,409,125.96
Guarantee and deposits paid	5,406,225.94	14,066,808.12	33,654,740.20
Rent paid	3,136,878.64	22,622,538.29	24,653,942.11
Other	68,486,731.02	207,321,414.86	109,261,937.79
Total	230,767,169.29	617,415,652.19	423,282,155.95

(3) Cash received from other investment activities

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Acquisition of subsidiary	-	121,806,580.04	-
Loans repayment received	-	96,367,818.13	12,250,000.00
Total	-	218,174,398.17	12,250,000.00

(VI) Notes to the Consolidated Financial Information-continued

54. Items of statement of cash flows-continued

(4) Cash paid relating to other investment activities

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Loans lent	-	1,013,445,000.00	95,225,095.03
Others	25,463,391.23	44,950,077.56	-
Total	25,463,391.23	1,058,395,077.56	95,225,095.03

(5) Cash received relating to other financing activities

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Amount received from Shenzhen Chiwan	-	79,950,702.77	127,092,322.17
Others	-	-	120,000,000.00
Total	-	79,950,702.77	247,092,322.17

(6) Cash paid relating to other financing activities

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
Payments for financing	13,010,907.53	3,788,342.21	979,665.87
Repayments to non-controlling interests	1,119,148.80	51,264,227.69	14,752,570.86
Others	16,922,885.90	27,793,822.86	18,213,710.53
Total	31,052,942.23	82,846,392.76	33,945,947.26

(VI) Notes to the Consolidated Financial Information-continued**55. Supplementary information on statement of cash flows****(1) Supplementary information on statement of cash flows**

RMB

Item	Period from January 1 to March 31, 2018	2017	2016
1. Reconciliation of net profit to cash flow from operations:			
Net profit	835,708,129.98	4,928,289,403.49	4,127,265,578.70
Add: Assets impairment provisions	350,133.50	636,782,578.61	23,223,699.89
Depreciation of property, plant and equipment	263,211,912.84	806,246,212.16	733,812,350.71
Depreciation of investment properties	50,305,308.30	195,372,952.16	13,600,566.98
Amortisation of intangible assets	122,026,589.89	296,892,255.79	257,919,072.32
Amortisation of long-term prepaid expenses	4,245,556.38	17,009,444.98	7,419,907.54
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term assets	2,298,190.92	715,440.96	(4,791,593.38)
Losses on disposal of fixed assets	-	43,624.51	855.40
Gains on fair value changes	(137,919,530.28)	-	-
Finance costs	313,237,736.93	1,026,051,146.05	976,959,636.85
Gains on investment	(683,674,320.25)	(5,760,260,854.98)	(3,566,499,014.40)
Increase in deferred tax assets	(23,775,701.13)	(70,562.54)	(8,448,243.66)
Increase/(decrease) in deferred tax liabilities	62,049,759.84	90,161,341.31	(95,210,002.64)
Increase in inventories	(1,571,079.02)	(3,047,235.82)	(6,394,754.26)
Increase in operating receivables	(228,896,640.99)	(122,232,404.31)	(73,081,717.31)
(Decrease)/increase in operating payables	(98,297,515.39)	383,265,613.54	(164,168,129.61)
Net cash from operating activities	479,298,531.52	2,495,218,955.91	2,221,608,213.13
2. Significant investing and financing activities involving no cash receipts or payments:			
Debt converted into capital	-	-	-
Convertible corporate notes due within one year	-	-	-
Property, plant and equipment acquired under financing lease	-	-	-
3. Net changes in cash and cash equivalent:			
Balance of cash and cash equivalents at the end of period	6,256,098,409.79	7,010,046,720.27	2,827,430,381.78
Less: Balance of cash and cash equivalents at the beginning of period	7,010,046,720.27	2,827,430,381.78	7,940,679,195.41
Net (decrease)/ increase of cash and cash equivalents	(753,948,310.48)	4,182,616,338.49	(5,113,248,813.63)

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

55. Supplementary information on statement of cash flows-continued

(2) Net cash paid for acquisition of subsidiaries in the reporting period

RMB

	Period from January 1 to March 31, 2018	2017	2016
Cash or cash equivalents paid in current year/period for acquisition of subsidiaries in the current year/period	5,488,718,873.31	1,887,623,658.13	-
Among which: TCP	5,488,718,873.31	-	-
HIPG (Note)	-	1,887,623,658.13	-
Less: Cash and cash equivalents held by subsidiary on acquisition date	896,135,902.37	121,806,580.04	-
Among which: TCP	896,135,902.37	-	-
Shantou Port	-	121,806,580.04	-
Add: Cash or cash equivalent paid in current year/period for acquisition of subsidiaries in previous periods	638,482,213.51	-	-
Among which: HIPG	638,482,213.51	-	-
Net cash paid for acquiring subsidiaries	5,231,065,184.45	1,887,623,658.13	-
Among which: HIPG	-	1,887,623,658.13	-
Cash received from other investment activities	-	(121,806,580.04)	-
Among which: Shantou Port	-	(121,806,580.04)	-

Note: The consideration amount to be paid for acquiring HIPG equity is RMB6,362,105,605.44 in total, the amount paid in 2017 is RMB1,887,623,658.13, and the amount paid in the period from January 1 to March 31, 2018 is RMB638,482,213.51.

(3) Net cash received from disposal of subsidiaries in the reporting period

RMB

	Period from January 1 to March 31, 2018	2017	2016
Cash or cash equivalent received in current year/period from disposal of subsidiaries in current year/period	-	7,617,953,007.21	-
Among which: Soares Limited	-	7,617,953,007.21	-
Less: Cash and cash equivalents held by subsidiary on date of loss of control	-	12,573.12	-
Among which: Soares Limited	-	12,573.12	-
Add: Cash or cash equivalent received in current year/period from disposal of subsidiaries in previous periods	1,411,633,655.68	-	-
Among which: Shenzhen Chiwan (Note)	1,411,633,655.68	-	-
Net cash received from disposal of subsidiaries	1,411,633,655.68	7,617,940,434.09	-

Note: In 2018, the Group received a total of RMB1,411,633,655.68 for the disposal of equity interest in Shenzhen Chiwan.

(VI) Notes to the Consolidated Financial Information-continued

55. Supplementary information on statement of cash flows-continued

(4) Cash and cash equivalents

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
1. Cash	6,256,098,409.79	7,010,046,720.27	2,827,430,381.78
Including: Cash on hand	514,690.12	586,621.67	247,014.48
Bank deposits ready for use	6,242,278,824.30	6,997,407,660.47	2,819,604,363.33
Other money funds ready for use	13,304,895.37	12,052,438.13	7,579,003.97
2. Cash equivalent	-	-	-
3. Balance of cash and cash equivalents at the end of the period	6,256,098,409.79	7,010,046,720.27	2,827,430,381.78
Including: Cash and cash equivalents with restrictions on the use by the parent company or subsidiaries	-	-	-

56. Assets with restricted ownership or use rights

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Property, plant and equipment (Note 1) (Note 2)	6,785,871,488.20	6,990,903,829.37	158,330,583.23
Equity interest in Colombo International Container Terminals Limited (Note 3)	1,469,995,049.69	1,436,892,458.07	1,200,971,248.45
Equity interest in Thesar Maritime Limited (Note 3)	733,453,449.86	729,773,420.12	652,591,175.86
Intangible assets (Note 2)	164,017,199.09	164,783,981.14	-
Assets under constructions (Note 2)	14,546,437.67	4,499,011.90	-
Total	9,167,883,624.51	9,326,852,700.60	2,011,893,007.54

Note 1: For detailed information on the property, plant and equipment leased under finance leases, see note (VI)16 to the Consolidated Financial Information.

Note 2: Yide Port secured its land with certificates, property, plant and equipment and assets under construction for bank borrowings. For detailed information on the secured borrowings, see note (VI) 34 to the Consolidated Financial Information. As at 31 March 2018 and 31 December 2017, the amounts of secured property, plant and equipment of Yide Port were RMB300,179,874.19 and RMB303,747,372.32 respectively. As at 31 December 2016, Yide Port had no secured property, plant and equipment.

Note 3: For detailed information on the equity and equity interest charge, see Note (VI) 34 to the Consolidated Financial Information.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VI) Notes to the Consolidated Financial Information-continued

57. Monetary items denominated in foreign currencies

RMB

Item	March 31, 2018			December 31, 2017			December 31, 2016		
	Balance of foreign currency at the end of period	Exchange rate	Translated RMB balance at the end of period	Balance of foreign currency at the end of period	Exchange rate	Translated RMB balance at the end of period	Balance of foreign currency at the end of period	Exchange rate	Translated RMB balance at the end of period
Cash and bank balances			1,722,764,490.82			752,169,281.76			1,164,550,441.32
Including: USD	45,829,615.95	6.3046	288,937,396.72	5,031,656.76	6.5342	32,877,851.60	2,596,516.14	6.9370	18,012,032.46
Euro	37,130,920.77	7.7598	288,128,518.99	3,489,827.06	7.8023	27,228,677.67	64,196.91	7.3068	469,073.98
HKD	160,244,742.86	0.8035	128,756,650.89	179,596,544.96	0.8359	150,124,751.93	324,126,044.16	0.8945	289,930,746.50
RMB (Note)	1,016,941,924.22	1.0000	1,016,941,924.22	541,938,000.56	1.0000	541,938,000.56	856,138,588.38	1.0000	856,138,588.38
Trade debtors			15,042,043.54			16,385,980.22			43,462,005.36
Including: USD	910,301.98	6.3046	5,739,089.86	811,649.28	6.5342	5,303,478.73	2,563,180.08	6.9370	17,780,780.21
HKD	11,578,038.18	0.8035	9,302,953.68	13,258,166.63	0.8359	11,082,501.49	28,710,145.50	0.8945	25,681,225.15
Interests receivables			1,180,623.34			143,566.21			145,704.34
Including: HKD	-	0.8035	-	-	0.8359	-	159,783.75	0.8945	142,926.56
RMB (Note)	1,180,623.34	1.0000	1,180,623.34	143,566.21	1.0000	143,566.21	2,777.78	1.0000	2,777.78
Dividend receivables			290,691,146.88			290,691,146.88			174,427,062.17
Including: USD	-	6.3046	-	-	6.5342	-	-	6.9370	-
RMB (Note)	290,691,146.88	1.0000	290,691,146.88	290,691,146.88	1.0000	290,691,146.88	174,427,062.17	1.0000	174,427,062.17
Other receivables			100,762,258.77			99,555,538.24			102,729,465.60
Including: USD	6,343,910.84	6.3046	39,995,820.28	4,729,080.45	6.5342	30,900,757.48	5,940,376.28	6.9370	41,208,390.25
Euro	-	7.7598	-	148,871.60	7.8023	1,161,540.88	-	7.3068	-
HKD	238,556.50	0.8035	191,680.15	639,469.18	0.8359	534,532.29	33,414.00	0.8945	29,888.82
RMB (Note)	60,574,758.34	1.0000	60,574,758.34	66,958,707.59	1.0000	66,958,707.59	61,491,186.53	1.0000	61,491,186.53
Trade creditors			33,583,901.93			10,983,711.25			11,114,631.58
Including: USD	4,567,409.18	6.3046	28,795,687.92	792,474.82	6.5342	5,178,188.97	708,914.21	6.9370	4,917,737.87
HKD	5,934,666.28	0.8035	4,768,504.36	6,927,773.85	0.8359	5,790,926.16	6,927,773.85	0.8945	6,196,893.71
RMB (Note)	19,709.65	1.0000	19,709.65	14,596.12	1.0000	14,596.12	-	1.0000	-
Interest payable			124,611,339.55			85,072,602.74			-
Including: RMB (Note)	124,611,339.55	1.0000	124,611,339.55	85,072,602.74	1.0000	85,072,602.74	-	1.0000	-
Dividends payable			17,470.05			-			-
Including: USD	2,771.00	6.3046	17,470.05	-	6.5342	-	-	6.9370	-
Other payables			263,309,609.45			50,998,372.24			35,345,208.64
Including: USD	40,100,426.35	6.3046	252,817,147.97	6,360,218.43	6.5342	41,558,939.27	3,247,769.74	6.9370	22,529,778.69
HKD	1,561,213.16	0.8035	1,254,434.77	1,501,195.39	0.8359	1,254,849.23	9,952,218.28	0.8945	8,902,259.25
RMB (Note)	9,238,026.71	1.0000	9,238,026.71	8,184,583.74	1.0000	8,184,583.74	3,913,170.70	1.0000	3,913,170.70
Notes payable			2,500,000,000.00			2,500,000,000.00			-
Including: RMB (Note)	2,500,000,000.00	1.0000	2,500,000,000.00	2,500,000,000.00	1.0000	2,500,000,000.00	-	1.0000	-

Note: It represents the financial assets and financial liabilities denominated in RMB held by subsidiaries that use non-RMB currencies as their presentation currencies.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VII) Change to the consolidation scope

1. Acquisition of subsidiaries

(1) Acquisition of subsidiaries in current year/period

RMB

Name of acquiree	Date of obtaining control	Cost of acquisition	Interests acquired (%)	Manner of acquisition	Date of acquisition	Basis for determining the date of acquisition	Income of the acquiree from the date of acquisition to the end of the year/period	Net profit of the acquiree from the date of acquisition to the end of the year/period
Period from January 1 to March 31, 2018								
TCP	February 23, 2018	5,602,072,781.99	90.00	Cash offer	February 23, 2018	Transfer of control	207,317,929.34	2,180,748.62
2017								
Shantou Port	August 9, 2017	5,431,838,067.90	60.00	Capital injection	August 9, 2017	Transfer of control	149,553,274.52	(11,943,492.73)
HIPG	December 8, 2017	6,362,105,605.44	85.00	Cash offer	December 8, 2017	Transfer of control	1,333,390.53	(18,754,369.04)
Total		11,793,943,673.34					150,886,665.05	(30,697,861.77)

Note: No business combination in the year ended December 31, 2016.

(2) Consideration and goodwill

RMB

Consideration	From January 1 to March 31, 2018	2017	
	TCP	Shantou Port	HIPG
Consideration	5,602,072,781.99	5,431,838,067.90	6,362,105,605.44
Less: Fair value of identifiable net assets acquired and liabilities assumed	3,333,103,055.20	4,879,520,331.25	6,362,105,605.44
Goodwill	2,268,969,726.79	552,317,736.65	-

Note 1: No business combination in the year ended December 31, 2016.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VII) Change to the consolidation scope-continued

1. Acquisition of subsidiaries-continued

(3) The acquiree's identifiable assets and liabilities assumed on the acquisition date

RMB

	TCP	
	Fair value on acquisition date (Note)	Book value on acquisition date
Period from January 1 to March 31, 2018		
Assets:		
Current assets	1,133,971,489.79	1,133,971,489.79
Property, plant and equipment	1,405,464,366.98	1,195,374,087.53
Assets under construction	468,960,983.54	468,960,983.54
Intangible assets	8,493,002,083.44	3,830,872,561.00
Deferred tax assets	31,601,157.94	31,601,157.94
Liabilities:		
Current liabilities	726,748,084.57	726,748,084.57
Long-term borrowing	763,845,765.38	763,845,765.38
Notes payable	1,108,661,493.21	1,108,661,493.21
Long-term payables	3,425,844,161.60	3,425,844,161.60
Provisions	20,880,799.22	20,880,799.22
Deferred tax liabilities	1,783,571,938.59	127,017,205.95
Net asset	3,703,447,839.12	487,782,769.87
Less: Non-controlling interests	370,344,783.92	48,778,276.99
Net assets acquired	3,333,103,055.20	439,004,492.88

Note: The Group engaged an asset assessment agency to evaluate TCP and the final assessment has not been completed when the Consolidated Financial Information was authorised for issuance. Therefore, the Group consolidated TCP's identifiable assets and liabilities based on the provisional amounts. If further information obtained within 12 months from acquisition date indicated that the provisional value needed to be adjusted, it should be deemed to have occurred on the acquisition date and the amounts will be adjusted retrospectively.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VII) Change to the consolidation scope-continued

1. Acquisition of subsidiaries-continued

(3) The acquiree's identifiable assets and liabilities assumed on the acquisition date-continued
RMB

	Shantou Port		HIPG	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
2017				
Assets:				
Current assets	5,716,184,280.68	5,716,184,280.68	4,144,165.68	4,144,165.68
Available-for-sale financial assets	5,505,837.00	5,505,837.00	-	-
Long-term equity investments	229,516,758.41	229,516,758.41	-	-
Investment properties	145,121,421.00	34,991,946.53	-	-
Property, plant and equipment	1,449,543,994.14	1,192,607,118.00	7,060,803,356.65	7,060,803,356.65
Assets under construction	489,967,742.51	489,967,742.51	356,212,231.82	356,212,231.82
Intangible assets	2,054,215,473.72	489,193,540.99	1,726,762,665.85	1,726,762,665.85
Long-term prepaid expenses	17,788,710.42	17,788,710.42	-	-
Other non-current assets	32,110,329.28	32,110,329.28	-	-
Liabilities:				
Current liabilities	540,692,939.55	540,692,939.55	-	-
Long-term borrowing	458,860,000.00	458,860,000.00	-	-
Long-term payables	14,035,060.00	14,035,060.00	-	-
Long-term employee benefits payable	372,330,000.00	372,330,000.00	-	-
Special payable	2,426,036.32	2,426,036.32	-	-
Deferred tax liabilities	483,022,070.98	-	-	-
Other non-current liabilities	54,763,901.68	54,763,901.68	-	-
Net asset	8,213,824,538.63	6,764,758,326.27	9,147,922,420.00	9,147,922,420.00
Less: Non-controlling interests	3,334,304,207.38	2,754,677,722.43	2,785,816,814.56	2,785,816,814.56
Net assets acquired	4,879,520,331.25	4,010,080,603.84	6,362,105,605.44	6,362,105,605.44

Note: The fair values of identifiable net assets of TCP, Shantou Port and HIPG were determined using the cost approach, the cost approach and the income approach, respectively.

(VII) Change to the consolidation scope-continued

2. In each reporting period, the Group did not have a business combination involving enterprises under common control

3. Description of other changes in consolidation scope

- (1) On September 25, 2015, Park Base Investments Limited, a wholly-owned subsidiary of the Group, entered into the "Equity Transfer Contract" with China Merchants Commercial Property Investment Co., Ltd. and 深圳招商理财服务有限公司, and acquired 100% equity of Shenzhen Jinyu Rongtai Investment Development Limited at RMB2,046,789,200.00. The above equity transfer transaction has been completed in June 2016. The nature of the acquisition mentioned above is an acquisition of assets rather than a business combination as it does not meet the definition of business combination, i.e., the change in the consolidation scope was caused by other reasons.
- (2) In October 2016, the Group's wholly-owned subsidiary China Merchants Port Development (Shenzhen) Co., Ltd. (hereinafter referred to as "Port Development") entered into an "Equity Transfer Contract" with Shenzhen China Merchants Venture Co., Ltd. and Shenzhen Qianhai Pingfang Park Development Co., Ltd. to acquire 100% equity interest of Shenzhen China Merchants Qianhaiwan Property Co., Ltd. at RMB2,528,472,800.00. The above equity transfer transaction has been completed in December 2016. The nature of the acquisition mentioned above is an acquisition of assets rather than a business combination as it does not meet the definition of business combination, i.e., the change in the consolidation scope was caused by other reasons.

4. Disposal of subsidiaries

- (1) Loss of control due to disposal of a subsidiary

RMB

Name of subsidiary	Consideration for the disposal	Interests disposal (%)	Way of disposal	Date of losing control (Note 1)	The difference between the price of disposal and the share of the subsidiary's net assets at the level of the consolidated financial statement
2017					
Soares Limited	6,145,682,391.81	100.00	Sale	June 9, 2017	750,788,928.68

Note 1: Details of the disposal are set out in Note (VI) 14 to the Consolidated Financial Information.

Note 2: During the period from January 1 to March 31, 2018 and 2016, the Group did not dispose of any subsidiary.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VIII) Investment in other entities

1. Investment in subsidiaries

(1) Particulars of the Company's principal subsidiaries are as follows:

Name of subsidiary	Principal place of business	Place of registration	Principal activities	Issued share Capital/registered capital	Shareholding ratio (%)		Manner of acquisition
					Direct	Indirect	
China Merchants Container Services Co., Ltd.	Hong Kong	Hong Kong	Provision of container terminal services and port transportation	HK\$500,000.00	-	100.00	Merger of enterprises under common control
CMH International (China) Investment Co., Ltd.	China	China	Investment holding	USD30,000,000.00	100.00	-	Investment in establishment
China Merchants International Container Terminal (Qingdao) Co., Ltd.	China	China	Provision of container terminal services and port transportation	USD206,300,000.00	-	100.00	Investment in establishment
China Merchants International Terminal (Qingdao) Co., Ltd.	China	China	Port, container terminal and logistics services	USD44,000,000.00	-	90.10	Investment in establishment
China Merchants Bonded Logistics Co., Ltd.	China	China	Provision of container related logistics services	RMB700,000,000.00	-	60.00	Investment in establishment
China Merchants Port Services (Shenzhen) Co., Ltd.	China	China	Port, container terminal and logistics services	RMB550,000,000.00	-	100.00	Merger of enterprises under common control
Shekou Container Terminals Limited	China	China	Operating Berths 1 and 2 in Shekou, China	HK\$618,201,150.00	-	80.00	Merger of enterprises not under common control
Shekou Container Terminals (Phase II) Company Limited	China	China	Operating Berths 3 and 4 in Shekou, China	RMB608,549,000.00	-	80.00	Merger of enterprises not under common control
Shekou Container Terminals (Phase III) Company Limited	China	China	Operating Berths 5 and 9 in Shekou, China	RMB1,276,000,000.00	-	80.00	Merger of enterprises not under common control
Shenzhen Haiqin Engineering Supervision & Management Co. Ltd.	China	China	Provision of terminal supervision services	RMB3,000,000.00	-	100.00	Merger of enterprises not under common control
Shenzhen Haixing Harbor Development Co., Ltd.	China	China	Port and container terminal business	RMB530,729,166.64	-	67.00	Merger of enterprises not under common control
Shenzhen Mawan Port Service Co., Ltd.	China	China	Operation of Berth 5 in Mawan, Shenzhen, China	RMB200,000,000.00	-	83.70	Investment in establishment
Shenzhen Mawan Terminals Co., Ltd.	China	China	Operation of Berths 6 and 7 in Mawan, Shenzhen, China	RMB335,000,000.00	-	83.70	Investment in establishment
Shenzhen Mawan Wharf Co., Ltd.	China	China	Operation of Berth 0 in Mawan, Shenzhen, China	RMB200,000,000.00	-	83.70	Investment in establishment
Xia Men Bay China Merchants Terminals Co., Ltd. (hereinafter referred to as "Xiamen Bay") (Note 1)	China	China	Provision of container terminal services and port transportation	RMB444,500,000.00	-	31.00	Investment in establishment
Zhangzhou China Merchants Port Co., Ltd.	China	China	Operating Berths No. 3-No. 6 in Zhangzhou Economic Development Zone, Fujian Province, China	RMB1,000,000,000.00	-	60.00	Investment in establishment
Zhangzhou China Merchants Tugboat Co., Ltd.	China	China	Provide tug services in Zhangzhou Economic Development Zone, Fujian Province, China	RMB15,000,000.00	-	70.00	Investment in establishment
China Merchants Holdings (International) Information on Technology Co., Ltd.	China	China	Provide computer network services	RMB50,000,000.00	76.84	-	Investment in establishment
安通捷码头仓储服务(深圳)有限公司	China	China	Holding a land in Shekou, China	HK\$100,000,000.00	-	100.00	Merger of enterprises not under common control
安速捷码头仓储服务(深圳)有限公司	China	China	Holding a land in Shekou, China	HK\$100,000,000.00	-	100.00	Merger of enterprises not under common control
安运捷码头仓储服务(深圳)有限公司	China	China	Holding a lot of land in Shekou, China	RMB60,600,000.00	-	80.00	Merger of enterprises not under common control
Yide Port.	China	China	Provision of terminal services and port transportation	RMB216,000,000.00	-	51.00	Merger of enterprises not under common control
Colombo International Container Terminals Limited	Sri Lanka	Sri Lanka	Operating Container Terminals in South Colombo, Sri Lanka	USD150,000,087.80	85.00	-	Investment in establishment
Lomé Container Terminal S.A. (Note 2)	Togolese Republic	Togolese Republic	Development and management of Lomio Port Container Terminal in Togo, West Africa	Togo CFA franc ("XCF") 200,000,000.00	-	35.00	Merger of enterprises not under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	China	China	Holding a property in Shekou, China	RMB800,000,000.00	-	100.00	Other
China Merchants Qianhaiwan Property Co., Ltd.	China	China	Holding a land in Qianhai, China	RMB200,000,000.00	-	100.00	Other
Shantou Port (Note 3)	China	China	Provision of terminal services and port transportation	RMB125,000,000	-	60.00	Merger of enterprises not under common control
HIPG (Note 3)	Sri Lanka	Sri Lanka	Operating Container Terminals in Hambantota Port, Sri Lanka	USD794,000,000.00	-	85.00	Merger of enterprises not under common control
Soares Limited (Note 3)	Hong Kong	Hong Kong	Investment holding	USD1.00	100.00	-	Merger of enterprises not under common control
TCP (Note 3)	Brazil	Brazil	Operation of Container Terminals in Brazil	BRL68,851,560.52	-	90.00	Merger of enterprises not under common control
Mega Shekou Container Terminals Limited	BVI	BVI	Investment	USD120.00	80.00	5.40	Merger of enterprises not under common control
MPIL	BVI	BVI	Investment	USD50,000.00	-	50.00	Investment in establishment
Thesar Maritime Limited	Cyprus	Cyprus	Investment	EURO5,000.00	-	50.00	Merger of enterprises not under common control

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VIII) Investment in other entities-continued

1. Investment in subsidiaries-continued

(1) Partialness of the Company's principal subsidiaries are as follows:-continued

Note 1: The Group and China Merchants Zhangzhou Development Zone Co., Ltd. entered into the "Equity Custody Agreement" on March 3, 2014. China Merchants Zhangzhou Development Zone Co., Ltd. entrusted 29% equity of Xiamen Bay held by it to the Group for management. The term of custody started from the date when China Merchants Zhangzhou Development Zone Co., Ltd. was registered with the Industrial and Commercial Authority to be a shareholder of Xiamen Bay and enjoy 29% equity in Xiamen Bay and will be terminated on December 31, 2019. Therefore, the Group has 60% of the voting rights of Xiamen Bay and will include Xiamen Bay in the consolidation scope of the Group.

Note 2: The Group has the right to implement control by appointing and removing the majority of the executive committee of Lomé Container Terminal S.A. and enjoy variable returns by participating in related activities of the investee, so the Group has included the company in the scope of consolidation.

Note 3: Details of changes in the scope of consolidation that occurred during each reporting period are set out in Note (VII) to the Consolidated Financial Information.

(2) Significant non-wholly owned subsidiaries

RMB

Name of subsidiary	Non-controlling interests (%)	Total comprehensive income/(expense) attributable to non-controlling interests in current year/period	Dividend paid to non-controlling interests for current year/period	Balance of non-controlling interests at end of year/period
Period from January 1 to March 31, 2018				
HIPG	15.00	(4,687,660.19)	-	1,076,268,159.06
Shantou Port	40.00	2,577,762.50	-	3,325,344,719.85
Total		(2,109,897.69)	-	4,401,612,878.91
2017				
HIPG	15.00	(4,482,912.14)	-	2,781,481,230.51
Shantou Port	40.00	(11,882,427.06)	-	3,333,174,233.13
Total		(16,365,339.20)	-	6,114,655,463.64

Note: In 2016, the Group had no significant non-wholly owned subsidiaries.

(3) Financial information of significant non-wholly owned subsidiaries

RMB

Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
March 31, 2018						
Shantou Port	4,688,981,752.77	2,759,775,012.23	7,448,756,765.00	246,840,345.00	411,027,241.35	657,867,586.35
HIPG	21,812,875.43	8,767,799,485.17	8,789,612,360.60	16,863,891.40	-	16,863,891.40
Total	4,710,794,628.20	11,527,574,497.40	16,238,369,125.60	263,704,236.40	411,027,241.35	674,731,477.75
December 31, 2017						
Shantou Port	5,015,817,397.37	2,789,562,193.61	7,805,379,590.98	612,676,350.04	413,132,075.63	1,025,808,425.67
HIPG	6,235,944.35	9,129,405,363.14	9,135,641,307.49	5,899,241.86	-	5,899,241.86
Total	5,022,053,341.72	11,918,967,556.75	16,941,020,898.47	618,575,591.90	413,132,075.63	1,031,707,667.53

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VIII) Investment in other entities-continued

1. Investment in subsidiaries-continued

(3) Financial information of significant non-wholly owned subsidiaries-continued

RMB

Name of subsidiary	Revenue	Net profit/(loss)	Total comprehensive income/(expense)	Cash flow from operating activities
Period from January 1 to March 31, 2018				
Shantou Port	86,627,839.46	11,132,027.27	11,132,027.27	29,599,794.45
HIPG	25,058,867.97	(36,502,060.48)	(36,502,060.48)	11,911,801.42
Total	111,686,707.43	(25,370,033.21)	(25,370,033.21)	41,511,595.87
2017				
Shantou Port	400,474,274.05	19,560,595.99	71,830,595.99	138,586,382.90
HIPG	1,333,396.28	(18,754,449.82)	(18,754,449.82)	1,177,892.40
Total	401,807,670.33	806,146.17	53,076,146.17	139,764,275.30

2. Investment in joint ventures or associates

(1) Significant joint ventures or associates

RMB

Name of invested entity	Principal place of business	Place of registration	Nature of business	The Group's shareholding ratio (%)						Accounting method for investment in joint ventures or associates
				March 31, 2018		December 31, 2017		December 31, 2016		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
Associate										
SIPG (A share listed in Mainland China)	China	China	Port and container terminal business and related services	-	26.49	-	26.45	-	25.15	Equity method
CIMC (A share listed in Mainland China and H share listed in Hong Kong)	China	China	Design, manufacture and sales of dry freight containers and refrigerated containers	-	-	-	-	-	24.53	Equity method

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(VIII) Equity in other entities-continued

2. Equity in joint ventures or associates-continued

(2) Financial information of significant associates

RMB

	March 31, 2018/ Period from January 1 to March 31, 2018	December 31, 2017/2017	December 31, 2016/2016	
	SIPG	SIPG	SIPG	CIMC
Current assets	51,474,095,125.28	50,265,638,309.88	23,746,561,064.19	53,352,031,000.00
Non-current assets	91,063,395,031.51	90,969,266,684.14	93,038,215,805.83	71,262,717,000.00
Total assets	142,537,490,156.79	141,234,904,994.02	116,784,776,870.02	124,614,748,000.00
Current liabilities	32,621,890,044.70	38,083,862,202.13	33,923,044,881.97	46,249,215,000.00
Non-current liabilities	31,121,396,316.23	26,094,575,871.54	14,623,358,670.36	39,230,741,000.00
Total liabilities	63,743,286,360.93	64,178,438,073.67	48,546,403,552.33	85,479,956,000.00
Non-controlling interests	7,242,991,850.72	7,572,086,010.64	7,514,511,871.74	9,848,822,000.00
Attributable to other equity holders	-	-	-	2,049,035,000.00
Equity attributable to shareholders of the associate	71,551,211,945.14	69,484,380,909.71	60,723,861,445.95	27,236,935,000.00
Share of net assets calculated according to shareholding ratio	18,953,916,044.27	18,378,618,750.62	15,272,051,153.66	6,681,220,155.50
Adjustment matters				
--Goodwill	1,881,645,982.37	1,834,571,145.21	641,264,997.82	326,150,045.01
--Other	(99,315,809.43)	(72,729,483.24)	(90,660,710.81)	(36,297,572.52)
Carrying amount of investment in associates	20,736,246,217.21	20,140,460,412.59	15,822,655,440.67	6,971,072,627.99
Market value of investment in associates	43,219,059,530.70	40,766,914,309.10	29,837,709,168.64	7,319,014,422.79
Revenue	8,643,783,336.98	37,423,946,226.91	31,359,178,524.08	51,111,652,000.00
Net profit	1,895,556,777.56	12,846,413,455.93	8,087,901,515.79	734,983,000.00
Net profit of discontinued operating	-	-	-	-
Other comprehensive income	477,358,542.36	1,525,862,566.50	(2,149,549,173.94)	967,346,000.00
Total comprehensive income	2,372,915,319.92	14,372,276,022.43	5,938,352,341.85	1,702,329,000.00
Dividends received from associates for the current year/period	-	913,488,707.16	893,126,720.18	157,894,114.85

(VIII) Equity in other entities-continued

2. Equity in joint ventures or associates-continued

(3) Summary of information of insignificant joint ventures and associates

RMB

Item	March 31, 2018/Period from January 1 to 31,2018	December 31, 2017/2017	December 31, 2016/2016
Joint ventures:			
Total carrying amount of investments	8,154,377,097.20	8,150,245,723.44	7,969,454,723.49
Sub-total of the following items calculated in the Group's equity proportion in joint ventures			
-Net profit	96,550,209.09	334,069,410.54	254,165,405.51
-Other comprehensive income	-	22,002,683.51	3,785,372.08
-Total comprehensive income	96,550,209.09	356,072,094.05	257,950,777.59
Associates:			
Total carrying amount of investments	15,989,344,055.71	15,939,600,138.50	15,586,120,136.69
Sub-total of the following items calculated in the Group's equity proportion in associates			
-Net profit	149,942,964.37	1,359,215,071.06	966,813,268.82
-Other comprehensive income	193,027,446.01	77,536,453.90	(27,577,052.80)
-Total comprehensive income	342,970,410.38	1,436,751,524.96	939,236,216.02

(4) As at March 31 2018, December 2017 and December 2016, the long-term equity investments of the Group were not subject to restriction on disposal or remittance of return on investments.

(IX) Risk associated with financial instruments

The Group's major financial instruments include cash and bank balances, bill receivables, trade debtors, interest receivables, dividend receivables, other receivables, short-term borrowings, trade creditors, interests payables, other payables, other current liabilities, long-term borrowings, notes payable etc. Details of these financial instruments are disclosed in Note (VI). The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

The Group adopts sensitivity analysis techniques to analyse how the entity's profit or loss and for the period and shareholders' equity would have been affected by changes in the relevant risk variables that were reasonably possible. As it is unlikely that risk variables will change in an isolated manner, and the interdependence between risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following items are based on the assumption that each risk variable has changes on a stand-alone basis.

1. Risk management objectives and policies

The Group's risk management objectives are to achieve proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximise the benefits of the shareholders and other equity investors. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyse the industry's exposure to various risks, establish appropriate bottom line for risk tolerance, implement risk management, and monitors these exposures to ensure the risks are monitored at a certain level.

(IX) Risks associated with financial instruments-continued

1. Risk management objectives and policies - continued

1.1 Market risk

1.1.1 Foreign exchange risk

Foreign exchange 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 RMB, USD and HKD. Majority of the subsidiaries of the Company operate in Mainland China and most of their transactions are denominated in RMB, USD and HKD. The Group is exposed to foreign exchange risk primarily through sales and purchases, capital expenditure and expenses transactions that are denominated in currencies other than the functional currency of the subsidiaries. As at March 31 2018, December 2017 and December 2016, the balance of the Group's assets and liabilities are both denominated in the functional currency of respective group entities, except that balance of assets and liabilities set out below. Foreign exchange arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Cash and bank balances	1,722,764,490.82	752,169,281.71	1,164,550,441.29
Trade debtors	15,042,043.54	16,385,980.22	43,462,005.37
Interests receivables	1,180,623.34	143,566.21	145,704.34
Dividend receivables	315,415,680.58	315,343,438.82	334,321,526.36
Other receivables	3,119,758,688.32	3,136,996,326.00	3,411,400,940.61
Trade creditors	33,583,901.92	10,983,711.27	11,114,631.58
Interest payable	124,611,339.55	112,676,379.45	-
Dividend payables	17,470.05	-	-
Other payables	383,853,295.93	58,650,339.54	37,158,287.84
Notes payable	2,500,000,000.00	2,500,000,000.00	-

The Group closely monitors the effects of changes in the foreign exchange rate on the Group's foreign exchange risk. The Group manages foreign exchange risk by monitoring foreign currency revenue and payments to ensure that foreign exchange exposures remain within acceptable limits. The Group also closely monitors the portfolio and trading currencies of local and international customers in order to minimize foreign exchange risks. The Group currently does not use forward exchange transaction and other tools to manage foreign exchange risks.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(IX) Risks associated with financial instruments-continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.1 Foreign exchange risk - continued

Sensitivity analysis on foreign exchange risk

The assumption for the sensitivity analysis on foreign exchange 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 or equity:

Item	Exchange rate changes	Period from January 1, to March 31, 2018		2017		2016	
		Effect on profits	Effect on shareholders' Equity	Effect on profits	Effect on shareholders' equity	Effect on profits	Effect on shareholders' equity
All foreign currencies	Increase by 5% against USD	165,885,584.85	165,885,584.85	171,779,576.22	171,779,576.22	54,287,730.03	54,287,730.03
All foreign currencies	Decrease by 5% against USD	(165,885,584.85)	(165,885,584.85)	(171,779,576.22)	(171,779,576.22)	(54,287,730.03)	(54,287,730.03)
All foreign currencies	Increase by 5% against EUR	46,650.42	46,650.42	-	-	-	-
All foreign currencies	Decrease by 5% against EUR	(46,650.42)	(46,650.42)	-	-	-	-
All foreign currencies	Increase by 5% against HKD	(69,124,671.84)	(69,124,671.84)	(104,473,874.10)	(104,473,874.10)	174,063,752.52	174,063,752.52
All foreign currencies	Decrease by 5% against HKD	69,124,671.84	69,124,671.84	104,473,874.10	104,473,874.10	(174,063,752.52)	(174,063,752.52)
All foreign currencies	Increase by 5% against XOF	14,362,642.10	14,362,642.10	1,410,777.82	1,410,777.82	-	-
All foreign currencies	Decrease by 5% against XOF	(14,362,642.10)	(14,362,642.10)	(1,410,777.82)	(1,410,777.82)	-	-
All foreign currencies	Increase by 5% against RMB	(4,565,429.57)	(4,565,429.57)	8,219,928.20	8,219,928.20	16,928,902.38	16,928,902.38
All foreign currencies	Decrease by 5% against RMB	4,565,429.57	4,565,429.57	(8,219,928.20)	(8,219,928.20)	(16,928,902.38)	(16,928,902.38)

(IX) Risks associated with financial instruments-continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.2 Fair value interest rate risk and cash flow interest rate risk

The Group's interest rate risk is mainly derived from interest-bearing loans. The Group's fair value interest rate risk mainly comes from fixed-rate bank loans and notes, and cash flow interest rate risk mainly comes from floating-rate bank loans. The Group's policy is to maintain a combination of floating-rate loan and fixed-rate loan. The portfolio is monitored and assessed periodically with reference to changes in the market interest rate. During the reporting period, the Group did not use any interest rate swaps to hedge the interest rate risk.

The Group's interest rate risk arising from changes in fair value is mainly related to fixed-rate bank loans and notes. Details are disclosed in Note (VI)23, Note (VI)32, Note (VI)33, Note (VI)34 and Note (VI)35. The Group's interest rate risk arising from changes in cash flows of financial instruments is mainly related to bank loan with floating interest rate. Details are disclosed in Note (VI)23, Note (VI)32 and Note (VI)34.

Sensitivity analysis of interest rate risk

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

Fluctuations of market interest rate can affect the interest income or expense of a financial instrument with floating interest rate.

For a financial instrument at fair value with fixed interest rate, the fluctuations of market interest rate can only affect its interest income or expense.

Market interest rate at the balance sheet date is adopted to calculate fair value changes of derivative financial instruments and other financial assets and liabilities under discounted cash flow method.

Given that other variables are unchanged on the basis of above assumptions, the pre-tax effect on the profit or loss for the current period from possible and reasonable changes of interest rate are as follows:

RMB

Item	Interest rate changes	Period from January 1, to March 31, 2018		2017		2016	
		Effect on profits	Effect on owner's equity	Effect on profits	Effect on owner's equity	Effect on profits	Effect on owner's equity
Short-term borrowing and long-term borrowing	Increase by 1%	(140,692,450.00)	(140,692,450.00)	(87,836,275.52)	(87,836,275.52)	(64,167,990.50)	(64,167,990.50)
Short-term borrowing and long-term borrowing	Decrease by 1%	140,692,450.00	140,692,450.00	87,836,275.52	87,836,275.52	64,167,990.50	64,167,990.50

(IX) Risks associated with financial instruments-continued

1. Risk management objectives and policies - continued

1.2 Credit risk

As at March 31 2018, December 2017 and December 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the Consolidated Financial Information. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks but not the maximum exposure to risks; the maximum exposure to risks would vary according to the future changes in fair value.

Credit risk on trade debtors is managed by the management of the individual business units and monitored by the Group's management on a group basis. The Group's trade debtors are mainly contributed by ports operation where their customers are mainly sizable and renowned international liners or market leaders in their industries with manageable credit risk. The Group assesses the credit quality and sets corresponding credit period of other small customers by considering their financial position, credit record and other relevant factors. For trade debtors spotted as of higher credit risks, management of the Group implemented measures such as written reminders, tightened credit terms to ensure that the Group's overall credit risk is within controllable range.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group adopted necessary policies to make sure that all clients and customers are attributed with merit credit records.

1.3 Liquidity risk

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

The Group's funds are mainly sourced from the proceeds from operations and borrowings. As at March 31, 2018, December 31, 2017 and December 31, 2016, the amounts of committed bank loan and other debt financing instruments not yet used by the Group were RMB 18,956,114,738.18, RMB16,926,141,803.86 and RMB13,041,754,149.70 respectively.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(IX) Risks associated with financial instruments-continued

1. Risk management objectives and policies - continued

1.3 Liquidity risk - continued

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

RMB

Item	Carrying amount	Total amount	Within 1 year	1-5 years	more than 5 years
The non-derivative financial liabilities					
Short-term borrowings	5,373,220,000.00	5,412,869,223.08	5,412,869,223.08	-	-
Trade creditors	297,059,178.90	297,059,178.90	297,059,178.90	-	-
Interests payables	421,716,804.45	421,716,804.45	421,716,804.45	-	-
Dividend payables	79,589,368.51	79,589,368.51	79,589,368.51	-	-
Other payables	4,906,960,128.93	4,906,960,128.93	4,906,960,128.93	-	-
Current portion of non-current liabilities	2,390,538,300.01	2,741,549,669.98	2,741,549,669.98	-	-
Other current liabilities	281,486,184.03	292,598,010.51	292,598,010.51	-	-
Long-term borrowings	8,742,500,199.82	10,176,244,004.33	140,149,194.29	8,132,807,840.09	1,903,286,969.95
Notes payable	11,577,359,851.90	15,657,509,957.12	816,505,060.63	11,050,833,393.58	3,790,171,502.91
Long-term payables	431,049,851.27	434,594,881.76	61,517.17	61,086,914.13	373,446,450.46

December 31, 2017

RMB

Item	Carrying amount	Total amount	Within 1 year	1-5 years	more than 5 years
The non-derivative financial liabilities					
Short-term borrowings	2,580,000,000.00	2,617,630,091.10	2,617,630,091.10	-	-
Trade creditors	236,483,248.53	236,483,248.53	236,483,248.53	-	-
Interests payables	245,182,795.48	245,182,795.48	245,182,795.48	-	-
Dividend payables	41,285,781.00	41,285,781.00	41,285,781.00	-	-
Other payables	6,055,509,311.28	6,055,509,311.28	6,055,509,311.28	-	-
Current portion of non-current liabilities	2,373,757,748.47	2,709,417,168.29	2,709,417,168.29	-	-
Other current liabilities	285,472,328.45	295,099,038.43	295,099,038.43	-	-
Long-term borrowings	7,670,516,491.15	8,781,580,344.98	88,086,834.42	6,856,375,460.47	1,837,118,050.09
Notes payable	10,292,778,301.33	12,822,816,891.60	486,533,339.23	8,684,924,110.21	3,651,359,442.16
Long-term payables	442,883,174.68	447,653,756.41	-	75,754,342.78	371,899,413.63

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(IX) Risks associated with financial instruments-continued

1. Risk management objectives and policies - continued

1.3 Liquidity risk - continued

December 31, 2016

RMB

Item	Carrying amount	Total amount	Within 1 year	1-5 years	more than 5 years
The non-derivative financial liabilities					
Short-term borrowings	2,293,310,450.30	2,341,427,509.94	2,341,427,509.94	-	-
Trade creditors	162,426,426.57	162,426,426.57	162,426,426.57	-	-
Interests payables	150,798,611.09	150,798,611.09	150,798,611.09	-	-
Dividend payables	37,685,781.00	37,685,781.00	37,685,781.00	-	-
Other payables	2,116,621,432.59	2,116,621,432.59	2,116,621,432.59	-	-
Current portion of non-current liabilities	707,022,684.19	811,273,380.99	811,273,380.99	-	-
Other current liabilities	1,571,956,817.56	1,601,614,577.88	1,601,614,577.88	-	-
Long-term borrowings	4,907,694,818.05	5,815,265,224.45	84,140,820.46	3,460,693,966.80	2,270,430,437.19
Notes payable	9,646,354,568.16	12,305,188,499.81	485,591,848.00	4,288,099,633.88	7,531,497,017.93
Long-term payables	418,901,551.38	426,178,081.34	-	93,844,941.16	332,333,140.18

(X) Fair value

1. Fair value of assets and liabilities measured at fair value

RMB

Item	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
I. Continuing fair value measurement				
(I) Financial assets at fair value through profit and loss	2,365,050,756.31	-	648,618,607.68	3,013,669,363.99
(II) Equity instrument investment at fair value through other comprehensive income	-	-	83,110,818.61	83,110,818.61
Total assets measured at fair value continuously	2,365,050,756.31	-	731,729,426.29	3,096,780,182.60

RMB

Item	As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
I. Continuing fair value measurement				
(I) Available-for-sale financial assets	2,345,014,152.17	-	714,808,583.51	3,059,822,735.68
1. Equity instruments	2,345,014,152.17	-	714,808,583.51	3,059,822,735.68

(X) Fair value – continued

1. Fair value of assets and liabilities measured at fair value - continued

RMB

Item	As at December 31, 2016			
	Level 1	Level 2	Level 3	Total
I. Continuing fair value measurement				
(I) Available-for-sale financial assets	2,470,785,269.80	-	503,607,621.02	2,974,392,890.82
1. Equity instruments	2,470,785,269.80	-	503,607,621.02	2,974,392,890.82

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

The market price of available-for-sale financial assets and the financial assets at fair value through profit or loss is determined by Shanghai Stock Exchange and the Stock Exchange of Hong Kong closing price of equity instrument as at March 30, 2018, December 29, 2017 and December 30, 2016.

3. Basis for determining the fair value measured at fair value at level 3 continuously

The fair value of unlisted equity instruments in available-for-sale financial assets, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is determined using the listed company's comparative method. Under this method, the main input values of the valuation model include the stock price of the similar listed company and the multiple of the company's value, with discount and premium adjustment taken into account.

4. Information of financial assets and financial liabilities that are not measured at fair value

Financial assets and liabilities that are not measured at fair value mainly include short-term borrowings, account payables, long-term borrowings, notes payable, and long-term payables.

The management of the Group believes that the carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements approximates the fair value of these assets and liabilities.

Notes payable in an active market have their fair value determined based on the quoted prices in active markets. The fair value of long-term borrowings, long-term payables and notes payable that are not in an active market is determined by using the present value of the contracted future cash flow discounted according to the market's interest rate with comparable credit rating and providing almost the same cash flow under the same conditions.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and transactions

1. Parent Company

Name of the parent	Place of registration	Nature of business	Registered capital	Proportion of the entity's ownership interests held by the parent (%)	Proportion of the entity's voting power held by the parent (%)
March 31, 2018					
China Merchants Holdings (Hong Kong) Company Limited	Hong Kong	Investment holding and providing company Management service	HK\$5,436,216,090.00	45.31	61.72
CMG	China	Carry out transportation business, etc.	RMB16,700,000,000.00	45.41	61.81
December 31, 2017					
China Merchants Holdings (Hong Kong) Company Limited	Hong Kong	Investment holding and providing company Management service	HK\$5,436,216,090.00	45.31	61.72
CMG	China	Carry out transportation business, etc.	RMB16,700,000,000.00	45.41	61.81
December 31, 2016					
China Merchants Holdings (Hong Kong) Company Limited	Hong Kong	Investment holding and providing company Management service	HK\$5,436,216,090.00	43.77	54.67
CMG	China	Carry out transportation business, etc.	RMB16,500,000,000.00	43.88	54.78

Note: The Company's ultimate holding company is CMG.

2. Subsidiaries of the Company

The information of the subsidiaries is set out in Note (VIII) 1 to the Consolidated Financial Information.

3. Joint ventures and associates of the Company

The information of the significant joint ventures and associates is set out in Note (VIII) 2 to the Consolidated Financial Information.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

3. Joint ventures and associates of the Company - continued

The following is the other joint ventures or associates that have related party transactions with the Group during the current year/period, or whose previous related party transactions with the Group formed balances:

Name of joint venture or associate	Relationship with the Company
Khor Ambado FZCo	Associate
Tin-can Island Container Terminal Ltd.	Associate
Port de Djibouti S.A.	Associate
Terminal Link SAS	Associate
Great Horn Development Company FZCo	Associate
Chu Kong River Trade Terminal Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Modern Terminals Limited.	Associate
COSCO Shipping Agency (Zhangzhou) Co., Ltd.	Associate
Globex e-Services Co., Ltd.	Associate
Globex Trade Service Co., Ltd.	Associate
China Nanshan	Associate
QQCTU	Joint venture
Qingdao Qianwan West Port United Terminal Co., Ltd.	Joint venture
Zhanjiang Port (Group) Co., Ltd.	Joint venture

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

4. Other related parties of the Company

Name of other related parties	Relationships between other related parties and the Company
Sinotrans (NZ) Limited	Under common control by the ultimate holding company
Hong Kong SPV	Under common control by the ultimate holding company
CCT	Under common control by the ultimate holding company
Sinoway Shipping Limited	Under common control by the ultimate holding company
Euroasia Dockyard Enterprise and Development Limited	Under common control by the ultimate holding company
Shenzhen Chiwan	Under common control by the ultimate holding company
Shenzhen Chiwan Transportation Co., Ltd.	Under common control by the ultimate holding company
Shenzhen Nanyou (Holdings) Ltd.	Under common control by the ultimate holding company
Shenzhen Qianhai Pingfangyuan Development Co., Ltd.	Under common control by the ultimate holding company
Shenzhen China Merchants Venture Co., Ltd.	Under common control by the ultimate holding company
China Merchants Construction (Shenzhen) Co., Ltd.	Under common control by the ultimate holding company
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Under common control by the ultimate holding company
China Merchants Property Management (Shenzhen) Co., Ltd.	Under common control by the ultimate holding company
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Under common control by the ultimate holding company
China SPV	Under common control by the ultimate holding company
China Merchants International Cold Chain (Shenzhen) Co., Ltd.	Under common control by the ultimate holding company
China Merchants Group Finance Co., Ltd.	Under common control by the ultimate holding company
China Merchants Energy Shipping Co., Ltd.	Under common control by the ultimate holding company
China Merchants Shekou Holdings Co., Ltd.	Under common control by the ultimate holding company
China Merchants Logistics Holding (Fujian) Co., Ltd.	Under common control by the ultimate holding company
China Merchants Zhangzhou Development Zone Co., Ltd.	Under common control by the ultimate holding company
China Communications Import & Export Co., Ltd.	Under common control by the ultimate holding company
China Ocean Shipping Agency Shenzhen	Under common control by the ultimate holding company
Sinotrans South China Co., Ltd. (formerly known as Sinotrans Guangdong Co., Ltd.)	Under common control by the ultimate holding company
China Merchants Industry Holdings Co., Ltd.	Under common control by the ultimate holding company
China Merchants Bank Co., Ltd.	The ultimate holding company's associates

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

5. Related party transactions

(1) Related party transactions of purchase and sale of goods, rendering and receiving of services

Table of purchase of goods and receiving of services:

RMB

Company name	Content of Related party transaction	Period from January 1 to March 31, 2018	2017	2016
Shenzhen Chiwan	Service expenses	7,156,484.63	39,955,141.09	34,259,739.91
Qingdao Qianwan West Port United Terminal Co., Ltd.	Service expenses	5,809,766.53	16,832,662.07	31,638,015.97
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Service expenses	2,387,000.00	15,012,063.63	3,260,333.40
China Merchants Industry Holdings Co., Ltd.	Service expenses	1,884,835.03	9,182,821.83	10,225,887.35
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Purchase of goods	1,305,458.30	5,395,042.75	5,093,987.61
Sinoway Shipping Limited	Service expenses	381,711.56	7,861,796.11	-
China Merchants Construction (Shenzhen) Co., Ltd.	Service expenses	-	-	6,584,329.04
Other related parties	Service expenses, purchase of goods	4,351,489.58	12,659,816.71	5,500,802.99
Total		23,276,745.63	106,899,344.19	96,563,096.27

Table of sale of goods and rendering of services:

RMB

Company name	Content of Related party transaction	Period from January 1 to March 31, 2018	2017	2016
QQCTU	Service income	13,140,875.70	56,011,101.77	84,677,957.85
Globex e-Services Co., Ltd.	Service income	4,949,510.87	8,174,128.49	20,332,007.76
Qingdao Qianwan West Port United Terminal Co., Ltd.	Service income	4,015,932.66	15,378,330.78	14,032,152.89
China Ocean Shipping Agency Shenzhen	Service income	2,677,957.94	8,486,241.21	12,311,528.18
Khor Ambado FZCo	Service income	2,356,210.80	-	-
Sinotrans (NZ) Limited	Service income	2,007,571.09	8,994,813.95	-
China Merchants International Cold Chain (Shenzhen) Co., Ltd.	Service income	1,613,604.74	6,226,134.87	4,774,556.29
COSCO Shipping Agency (Zhangzhou) Co., Ltd.	Service income	1,440,501.41	5,417,274.27	5,069,527.00
Great Horn Development Company FZCo	Service income	1,045,805.86	9,947,871.61	19,605,535.78
Shenzhen Chiwan	Service income	1,021,068.41	14,920,554.40	11,156,415.16
Zhanjiang Port (Group) Co., Ltd.	Service income	461,298.83	1,356,499.96	3,328,489.15
Globex Trade Service Co., Ltd.	Service income	-	11,018,134.42	12,777,044.02
Port de Djibouti S.A.	Service income	-	5,686,674.06	20,905,067.11
Other related parties	Service income	11,839,508.08	57,385,325.73	34,647,819.63
Total		46,569,846.39	209,003,085.52	243,618,100.82

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

5. Related party transactions-continued

(2) Lease with related parties

The Group as the lessor

RMB

Name of lessee	Type of leased assets	Lease income in period from January 1 to March 31, 2018	Lease income in 2017	Lease income in 2016
CCT	Plants and buildings	3,085,910.89	3,310,510.98	3,496,916.28
Shenzhen Chiwan	Plants and buildings, Harbour works and dockyard	1,382,838.67	7,835,062.02	6,217,637.27
China Communications Import & Export Co., Ltd.	Plants and buildings	674,805.90	1,965,231.30	-
China Merchants Industry Holdings Co., Ltd.	Plants and buildings	543,908.69	2,439,540.40	-
Shenzhen Nanyou (Holdings) Ltd.	Plants and buildings	400,095.24	2,400,571.43	2,332,117.12
China Merchants Shekou Holdings Co., Ltd.	Land use right	-	1,319,460.00	3,078,740.00
Other related parties	Plants and buildings	787,251.27	2,118,659.41	772,080.72
Total		6,874,810.66	21,389,035.54	15,897,491.39

The Group as the lessee

RMB

Name of lessor	Type of leased assets	Lease payment for the period from January 1 to March 31, 2018	Lease payment in 2017	Lease payment in 2016
China Merchants Shekou Holdings Co., Ltd.	Land use right	10,649,139.03	41,973,260.20	31,703,216.95
Euroasia Dockyard Enterprise and Development Limited	Plants and buildings, land use right	3,142,609.35	12,938,008.64	12,767,889.50
CCT	Machinery and equipment, furniture, appliances and other equipment	1,480,043.42	1,880,906.20	1,882,718.48
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Plants and buildings	1,057,599.00	8,255,311.92	10,892,571.75
China Merchants Logistics Holding (Fujian) Co., Ltd.	Plants and buildings	731,132.08	4,386,792.48	4,149,318.46
China Merchants Property Management (Shenzhen) Co., Ltd.	Plants and buildings	331,217.77	17,183,410.93	9,836,190.14
China Merchants Qianhaiwan Property Co., Ltd.	Plants and buildings	-	-	3,362,481.50
Other related parties	Plants and buildings, Land use right	2,629,991.28	9,855,921.11	8,764,069.77
Total		20,021,731.93	96,473,611.48	83,358,456.55

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

5. Related party transactions-continued

(3) Guarantees with related parties

The Group as the guarantor

RMB

Name of the guaranteed	Guarantee facilities	Actual amount of guarantee	Starting date	Ending date	Fulfilled or not
March 31, 2018					
Terminal Link SAS	78,405,313.19	78,405,313.19	June 2013	2033	No
Terminal Link SAS	27,789,238.24	27,789,238.24	June 2013	2019	No
Port de Djibouti S.A.	74,079,050.00	44,447,430.00	June 14, 2016	June 14, 2019	No
Total	180,273,601.43	150,641,981.43			
December 31, 2017					
Terminal Link SAS	81,962,196.99	81,962,196.99	June 2013	2033	No
Terminal Link SAS	27,941,438.37	27,941,438.37	June 2013	2019	No
Port de Djibouti S.A.	76,776,850.00	53,743,795.00	June 14, 2016	June 14, 2019	No
Total	186,680,485.36	163,647,430.36			
December 31, 2016					
Terminal Link SAS	90,791,135.45	90,791,135.45	June 2013	2033	No
Terminal Link SAS	41,637,027.03	41,637,027.03	June 2013	2019	No
Port de Djibouti S.A.	81,509,750.00	81,509,750.00	June 14, 2016	June 14, 2019	No
Globex e-Services Co., Ltd.	10,000,000.00	4,135,670.00	April 14, 2016	April 13, 2017	Yes
Globex e-Services Co., Ltd.	10,000,000.00	4,135,670.00	May 5, 2016	May 4, 2017	Yes
Total	233,937,912.48	222,209,252.48			

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

5. Related party transactions-continued

(4) Financing with related parties

Financing received

RMB

Related party	Amount	Starting date	Ending date	Note
March 31, 2018				
China Merchants Group Finance Co., Ltd.	40,000,000.00	January 24, 2018	January 23, 2019	Fixed annual interest rate 4.74%
China Merchants Group Finance Co., Ltd.	30,000,000.00	February 6, 2018	February 5, 2019	Fixed annual interest rate 4.74%
Total	70,000,000.00			
December 31, 2017				
China Merchants Group Finance Co., Ltd.	1,000,000,000.00	March 24, 2017	March 23, 2018	Fixed annual interest rate 3.83%
China Merchants Group Finance Co., Ltd.	300,000,000.00	April 21, 2017	April 20, 2018	Fixed annual interest rate 4.35%
Port de Djibouti S.A.	230,331,618.08	November 12, 2017	November 11, 2018	Floating rate
China Merchants Group Finance Co., Ltd.	200,000,000.00	September 29, 2017	September 28, 2018	Fixed annual interest rate 4.35%
China Merchants Group Finance Co., Ltd.	150,000,000.00	November 16, 2017	November 15, 2018	Fixed annual interest rate 4.35%
China Merchants Group Finance Co., Ltd.	100,000,000.00	September 14, 2017	September 13, 2018	Fixed annual interest rate 4.35%
China Merchants Group Finance Co., Ltd.	80,000,000.00	December 18, 2017	December 18, 2018	Fixed annual interest rate 4.35%
Shenzhen Chiwan	55,000,000.00	October 23, 2017	October 22, 2018	Fixed annual interest rate 4.35%
Shenzhen Chiwan	40,000,000.00	November 23, 2017	November 22, 2018	Fixed annual interest rate 4.35%
China Merchants Group Finance Co., Ltd.	30,000,000.00	December 18, 2017	December 18, 2018	Fixed annual interest rate 4.35%
China Merchants Group Finance Co., Ltd.	30,000,000.00	June 22, 2017	June 21, 2018	Fixed annual interest rate 4.35%
Total	2,215,331,618.08			
December 31, 2016				
China Merchants Energy Shipping	50,000,000.00	January 28, 2016	January 28, 2019	Fixed annual interest rate 4.35%

Interest expense

RMB

Company name	Content of related party transaction	Period from January 1 to March 31, 2018	2017	2016
China Merchants Group Finance Co., Ltd.	Interest expenses	17,977,220.86	43,521,750.00	-
Port de Djibouti S.A.	Interest expenses	5,722,932.30	2,364,694.82	-
China Merchants Energy Shipping	Interest expenses	1,608,904.11	8,246,884.93	14,031,010.03
China Merchants Bank Co., Ltd.	Interest expenses	212,623.47	5,762,005.73	1,099,280.35
CMG	Interest expenses	-	4,318,767.12	28,215,319.06
Shenzhen Chiwan	Interest expenses	963,124.98	527,437.50	-
Total		26,484,805.72	64,741,540.10	43,345,609.44

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

5. Related party transactions-continued

(4) Financing with related parties-continued

Financing provided

RMB

Related party	Amount	Starting date	Ending date	Note
2017				
Khor Ambado FZCo	980,134,545.00	November 10, 2017	November 9, 2018	Floating rate
2016				
Tin-can Island Container Terminal Ltd.	99,468,593.44	June 9, 2016	June 8, 2017	Fixed annual interest rate 9%
Terminal Link SAS	8,960,516.42	January 1, 2016	January 1, 2021	Fixed annual interest rate 0.11%
Total	108,429,109.86			

Interest income

RMB

Company name	Content of related party transaction	Period from January 1 to March 31, 2018	2017	2016
Khor Ambado FZCo	Interest income	11,750,141.84	7,097,464.46	-
China Merchants Bank Co., Ltd.	Interest income	1,883,380.43	26,973,064.27	8,901,244.37
China Merchants Group Finance Co., Ltd.	Interest income	1,033,959.49	3,299,729.55	-
Modern Terminals Limited	Interest income	300,000.00	736,667.48	1,287,384.22
Tin-can Island Container Terminal Ltd.	Interest income	-	5,788,621.99	4,781,371.53
Other related parties	Interest income	347,218.95	1,392,665.75	24,500.00
Total		15,314,700.71	45,288,213.50	14,994,500.12

6. Key management compensation

RMB

Item	Amount in the period from January 1 to March 31, 2018	Amount in 2017	Amount in 2016
Key management compensation	2,171,874.78	16,488,758.13	11,894,498.81

Note: Key management compensation includes the salaries, bonuses, allowances and subsidies payable to the directors, supervisors and senior management staff of the Company, as well as the social insurance premiums, housing provident fund and MPF contributions paid by the Group for them.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

7. Amounts due from/to related parties

(1) Receivables

RMB

Related party	March 31, 2018	December 31, 2017	December 31, 2016
Cash and bank balances			
China Merchants Bank Co., Ltd.	490,077,050.83	793,779,770.50	634,077,548.60
China Merchants Group Finance Co., Ltd.	127,684,362.10	455,043,455.03	-
Total	617,761,412.93	1,248,823,225.53	634,077,548.60
Trade debtors			
Globex e-Services Co., Ltd.	5,586,291.94	3,508,011.61	1,042,845.35
QQCTU	5,399,850.79	4,929,217.77	6,102,961.93
Qingdao Qianwan West Port United Terminal Co., Ltd.	1,822,383.66	4,371,957.66	3,937,048.19
Port de Djibouti S.A.	1,269,657.51	1,423,786.05	10,836,691.93
Globex Trade Service Co., Ltd.	-	-	5,806,491.12
Other related parties	19,454,706.58	12,279,174.51	12,249,125.88
Total	33,532,890.48	26,512,147.60	39,975,164.40
Interests receivables			
Khor Ambado FZCo	18,268,111.26	6,848,478.86	-
Other related parties	783,547.76	477,422.76	556,294.20
Total	19,051,659.02	7,325,901.62	556,294.20
Dividend receivables			
China Nanshan	193,261,750.00	193,261,750.00	174,427,062.17
CCT	97,429,396.88	97,429,396.88	-
Modern Terminals Limited	31,417,386.79	-	-
Port de Djibouti S.A.	-	-	58,328,845.96
Total	322,108,533.67	290,691,146.88	232,755,908.13
Other receivables			
China SPV	2,873,873,144.46	4,105,533,063.51	4,105,533,063.51
Hong Kong SPV	415,338,208.47	617,265,905.34	660,538,763.40
Shenzhen Chiwan	74,084,437.52	74,664,101.30	1,112,182.58
Chu Kong River Trade Terminal Co., Ltd.	54,999,575.00	57,217,355.00	61,228,525.00
Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	34,300,000.00	34,300,000.00
Port de Djibouti S.A.	22,382,226.67	23,197,515.92	24,631,310.18
Other related parties	7,622,103.67	7,338,123.40	13,922,276.88
Total	3,482,599,695.79	4,919,516,064.47	4,901,266,121.55
Other current assets			
Khor Ambado FZCo	945,687,360.00	980,134,545.00	-
Modern Terminals Limited	120,000,000.00	120,000,000.00	120,000,000.00
Other related parties	-	-	99,468,593.44
Total	1,065,687,360.00	1,100,134,545.00	219,468,593.44

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

7. Amounts due from/to related parties - continued

(1) Receivables – continued

	RMB		
Related party	March 31, 2018	December 31, 2017	December 31, 2016
Long-term receivables			
Terminal Link SAS	9,630,371.02	9,669,034.35	8,960,516.42
Other non-current assets			
China Merchants Shekou Holdings Co., Ltd.	43,472,687.00	43,472,687.00	43,472,687.00

(2) Payables

	RMB		
Related party	March 31, 2018	December 31, 2017	December 31, 2016
Short-term borrowings			
China Merchants Group Finance Co., Ltd.	910,000,000.00	1,890,000,000.00	-
Trade creditors			
Euroasia Dockyard Enterprise and Development Limited	3,328,645.70	3,265,979.26	3,540,341.13
CCT	2,490,953.59	655,853.50	2,000,313.73
Shenzhen Chiwan Transportation Co., Ltd.	2,185,633.83	-	1,376,123.71
Qingdao Qianwan West Port United Terminal Co., Ltd.	1,182,903.23	4,069,171.94	9,395,316.01
Other related parties	3,552,197.52	5,330,628.81	2,849,601.95
Total	12,740,333.87	13,321,633.51	19,161,696.53
Contract liabilities			
Khor Ambado FZCo	3,211,339.68	-	-
Other related parties	349,053.04	-	-
Total	3,560,392.72	-	-
Accruals			
Great Horn Development Company FZCo	-	-	2,441,968.87
Other related parties	-	857,915.58	1,134,689.17
Total	-	857,915.58	3,576,658.04
Interests payables			
Port de Djibouti S.A.	7,880,728.00	2,286,980.61	-
China Merchants Group Finance Co., Ltd.	1,170,065.45	2,304,775.02	-
Other related parties	1,805,547.95	196,643.84	821,564.39
Total	10,856,341.40	4,788,399.47	821,564.39
Dividend payables			
Sinotrans South China Co., Ltd. (formerly known as Sinotrans Guangdong Co., Ltd.)	25,949,781.00	25,949,781.00	25,949,781.00

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XI) Related party relations and their transactions-continued

7. Amounts due from/to related parties - continued

(2) Payables - continued

Related party	RMB		
	31 March 2018	31 December 2017	31 December 2016
Other payables			
China Merchants Zhangzhou Development Zone Co., Ltd.	93,258,350.90	93,258,350.90	93,258,350.90
Shenzhen Chiwan	65,373,986.50	95,201,183.25	132,662.00
Terminal Link SAS	57,279,826.35	57,593,466.16	-
China Merchants Construction (Shenzhen) Co., Ltd.	36,752,490.18	36,991,325.43	91,988,235.16
China Merchants Property Management (Shenzhen) Co., Ltd.	15,136,427.81	12,090,083.93	-
China Merchants Shekou Holdings Co., Ltd.	9,203,170.63	10,000.00	-
CCT	3,536,957.53	7,001,549.91	5,233,832.59
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	2,425,284.29	8,376,487.09	3,260,333.40
Globex e-Services Co., Ltd.	543,767.17	262,549.17	11,241,025.60
Shenzhen Qianhai Pingfangyuanqu Development Co., Ltd.	-	-	515,808,451.00
Shenzhen China Merchants Venture Co., Ltd.	-	-	495,580,669.00
Other related parties	5,810,781.51	7,761,679.78	7,926,153.50
Total	289,321,042.87	318,546,675.62	1,224,429,713.15
Current portion of non-current liabilities			
China Merchants Energy Shipping Co., Ltd.	150,000,000.00	100,000,000.00	56,000,000.00
CMG	-	-	300,000,000.00
Total	150,000,000.00	100,000,000.00	356,000,000.00
Other current liabilities			
Port de Djibouti S.A.	222,236,529.60	230,331,618.08	-
Long-term borrowings			
China Merchants Energy Shipping Co., Ltd.	-	50,000,000.00	250,000,000.00

8. Other related party transactions

As described in Note (VI) 14 to the Consolidated Financial Information, the Company transferred all the issued shares of its wholly-owned subsidiary Soares Limited and the shareholder loans of Soares Limited outstanding on the closing date to China Merchants Industry in 2017. The total consideration for the sale of shares and assignment of the shareholder loan is HK\$8,739,191,243.79 (equivalent to RMB7,617,953,007.21).

As described in Note (VII) 3 to the Consolidated Financial Information, on September 25, 2015, the Group's wholly-owned subsidiary, Park Base Investments Limited, entered into an equity transfer agreement with Shenzhen Merchants Commercial Property Investment Co., Ltd. and 深圳招商理财服务有限公司 to acquire 100% equity of Shenzhen Jinyu Rongtai Investment Development Company Limited at RMB2,046,789,200.00. The above equity transfer transaction was completed in June 2016. In October 2016, the Group's wholly-owned subsidiary, China Merchants Port Development (Shenzhen) Company Limited entered into an equity transfer agreement with Shenzhen China Merchants Venture Co., Ltd. and Shenzhen Qianhai Pingfangyuanqu Development Co., Ltd. to acquire 100% equity of China Merchants Qianhaiwan Property Co., Ltd. at RMB2,528,472,800.00. The above equity transfer transaction was completed in December 2016.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XII) Share payment

(1) Total equity instruments granted during the year

RMB

Item	December 31, 2016
Total equity instruments granted during the year	None
Total equity instruments exercised during the year	70,000 shares
Total equity instruments forfeited during the year	12,842,000 shares
The exercise price of outstanding share options at the end of the year and residual life of the share options contracts	None

(2) Information on equity-settled share-based payment

RMB

Item	December 31, 2016
Method of determining the fair value of equity instruments on date of granting	Black-Scholes Option Pricing Model
The basis for determining the number of exercisable equity instruments	Make a best estimate based on the latest changes in the number of employees with exercise rights
The reasons for the significant difference between the current estimates and the previous estimates	None
Cumulative amount of equity-settled share payment recorded into capital reserve	None
Total confirmed amount of equity-settled share payment in current year	None

(3) On May 25, 2016, the Company's share options granted on May 25, 2006 have expired.

(XIII) Commitments and contingencies

1. Significant commitments

(1) Capital commitment

Capital commitments that have been contracted for but have not been recognised in the financial statements are as follows;

RMB

Item	March 31, 2018	December 31, 2017	December 31, 2016
Capital commitments that have been entered into but have not been recognised in the Consolidated Financial Information			
- Commitment for acquisition of long-term assets	4,613,701,184.78	2,607,694,830.14	790,689,738.77
- Commitment on external investment	-	6,041,990,163.16	59,500,000.00
Including: unconfirmed commitments related to investment in associates	-	-	56,000,000.00
- Investment on ports projects	2,937,446,165.92	5,227,385.04	518,171,367.77
Others	53,289,261.33	49,817,109.61	681,416,016.98
Total	7,604,436,612.03	8,704,729,487.95	2,049,777,123.52

(XIII) Commitments and contingencies - continued

1. Significant commitments - continued

(2) Operating lease commitments

As of the reporting date, the Group had the following commitments in respect of non-cancellable operating leases:

Item	RMB		
	March 31, 2018	December 31, 2017	December 31, 2016
Minimum lease payments under non-cancellable operating leases:			
First year subsequent to the reporting date	113,940,910.02	119,276,104.43	100,226,637.16
Second year subsequent to the reporting date	81,657,464.63	98,745,632.17	45,455,694.37
Third year subsequent to the reporting date	36,580,541.96	38,618,024.61	39,104,952.27
More than 3 years	1,451,140,773.95	1,504,048,116.27	1,636,910,805.81
Total	1,683,319,690.56	1,760,687,877.48	1,821,698,089.61

2. Contingencies

As at March 31, 2018, December 31, 2017 and December 31, 2016, the Group made a commitment to the other shareholder of Terminal Link SAS, an associated company of the Group, in relation to providing guarantee for the bank loans and other liabilities to Terminal Link SAS, to the limit of 49% equity held in the associate by the Group. The actual guaranteed amounts were RMB106,194,551.43, RMB109,903,635.36 and RMB132,428,162.48 respectively. If relevant guarantee liability is incurred, the Group shall make compensation.

In addition to the above contingencies, the Group also provides guarantees for bank facilities granted to and other obligations borne by associates of the Group. As at March 31, 2018, December 31, 2017 and December 31, 2016, the total amounts of loans guaranteed by the Group were RMB 74,079,050.00, RMB 76,776,850.00 and RMB 101,509,750.00 respectively, and the amount utilised by the relevant associates amounted to RMB44,447,430.00, RMB53,743,795.00 and RMB89,781,090.00 respectively.

At the end of each reporting period, the directors of the Group assessed the default risk of the affiliate companies in relation to the above loans and other liabilities, and considered that the risk was not significant and the probability of occurrence of guarantee compensation was insignificant.

Except for the above contingent events, as at March 31, 2018, December 31, 2017 and December 31, 2016, the Group had no other major guarantees or other contingencies.

(XIV) Events after the reporting period

On February 6, 2018, the Group and China Merchants Union (BVI) Limited (hereinafter referred to as “CMU”) and its wholly-owned subsidiary, Gold Newcastle Property Holding Pty Limited (hereinafter referred to as “Gold Newcastle”), entered into an acquisition agreement regarding the sales and purchase of shareholding of Port of Newcastle, whereby the Group purchases 100% of Gold Newcastle and 50% of Port of Newcastle from CMU and Gold Newcastle. The total amount of consideration and the shareholder's loan with the principal amount of AUD 162.5 million lend by CMU to the Port of Newcastle, were AUD607.5 million.

Port of Newcastle is made up of a number of entities and trusts. Through the lease and sublease, Port of Newcastle acquires all the rights and interests of Australia's largest port on the East Coast for approximately 98 years from May 30, 2014. The remaining 50% interest in Port of Newcastle is held by an independent third party. Gold Newcastle is an entity established by CMU in Australia and its purpose is to hold certain assets (including the Port of Newcastle).

The above equity transfer was completed on June 14, 2018.

(XV) Other significant Events

1. Segment reporting

(1) Basis for determining and accounting treatments of reporting segments

The key management team of the Company is regarded as the Chief operating decision – maker (“CODM”), who reviews the Group’s internal reports in order to assess performance, allocate resources and determine the operating segments.

The CODM manages the Group’s operations by divisions from both business and geographic perspectives.

From business and financial perspectives, management assesses the performance of the Group’s business operations including ports operation, bonded logistics operation, port-related manufacturing 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 reportable segments of the ports operation are as follows:

(1) Mainland China, Hong Kong, and Taiwan

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

(XV) Other significant matters-continued

1. Segment reporting-continued

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

Bonded logistics operation

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

Port-related manufacturing operation

Port-related manufacturing operation represents container manufacturing operated by the Group's associate.

Other operations

Other operations mainly include property development and investment and construction of modular housing operated by the Group's associate, property investment operated by the Group and corporate function.

Each of the segments under ports operation include the operations of a number of ports in various locations within the geographic locations, each of which is considered as a separate operating segment by the CODM. For the purpose of segment reporting, these individual operating segments have been aggregated into reportable segments on geographic basis in order to present a more systematic and structured segment information. To give details of each of the operating segments, in the opinion of the directors of the Company, would result in particulars of excessive length.

Bonded logistics operation and other operations include a number of different operations, each of which is considered as a separate but insignificant operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated according to the natures of their operations to give rise to more meaningful presentation.

There are no material sales or other transactions between the segments.

As at March 31, 2018, December 31, 2017 and December 31, 2016, approximately 63%, 71%, and 78% of the Group's non-current assets (excluding financial instruments and deferred income tax assets) were located in mainland China.

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XV) Other significant matters-continued

1. Segment reporting-continued

(3) Segment financial information

The segment information for the period from January 1 to March 31, 2018 is as follows:

RMB

Item	Ports operation						Bonded logistics operation	Port related manufacturing operation	Other operations		Total
	Mainland China, Hong Kong, and Taiwan				Other locations	Sub-total			Property development and investment	Undistributed amount	
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others							
Revenue arising from external transaction	786,613,267.01	-	15,453,027.79	161,450,473.07	628,176,062.92	1,591,692,830.79	84,106,563.28	-	26,605,967.72	-	1,702,405,361.79
Interest income	1,125,760.44	233,318.79	38,819.39	8,657,391.01	19,565,509.74	29,620,799.37	211,690.35	-	168,905.47	27,719,860.93	57,721,256.12
Interest expenses	3,609,186.81	-	-	11,671,246.61	124,030,143.62	139,310,577.04	8,294,109.31	-	8,688,741.67	211,161,077.30	367,454,505.32
Gains from investment in associates and joint ventures	40,528,044.26	469,459,418.46	35,676,050.08	(3,379,319.95)	151,399,815.77	693,684,008.62	5,384,823.84	-	(15,394,512.21)	-	683,674,320.25
Assets impairment loss	(123,042.75)	-	-	-	473,176.25	350,133.50	-	-	-	-	350,133.50
Depreciation and amortisation	122,593,427.22	-	507,566.56	66,635,951.19	177,291,231.22	367,028,176.19	20,053,013.95	-	47,002,357.89	5,705,819.38	439,789,367.41
Total profit	335,932,841.44	574,946,074.69	56,744,105.74	(10,468,128.70)	248,215,806.25	1,205,370,699.42	22,494,275.87	-	(48,481,935.85)	(218,493,961.99)	960,889,077.45
Taxation	67,174,534.17	30,430,135.35	1,476,653.00	855,082.76	19,587,770.92	119,524,176.20	5,182,702.21	-	464,408.86	9,660.20	125,180,947.47
Net profit	268,758,307.27	544,515,939.34	55,267,452.74	(11,323,211.46)	228,628,035.33	1,085,846,523.22	17,311,573.66	-	(48,946,344.71)	(218,503,622.19)	835,708,129.98
Total assets	19,712,409,425.12	24,313,713,941.67	6,145,882,782.93	11,740,490,966.67	40,811,144,309.07	102,723,641,425.46	2,581,185,930.12	-	10,874,828,329.92	2,918,072,464.42	119,097,728,149.92
Total liabilities	1,856,562,177.34	548,520,744.80	106,556,378.64	2,260,571,713.78	17,968,786,734.46	22,740,997,749.02	885,245,673.88	-	1,284,801,589.84	19,703,909,089.91	44,614,954,102.65

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XV) Other significant matters-continued

1. Segment reporting-continued

(3) Segment financial information-continued

The segment information for the year ended 31 December 2017 is as follows:

RMB

Item	Ports operation						Bonded logistics operation	Port related manufacturing operation	Other operations		Total
	Mainland China, Hong Kong, and Taiwan				Other locations	Sub-total			Property development and investment	Undistributed amount	
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Other							
Revenue arising from external transaction	3,198,815,297.91	-	66,539,748.13	455,177,970.94	1,508,304,364.44	5,228,837,381.42	355,133,637.25	-	84,484,602.20	-	5,668,455,620.87
Interest income	19,633,836.74	1,018,265.96	213,293.25	15,802,460.88	6,769,081.14	43,436,937.97	863,361.71	-	326,550.15	63,957,924.78	108,584,774.61
Interest expenses	14,937,197.98	-	-	36,505,688.22	213,684,160.22	265,127,046.42	35,810,062.61	-	39,723,297.81	775,151,457.76	1,115,811,864.60
Gains from investment in associates and joint ventures	188,477,601.69	3,082,833,922.15	313,911,745.05	(21,265,810.34)	602,529,396.21	4,166,486,854.76	(3,195,040.32)	165,369,876.99	351,304,089.64	-	4,679,965,781.07
Assets impairment loss	(3,507,513.47)	-	640,650,658.38	231,796.66	(608,695.83)	636,766,245.74	16,332.87	-	-	-	636,782,578.61
Depreciation and amortisation	486,584,650.63	-	1,664,934.72	168,664,589.47	376,907,151.78	1,033,821,326.60	82,551,719.61	-	183,946,571.68	15,201,247.20	1,315,520,865.09
Total profit	1,159,973,000.45	3,421,921,369.18	(294,404,331.20)	(68,705,099.65)	854,297,909.57	5,073,082,848.35	73,884,711.95	916,158,805.67	393,132,228.93	(1,071,142,543.17)	5,385,116,051.73
Taxation	166,370,849.11	169,489,318.12	13,885,086.37	2,837,544.17	55,157,117.99	407,739,915.76	22,160,951.66	14,592,009.41	23,373,494.01	(11,039,722.60)	456,826,648.24
Net profit	993,602,151.34	3,252,432,051.06	(308,289,417.57)	(71,542,643.82)	799,140,791.58	4,665,342,932.59	51,723,760.29	901,566,796.26	369,758,734.92	(1,060,102,820.57)	4,928,289,403.49
Total assets	16,558,942,987.64	23,701,868,328.23	6,476,084,971.00	11,544,340,961.58	27,471,570,441.28	85,752,807,689.73	2,637,786,663.34	-	10,675,754,970.25	9,630,715,840.57	108,697,065,163.89
Total liabilities	2,090,431,268.30	550,096,241.93	108,542,623.63	2,623,670,949.99	10,331,840,488.77	15,704,581,572.62	942,325,442.34	-	1,263,320,922.54	16,730,940,339.57	34,641,168,277.07

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XV) Other significant matters-continued

1. Segment reporting-continued

(3) Segment financial information-continued

The segment information for the year ended 31 December 2016 is as follows:

RMB

Item	Ports operation						Bonded logistics operation	Port related manufacturing operation	Other operations		Total
	Mainland China, Hong Kong, and Taiwan				Other locations	Sub-total			Property development and investment	Undistributed amount	
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Other							
Revenue arising from external transaction	3,168,649,016.90	-	90,886,816.57	309,829,704.16	1,051,733,390.24	4,621,098,927.87	346,962,407.70	-	1,070,205.57	-	4,969,131,541.14
Interest income	9,653,581.87	155,211.67	98,383.83	1,850,983.79	15,084,162.11	26,842,323.27	557,405.14	10,048.08	44,463.74	18,676,130.06	46,130,370.29
Interest expenses	12,085,562.03	-	9,502.16	28,881,206.37	191,236,390.82	232,212,661.38	26,498,857.13	-	3,893,812.50	523,907,170.27	786,512,501.28
Gains from investment in associates and joint ventures	164,098,635.98	1,823,210,992.72	284,046,063.94	(37,549,771.74)	497,560,284.14	2,731,366,205.04	(985,909.83)	90,636,109.20	218,280,081.08	-	3,039,296,485.49
Assets impairment loss	25,725,883.89	-	-	78,672.38	(2,605,793.42)	23,198,762.85	24,937.04	-	-	-	23,223,699.89
Depreciation and amortisation	476,821,030.72	-	947,420.51	103,772,033.15	331,658,944.23	913,199,428.61	78,025,343.56	-	9,302,142.53	12,224,982.85	1,012,751,897.55
Total profit	1,240,478,028.51	2,512,865,544.05	314,956,491.42	11,345,060.40	1,026,517,157.67	5,106,162,282.05	96,970,800.10	89,551,112.57	183,883,987.03	(833,506,153.22)	4,643,062,028.53
Taxation	311,873,012.18	63,753,135.91	17,091,278.54	10,514,013.33	88,724,227.43	491,955,667.39	17,627,922.24	12,051,945.41	16,242,407.42	(22,081,492.63)	515,796,449.83
Net profit	928,605,016.33	2,449,112,408.14	297,865,212.88	831,047.07	937,792,930.24	4,614,206,614.66	79,342,877.86	77,499,167.16	167,641,579.61	(811,424,660.59)	4,127,265,578.70
Total assets	15,747,885,367.75	1,070,473,706.47	19,812,320,910.35	11,104,318,614.03	17,980,583,441.25	65,715,582,039.85	2,586,245,076.47	7,014,359,463.91	9,981,947,120.36	5,920,545,593.11	91,218,679,293.70
Total liabilities	1,658,487,725.45	38,570,175.25	530,768,697.96	1,258,894,464.42	6,051,688,557.58	9,538,409,620.66	1,034,372,787.43	226,301,020.37	2,946,485,373.01	11,988,647,696.78	25,734,216,498.25

China Merchants Port Holdings Company Limited

Notes to the Consolidated Financial Information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

(XV) Other significant matters-continued

1. Segment reporting-continued

(3) Segment financial information-continued

The Group's total revenue from external transactions and non-current assets other than financial assets and deferred tax assets in China and other countries are as follows:

		RMB	
Revenue from external transactions	Period from January 1 to March 31, 2018	2017	2016
Mainland China, Hong Kong, and Taiwan	1,074,229,298.87	4,160,151,256.43	3,917,398,150.90
Pearl River Delta	872,950,320.93	3,532,785,173.36	3,426,142,833.08
Yangtze River Delta	-	-	-
Bohai Rim	39,828,504.87	172,188,112.13	181,425,613.66
Others	161,450,473.07	455,177,970.94	309,829,704.16
Other locations	628,176,062.92	1,508,304,364.44	1,051,733,390.24
Total	1,702,405,361.79	5,668,455,620.87	4,969,131,541.14

		RMB	
Non-current assets	March 31, 2018	December 31, 2017	December 31, 2016
Mainland China, Hong Kong, and Taiwan	65,220,631,401.99	64,739,102,667.98	61,717,297,885.25
Pearl River Delta	27,037,697,162.38	27,345,629,581.32	33,768,941,592.41
Yangtze River Delta	21,833,476,207.56	21,204,548,605.13	16,851,050,915.91
Bohai Rim	6,322,387,763.08	6,271,516,876.96	6,486,812,669.54
Others	10,027,070,268.97	9,917,407,604.57	4,610,492,707.39
Other locations	37,853,427,709.41	26,038,093,607.43	17,041,268,235.84
Total	103,074,059,111.40	90,777,196,275.41	78,758,566,121.09

China Merchants Port Holdings Company Limited

Supplementary information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

1. Extraordinary gains and losses

RMB

Item	Amount
Period from January 1 to March 31, 2018	
Gains or losses on disposal of non-current assets	(2,298,190.92)
The government grants recognised 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)	13,004,492.78
Fund possession cost charged on non-financial enterprises recognised in profit or loss	12,097,360.79
Gains or losses from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities relating to the Group's ordinary activities.	137,919,530.28
Reversal accounts receivable provided for bad debts on an individual basis.	387,226.58
Gains or losses from entrusted loans	300,000.00
Other non-operating income or expenses other than above	6,035,577.75
Tax effects	(6,212,043.90)
Effects of non-controlling interest (after tax)	(1,944,151.56)
Total	159,289,801.80

Item	Amount
2017	
Gains or losses on disposal of non-current assets	750,073,487.72
The government grants recognised 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)	42,797,114.08
Fund possession cost charged on non-financial enterprises recognised in profit or loss	14,278,752.20
Gains or losses from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities relating to the Group's ordinary activities.	265,589,701.73
Reversal accounts receivable provided for bad debts on an individual basis.	6,184,546.95
Gains or losses from entrusted loans	736,667.48
Other non-operating income or expenses other than above	(23,958,367.70)
Tax effects	(34,444,463.22)
Effects of non-controlling interest (after tax)	(5,011,935.17)
Total	1,016,245,504.07

China Merchants Port Holdings Company Limited

Supplementary information

Period from January 1 to March 31, 2018, year ended December 31, 2017 and 2016

1. Extraordinary gains and losses - continued

RMB

Item	Amount
2016	
Gains or losses on disposal of non-current assets	4,791,593.38
The government grants recognised 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)	70,605,282.85
Fund possession cost charged on non-financial enterprises recognised in profit or loss	4,805,871.53
Gains or losses from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities relating to the Group's ordinary activities.	438,378,397.94
Reversal accounts receivable provided for bad debts on an individual basis.	714,983.60
Gains or losses from entrusted loans	1,287,384.22
Other non-operating income or expenses other than above	622,247,207.14
Tax effects	(66,213,518.62)
Effects of non-controlling interest (after tax)	(203,962,365.52)
Total	872,654,836.52

Appendix 2

CERTAIN KEY OPERATING DATA AND MANAGEMENT COMMENTARY

Capacity, Outputs and Sales

Type	January - March 2018 Throughput	2017 Throughput	2016 Throughput
Total throughput of container terminals (10,000 TEUs)	2,476.07	9,952.84	9,216.13
Throughput of major controlling container terminals (10,000 TEUs)	337.66	1,252.61	1,076.14
Equity throughput of containers (10,000 TEUs)	772.72	3,028.17	2,703.20
Total throughput of bulk cargo (10,000 tonnes)	11,868.06	48,606.32	44,104.25
Total throughput of bulk cargo of major controlling terminals (10,000 tonnes)	783.20	2,728.04	2,233.95

Note: Equity throughput=throughput of the controlling subsidiaries of the Group*100%+throughput of investee companies*the proportion of direct or indirect investment by the Group; Throughput of major controlling terminals=throughput of the controlling subsidiaries of the Group*100%; Total throughput=throughput of the controlling subsidiaries of the Group*100%+throughput of investee companies*100%

Revenue generated from the Top 5 Customers

Name of customers	January - March 2018	
	Sales Amount (RMB10,000)	Proportion of operating income
The largest customer for the first quarter of 2018	20,666.85	12.14%
The second largest customer for the first quarter of 2018	9,102.57	5.35%
The third largest customer for the first quarter of 2018	7,346.54	4.32%
The fourth largest customer for the first quarter of 2018	6,751.47	3.97%
The fifth largest customer for the first quarter of 2018	6,559.67	3.84%
Total	50,427.10	29.62%
Name of customers	2017	
	Sales Amount (RMB10,000)	Proportion of operating income
The largest customer for 2017	76,560.45	13.51%
The second largest customer for 2017	33,735.09	5.95%
The third largest customer for 2017	26,813.91	4.73%
The fourth largest customer for 2017	20,412.37	3.60%
The fifth largest customer for 2017	20,265.73	3.57%
Total	177,787.55	31.36%
Name of customers	2016	
	Sales Amount (RMB10,000)	Proportion of operating income
The largest customer for 2016	47,763.55	9.61%
The second largest customer for 2016	29,253.51	5.89%
The third largest customer for 2016	21,273.16	4.28%
The fourth largest customer for 2016	20,354.37	4.10%
The fifth largest customer for 2016	17,210.87	3.46%
Total	135,855.46	27.34%

Certain Financial effects from the Company’s Acquisition of TCP Participações S.A. (“TCP”)

As a result of the completion of acquisition of TCP by the Group during the first quarter of 2018, the financial position of TCP is included in the consolidation scope of the Group during the first quarter of 2018 for the preparation of the PRCGAAP Consolidated Financial Information. With the inclusion of TCP by the Group, the value of the intangible assets and the long-term payables of the Group have increased by approximately RMB8,230,510,700 and RMB3,266,392,000, respectively.

The deferred tax liabilities of the Group as at 31 March 2018 is approximately RMB3,758,161,500, with an increase of approximately RMB1,803,078,400 from the deferred tax liabilities of the Group as at 31 December 2017. The main reason for such increase also attributes to the inclusion of TCP by the Group during the first quarter of 2018.

Income from long-term equity investments

(RMB10,000)

Name of companies	Type of investment return	January - March 2018	2017	2016
Ningbo Zhoushan Port Co., Ltd. (“ Ningbo Port ”)	Investment return from holding available-for-sale financial assets	—	3,064.01	5,089.86
Others	Investment return from holding available-for-sale financial assets	—	3,327.63	3,792.55
China International Marine Containers (Group) Co., Ltd. (“ CIMC ”)	Investment return from long-term equity investment under equity method	—	16,536.99	9,063.61
Shanghai International Port (Group) Co., Ltd. (“ SIPG ”)	Investment return from long-term equity investment under equity method	43,718.11	298,668.13	172,768.17
China Nanshan Development (Group) Incorporation (“ China Nanshan ”)	Investment return from long-term equity investment under equity method	100.87	38,048.69	24,640.44
Other associates	Investment return from long-term equity investment under equity method	14,893.43	81,335.84	72,040.89

(RMB10,000)

Name of companies	Type of investment return	January - March 2018	2017	2016
Euro-Asia Oceangate S. à r.l.	Investment return from long-term equity investment under equity method	2,206.61	7,410.73	1,717.59
Zhanjiang Port (Group) Co., Ltd.	Investment return from long-term equity investment under equity method	(585.54)	(3,251.56)	(4,110.38)
Qingdao Qianwan United Container Terminal Co., Ltd. (“QQCTU”)	Investment return from long-term equity investment under equity method	3,476.60	16,365.59	15,068.90
Other joint ventures	Investment return from long-term equity investment under equity method	4,557.35	12,882.18	12,740.43
CIMC	Investment return from disposal of long-term equity investment	—	75,078.89	—
Ningbo Port	Investment return from disposal of available-for-sale financial assets	—	26,558.97	43,837.84
Total		68,367.43	576,026.09	356,649.90

The investment returns mainly represent investment return from long-term equity investment of the Group’s joint ventures and associates under equity method. The businesses of such companies, including SIPG, China Nanshan and QQCTU, were highly relevant to the principal business of the Group.