



CHINA MERCHANTS PORT GROUP CO., LTD.
THE REPORT FOR THE FIRST QUARTER OF 2020

Date of Disclosure: 30 April 2020

Part I Important Notes

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

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

Bai Jingtao, the Company’s legal representative, Wen Ling, the Company’s Chief Financial Officer, and Sun Ligan, the person-in-charge of the accounting organ hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

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

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

Definitions

Term	Definition
The “Company”, “CMPort” or “we”	China Merchants Port Group Co., Ltd., formerly known as “Shenzhen Chiwan Wharf Holdings Limited”
CMG	China Merchants Group Co., Limited
CMID	China Merchants Investment Development Company Limited
CMPort Holdings	China Merchants Port Holdings Company Limited (00144.HK)
Broadford Global	Broadford Global Limited, a wholly-owned subsidiary of CMG Hong Kong
CMGD	China Merchants Gangtong Development (Shenzhen) Co., Ltd., a Broadford Global Wholly-owned subsidiary in Shenzhen
Zhanjiang Port	Zhanjiang Port (Group) Co., Ltd.
TCP	TCP Participações S.A.
Haixing Harbor	Shenzhen Haixing Harbor Development Co., Ltd.
SZSE	Shenzhen Stock Exchange
CMG Finance	China Merchants Group Finance Co., Ltd.
The cninfo website	www.cninfo.com.cn
TEU	Twenty Foot Equivalent Unit
RMB RMB’0,000 RMB’00,000,000	Expressed in the Chinese currency of Renminbi Expressed in tens of thousands of Renminbi Expressed in hundreds of millions of Renminbi (unless otherwise specified)

Part II Key Corporate Information

I Key Accounting Data and Financial Information

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

Yes No

	Q1 2020	Q1 2019	Change (%)
Operating revenue (RMB)	2,886,025,618.74	2,702,894,522.99	6.78%
Net profit attributable to the listed company's shareholders (RMB)	149,871,785.99	814,944,249.12	-81.61%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	199,867,940.76	262,409,245.18	-23.83%
Net cash generated from/used in operating activities (RMB)	847,165,371.60	1,148,963,121.64	-26.27%
Basic earnings per share (RMB/share)	0.08	0.45	-82.22%
Diluted earnings per share (RMB/share)	0.08	0.45	-82.22%
Weighted average return on equity (%)	0.42%	2.62%	-2.20%
	31 March 2020	31 December 2019	Change (%)
Total assets (RMB)	159,316,790,017.99	156,696,917,845.87	1.67%
Equity attributable to the listed company's shareholders (RMB)	35,468,379,630.77	35,972,804,419.42	-1.40%

Total share capital up to the former trading date before the disclosure:

Total share capital up to the former trading date before the disclosure (share)	1,922,365,124
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Fully diluted EPS calculated by the newest share capital:

Fully diluted EPS calculated by the newest share capital (RMB/share)	0.08
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Exceptional gains and losses:

Unit: RMB

Item	Q1 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	13,807,774.32	
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	34,972,514.35	

Capital occupation charges on non-financial enterprises that are recorded into current profit or loss	298,788.06	
Gain or loss on fair-value changes in held-for-trading financial assets and liabilities, as well as derivative financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities, derivative financial assets and liabilities, as well as investments in other debt obligations (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	-188,668,882.47	Gain or loss on fair value changes arising from holding of financial assets and financial liabilities at fair value through profit or loss in this year
Non-operating income and expense other than the above	-4,404,495.99	
Less: Income tax effects	-18,033,291.35	
Non-controlling interests effects (net of tax)	-75,964,855.61	
Total	-49,996,154.77	--

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

Applicable Not applicable

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 31 March 2020

1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Number of ordinary shareholders at the period-end	35,454 (including 24,213 A-shareholders and 11,241 B-shareholders)	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0		
Top 10 shareholders					
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen
CHINA MERCHANTS INVESTMENT DEVELOPMENT COMPANY LIMITED	Foreign legal person	59.75%	1,148,648,648	1,148,648,648	0
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	State-owned legal person	19.29%	370,878,000	0	0
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	Fund and wealth management products	3.37%	64,850,182	64,850,182	0
CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	3.33%	64,102,564	64,102,564	0

BROADFORD GLOBAL LIMITED	State-owned legal person	2.88%	55,314,208	0	0
CMBLSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign legal person	1.37%	26,423,854	0	Unknown
NORGES BANK	Foreign legal person	0.15%	2,802,863	0	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned legal person	0.12%	2,401,255	0	Unknown
MAI SHUQING	Domestic natural person	0.12%	2,376,747	0	Unknown
SHEN HUAILING	Domestic natural person	0.08%	1,519,849	0	Unknown
Top 10 unrestricted shareholders					
Name of shareholder	Unrestricted shares held	Shares by type			
		Type	Shares		
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	370,878,000	RMB-denominated ordinary stock	370,878,000		
BROADFORD GLOBAL LIMITED	55,314,208	Domestically listed foreign stock	55,314,208		
CMBLSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	26,423,854	Domestically listed foreign stock	26,423,854		
NORGES BANK	2,802,863	Domestically listed foreign stock	2,802,863		
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,401,255	Domestically listed foreign stock	2,401,255		
MAI SHUQING	2,376,747	RMB-denominated ordinary stock	2,376,747		
SHEN HUAILING	1,519,849	Domestically listed foreign stock	1,519,849		
Hong Kong Securities Clearing Company Ltd.	1,444,562	RMB-denominated ordinary stock	1,444,562		
INDUSTRIAL AND COMMERCIAL BANK OF CHINA-FULLGOAL CHINA SECURITIES DIVIDEND INDEX STRENGTHEN SECURITIES INVESTMENT FUND	1,260,101	RMB-denominated ordinary stock	1,260,101		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	1,232,036	Domestically listed foreign stock	1,232,036		
Related or acting-in-concert parties among the shareholders above	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a majority-owned subsidiary of Broadford Global Limited, and Broadford Global Limited is the controlling shareholder of China Merchants Investment Development Company Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.				

Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A
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Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes No

No such cases in the Reporting Period.

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Significant Events

I Changes in Key Financial Statement Line Items and Explanation of why

Unit: RMB

Item	31 March 2020	31 December 2019	Change (%)	Explanation of why
Notes receivable	13,007,640.85	38,192,250.02	-65.94%	Recovery of notes receivable of the Reporting Period at maturity
Accounts receivable financing	174,011,799.01	260,760,537.45	-33.27%	Recovery of bank acceptance bills of the Reporting Period measured at fair value at maturity and endorsement thereof
Prepayments	76,914,879.35	55,034,019.81	39.76%	Payments for premiums and purchase of Haixing Project in the Reporting Period
Long-term receivables	4,021,933,363.76	1,098,831,799.90	266.02%	Providing Phase I loan for Terminal Link SAS (hereinafter referred to as "TL") in the Reporting Period
Short-term borrowings	14,990,822,099.43	9,439,099,793.47	58.82%	New short-term borrowings used for supplementing working capital in the Reporting Period
Item	Q1 2020	Q1 2019	Change (%)	Explanation of why
Other income	34,953,625.15	20,798,769.01	68.06%	Receiving rebates of unemployment insurance from the government for enterprises influenced by the epidemic in the Reporting Period
Investment income	660,950,054.33	1,491,659,164.10	-55.69%	Realizing the control over Zhanjiang Port in February of last year and recognizing investment income at fair value for the original long-term equity investment in Zhanjiang Port under equity method, but there is no such case in the Reporting Period
Gain on changes in fair value	-188,668,882.47	803,456,059.74	-123.48%	Decrease in net gain on fair value of held-for-trading financial assets held in the Reporting Period
Income tax expense	170,136,660.26	428,680,888.19	-60.31%	Decrease in deferred income tax liabilities caused by the YoY decrease in gain on changes in fair value of equity held
Cash generated from other operating activities	198,076,000.45	437,792,411.01	-54.76%	Receiving the government subsidy for the western channel in Q1 2019 but there is no such case in the Reporting Period

Cash receipts from investments income	211,664,358.76	78,044,109.23	171.21%	Increase in dividend income and interest of project borrowings obtained in the Reporting Period
Cash paid for investments	2,746,841,398.03	415,845,100.00	560.54%	Paying TL the Phase I MCB in the Reporting Period
Other cash payments relating to investing activities	3,792,979,774.69	255,659,104.33	1383.61%	Paying TL the Phase I loan in the Reporting Period
Cash generated from absorbing investments	-	460,518,459.96	-100.00%	Receiving equity investments by Zhanjiang Port from minority interests in Q1 2019 and there is no such case in the Reporting Period.
Cash generated from borrowings obtained	8,281,485,148.10	5,720,896,211.18	44.76%	Increase in short-term borrowings obtained in the Reporting Period
Cash used in debt repayment	3,167,336,858.98	6,241,679,082.60	-49.26%	YoY decrease in repayments of matured debts
Cash used in other financing activities	447,602,677.41	114,109,500.00	292.26%	Payment for purchasing 10% of equity in TCP Terminal in the Reporting Period

II Progress, Influence and Solutions with regard to Significant Events

1. Stock Option Incentive Plan

The Company had completed registration for the grant of stock option (the first grant) under the Stock Option Incentive Plan (Phase I) as at 13 March 2020. As of the end of the Reporting Period, review and approval procedures carried out in connection with the Stock Option Incentive Plan are as follows:

At the 2nd meeting of the Nomination, Remuneration and Appraisal Committee of the ninth session of the Board of 2019 held on 10 October 2019, the following proposals were considered and approved, including Stock Option Incentive Plan of CMPort (Draft) (hereinafter referred to as the “Stock Option Incentive Plan (Draft)”) and its summary, Stock Option Incentive Plan of CMPort (Phase I) (Draft) (hereinafter referred to as the “Stock Option Incentive Plan (Phase I) (Draft)”) and its summary, Management Measures for the Stock Option Incentive Plan of CMPort (hereinafter referred to as the “Management Measures for the Stock Option Incentive Plan”), Appraisal Measures for Implementing the Stock Option Incentive Plan and Implementation Appraisal Measures of Stock Option Incentive Plan by China Merchants Port Group Co., Ltd. (hereinafter referred to as “Appraisal Measures for Implementing the Stock Option Incentive Plan”)

(2) At the 9th Extraordinary Meeting of the 9th Board in 2019 held on 11 October 2019, the following proposals were reviewed and approved, including Stock Option Incentive Plan (Draft) and its summary, Stock Option Incentive Plan (Phase I) (Draft) and its summary, Management Measures for the Stock Option Incentive Plan, Appraisal Measures for Implementing the Stock Option Incentive Plan and Proposal on Requesting the General Meeting to Authorize the Board of Directors to Go Through Share Incentive Procedures, and independent directors expressed independent opinions. At the 2nd Extraordinary Meeting of the 9th Supervisory Committee in 2019 held on the same day, the following proposals were reviewed and approved, including Stock Option Incentive Plan (Draft) and its summary, Stock Option Incentive Plan (Phase I) (Draft) and its summary, Management Measures for the Stock Option Incentive Plan and Appraisal Measures for Implementing the Stock Option Incentive Plan, and List of Incentive Objects under the Stock Option Incentive Plan (Phase I) was reviewed with opinions expressed.

(3) On 3 January 2020, the Company received Approval on the Implementation of Stock Incentive Plan of CMPort (GZKF [2019] No. 748) issued by the State-owned Assets Supervision and Administration Commission of the State Council from China Merchants Group, the actual controller of the Company. In principle, approval was given to the Company for its implementation of the Stock Option Incentive Plan and performance appraisal goals under the Plan.

(4) At the 1st Extraordinary Meeting of the 9th Board of Directors in 2020 held on 9 January 2020, Stock Option Incentive Plan (Phase I) (Revised Draft) and its summary were reviewed and approved and independent directors expressed independent opinions. At the 1st Extraordinary Meeting of the 9th Supervisory Committee in 2020 held on the same day, Stock Option Incentive Plan (Phase I) (Revised Draft) and its summary were reviewed and approved and List of Incentive objects under the Stock Option Incentive Plan (Phase I) (After Adjustment) was reviewed with opinions expressed.

(5) On 20 January 2020, the Company disclosed the List of Incentive Objects of Stock Option Incentive Plan (Phase I). The Company published the names and positions of the incentive objects

for the first grant of the stock option in its internal OA system from 10 January to 19 January 2020. By the end of the publicity, the Company's Supervisory Committee had not received any objection against the incentive objects for the first grant. The Supervisory Committee reviewed the list of incentive objects for the first grant, and disclosed Notes of the Supervisory Committee on the Review and Publicity of the List of Incentive Objects under the Stock Option Plan (Phase I) on 20 January 2020.

(6) At the 1st extraordinary shareholders' meeting of 2020 held on 3 February 2020, the following proposals were considered and approved, including Stock Option Incentive Plan (Draft) and its summary, Stock Option Incentive Plan (Phase I) (Revised Draft) and its summary, Management Measures for the Stock Option Incentive Plan, Appraisal Measures for Implementing the Stock Option Incentive Plan and Proposal on Requesting the General Meeting to Authorize the Board of Directors to Go Through Share Incentive Procedures. The Company's Stock Option Incentive Plan was approved and the Board of Directors was authorized to determine the grant date, grant stock option to the incentive objects when they meet the conditions and go through all procedures required for the grant. On the same day, the Company disclosed Self-inspection Report on the Trading of the Company's Shares by Insiders and Incentive Objects of the Stock Option Incentive Plan (Phase I) according to its verification of the trading engaged by the insiders and incentive objects.

(7) At the 2nd Extraordinary Meeting of the 9th Board of Directors in 2020 and the 2nd Extraordinary Meeting of the 9th Supervisory Committee in 2020 held on 3 February 2020, Announcement on the Grant of Stock Option (the First Grant) to Incentive Objects of the Stock Option Incentive Plan of the Company (Announcement No. 2020-014) was considered and approved respectively. The Company's Board of Supervisors reviewed the list of incentive objects under the Stock Option Incentive Plan (Phase I) on the grant date and expressed opinions, and independent directors expressed independent opinions.

The Company had completed registration for the grant of stock option (the first grant) under the

Stock Option Incentive Plan (Phase I) as at 13 March 2020. On the next day, the Company published Announcement on Completion of the Grant of Stock Option (the First Grant) under the Stock Option Incentive Plan (Phase I) of the Company (Announcement No. 2020-020).

2. Information Disclosure Index

In the Reporting Period, the significant matters disclosed in Securities Time, Ta Kung Pao and www.cninfo.com.cn are as follows:

No.	Announcement No.	Date	Title
1	2020-001	4 January 2020	Announcement on Approval of Stock Option Incentive Plan by State-owned Assets Supervision and Administration Commission of the State Council
2	2020-002	10 January 2020	Announcement on Resolutions of the 1 st Special Meeting of the 9 th Board of Directors in 2020
3	2020-003	10 January 2020	Announcement on Resolutions of the 1 st Special Meeting of the 9 th Supervisory Committee in 2020
4	2020-004	10 January 2020	Announcement on Notes and Revision of Stock Options Incentive Plan of China Merchants Port Group Co., Ltd. (Phase I) (Revised Draft) and its Abstract
5	2020-005	10 January 2020	Reminder of Convening the 1 st Extraordinary General Meeting of 2020
6	2020-006	10 January 2020	Report of the Public Call for Proxy Voting Rights of Independent Directors
7	2020-007	16 January 2020	Announcement on Voluntary Information Disclosure of Business Volume Data of December 2019
8	2020-008	20 January 2020	Announcement on an Estimated Growth in 2019 Annual Results
9	2020-009	21 January 2020	Announcement on Notes of the Supervisory Committee on the Review and Publicity of the List of Incentive Objects under the Stock Option Plan (Phase I)
10	2020-010	23 January 2020	Announcement on the Change of the Company's Registered Information with the Industrial and Commercial Administration
11	2020-011	4 February 2020	Announcement on Resolutions of the 1 st Extraordinary General Meeting of 2020
12	2020-012	4 February 2020	Announcement on Resolutions of the 2 nd Special Meeting of the 9 th Board of Directors in 2020
13	2020-013	4 February 2020	Announcement on Resolutions of the 2 nd Special Meeting of the 9 th Supervisory Committee in 2020
14	2020-014	4 February 2020	Announcement on the Grant of Stock Option (the First Grant) to Incentive Objects of the Stock Option Incentive Plan of the Company

15	2020-015	4 February 2020	Self-inspection Report on the Trading of the Company's Shares by Insiders and Incentive Objects of the Stock Option Incentive Plan (Phase I)
16	2020-016	4 February 2020	Announcement on Resignation of Chairman of the Board and Election of New Chairman of the Board
17	2020-017	15 February 2020	Announcement on Voluntary Information Disclosure of Business Volume Data of January 2020
18	2020-018	22 February 2020	Reminder of the Issuance of 2020 Phase I Super-short-term Financing Bonds (Epidemic Prevention Bond)
19	2020-019	28 February 2020	Announcement on Issued Result of 2020 Phase I Super-short-term Financing Bonds (Epidemic Prevention Bond)
20	2020-020	14 March 2020	Announcement on Completion of the Grant of Stock Option (the First Grant) under the Stock Option Incentive Plan (Phase I) of the Company
21	2020-021	14 March 2020	Announcement on Voluntary Information Disclosure of Business Volume Data of February 2020
22	2020-022	31 March 2020	2019 Annual Results Preview
23	2020-023	31 March 2020	Announcement on the Disclosure of the 2019 Annual Results by a Majority-Owned Subsidiary (Unaudited)

Progress of any share repurchase:

Applicable Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable Not applicable

III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV Operating Performance Forecast for January-June 2020

Warning of a forecast loss on or a forecast significant year-on-year change in the net profit of H1 2020, as well as explanation of why:

□ Applicable √ Not applicable

V Securities Investments

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes recorded into equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying value	Accounting item	Capital resources
Stock	601018	Ningbo Port	592,183,095.14	Fair value method	1,548,914,671.20	-127,336,798.54	0	0	0	0	1,447,012,390.20	Trading financial assets	Self-owned
Stock	06198	Qingdao Port	124,405,138.80	Fair value method	204,263,917.11	-47,723,736.79	0	0	0	0	159,394,480.27	Trading financial assets	Self-owned
Stock	601298	Qingdao Port	331,404,250.30	Fair value method	616,000,000.00	34,720,000.00	0	0	0	0	650,720,000.00	Trading financial assets	Self-owned
Stock	600377	Jiangsu Expressway	1,120,000.00	Fair value method	11,220,000.00	0	-105,000.00	0	0	0	11,080,000.00	Other investments in equity instruments	Self-owned
Stock	400032	Petrochemical A1	3,500,000.00	Fair value method	382,200.00	0	0	0	0	0	382,200.00	Other investments in equity instruments	Self-owned
Stock	400009	Guang Jian 1	27,500.00	Fair value method	17,000.00	0	0	0	0	0	17,000.00	Other investments in equity instruments	Self-owned
Total			1,052,639,984.24	--	2,380,797,788.31	-140,340,535.33	-105,000.00	0.00	0.00	0.00	2,268,606,070.47	--	--

VI Wealth Management Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

VII Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

VIII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Date	Way of communication	Type of communication party	Index to main information communicated
1 January 2020 to 31 March 2020	By phone/ written inquiry	Individual	Main inquiry: basic business condition, investments and financial condition of the Company; Materials provided: brochure of the Company; Index: SZSE EasyIR (http://irm.cninfo.com.cn/ircs/index)
Times of communications			35
Number of institutions communicated with			0
Number of individuals communicated with			35
Number of other communication parties			0
Tip-offs or leakages of substantial confidential information during the communications			No

IX Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

XI Progress Made on Internal Control

According to the risk control work plan in 2020 of China Merchants Port Group Co., Ltd., the tasks shall be completed during the Reporting Period are as follows:

1. Closure of Risk Control Project in 2019

(1) In accordance with the work program for the internal control implementation in 2019, the Company has completed the finishing work of the internal control project in 2019 and formed the evaluation report for 2019. According to the company's defect judgment standards, the report identifies that on the base date of evaluation, the company has no major defects in internal control over financial reporting, and maintains effective in all major aspects in accordance with the specification system and related regulations. There are no major defects in internal control over non-financial reporting. The report has been approved by the board of directors and supervisors and is disclosed in accordance with regulatory requirements.

(2) The Company engaged the Deloitte Touche Tohmatsu Huayong CPAs Firm (LLP) to audit the effectiveness of the internal control of the 2019 financial report, and issued a standard unqualified report, which is disclosed in accordance with regulatory requirements.

(3) In view of the top ten risks in 2020, the Company divided the responsibilities, formulated response strategies and measures for each risk, and followed up the regular prevention and control situation.

(4) The Company disclosed the internal control in the 2019 annual report.

2. Implementation of Risk Control in 2020

(1) Formulation of the 2020 risk control work plan.

In accordance with the overall work objective of "consolidating and deepening the construction of risk control infrastructure and further promoting the integration of risk control and business", we compiled and issued the Requirements for the Implementation of the 2020 Risk Control Work Plan for the CMPort during the reporting period, which clarifies requirements with timetable for key risk

control tasks.

(2) Update and adjustment of the list of risk control work personnel

According to the work adjustments of the staff of the CMPort and the subsidiaries included in the risk control system, the self-assessment leadership team and working group members of company's general risk management and internal control system is updated and adjusted after approval by the company's general manager.

(3) Determination of the scope and the self-assessment process of risk control in 2020

Based on the Company's structural adjustment and changes, the list of 24 units included in the evaluation scope of the internal control system this year, as well as the scope of the internal control self-assessment process of the company's headquarters and subsidiaries are determined during the reporting period.

(4) Development of internal control self-assessment

During the Reporting Period, each unit follows the "Basic Standards for Enterprise Internal Control" and its related guidelines, and conducts sampling test evaluation in accordance with the working procedures and methods for the internal control and risk management. No major defects were found. The quarter brief work report was formed based on the progress.

(5) Completion of the update of risk control basic data

The Company updated the risk database and risk map according to the 2020 major risk list.

(6) Special prevention and control of risk matters

Based on the risk assessment of the impact of the COVID-19 pandemic on the business operations, we prepared the "Report on the Assessment and Response of the COVID-19 Epidemic Risk of China Merchants Port Group Co., Ltd.", and the "Prevention and Control Emergency Plan for the COVID-19 Epidemic of China Merchants Port Group Co., Ltd." according to the epidemic prevention and control.

XII Deposits in and Loans Provided by a Finance Company

The 2nd Meeting of the 9th Board of Directors held on 23 August 2017 reviewed and approved the Proposal on Signature of Financial Service Agreement with Sinotrans & CSC Finance Co., Ltd.,

which agreed to sign the Financial Service Agreement with Sinotrans & CSC Finance Co., Ltd. (former name, and renamed China Merchants Group Finance Co., Ltd. in August 2017). The Term of Agreement is three years.

The 5th Meeting of the 9th Board of Directors held on 28 March 2019 reviewed and approved the Proposal on Adjustment of Deposit and Loan Limits with the China Merchants Group Finance Co., Ltd. and Signature of the Supplemental Agreement of Financial Service Agreement and Related-party Transaction, which agreed the Company to sign the Supplemental Agreement of Financial Service Agreement with China Merchants Group Finance Co., Ltd.

The 4th Extraordinary General Meeting of 2019 held on 11 December 2019 reviewed and approved the Proposal on Adjustment of Deposit and Loan Limits with China Merchants Group Finance Co., Ltd. and Signature of the Supplemental Agreement (II) of Financial Service Agreement and Related-party Transaction, which allowed the Company to sign the Supplemental Agreement (II) of Financial Service Agreement with China Merchants Group Finance Co., Ltd.

At the end of the Reporting Period, deposits in and loans provided by China Merchants Group Finance Co., Ltd. were as follows:

Unit: RMB'0,000

Item	Beginning balance	Increase	Decrease	Ending balance
I. Deposits in China Merchants Group Finance Co., Ltd.	89,006.52	108,250.20	117,728.85	79,527.87
II. Loans provided by China Merchants Group Finance Co., Ltd.	121,756.34	7,499.95	74,700.00	54,556.29

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by China Merchants Port Group Co., Ltd.

31 March 2020

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Cash and bank balances	7,308,076,732.71	7,734,948,210.26
Notes receivable	13,007,640.85	38,192,250.02
Accounts receivable	1,655,966,181.14	1,356,460,129.90
Accounts receivable financing	174,011,799.01	260,760,537.45
Prepayments	76,914,879.35	55,034,019.81
Other receivables	2,053,872,959.66	2,129,378,252.50
Including: Interest receivable	159,794.48	159,794.48
Dividends receivable	390,475,572.33	459,352,522.24
Inventories	176,884,129.59	163,980,192.08
Assets classified as held for sale	188,404,228.34	188,404,228.34
Current portion of non-current assets	690,070,573.69	808,893,013.06
Other current assets	1,652,759,085.52	2,298,792,661.70
Total current assets	13,989,968,209.86	15,034,843,495.12
Non-current assets:		
Long-term receivables	4,021,933,363.76	1,098,831,799.90
Long-term equity investments	60,979,511,391.72	57,916,539,383.26
Investments in other equity instruments	163,421,272.00	163,561,272.00
Other non-current financial assets	2,273,311,819.55	2,385,363,537.39
Investment property	5,714,144,967.34	5,760,262,674.40
Fixed assets	26,951,789,487.55	27,519,962,529.29
Construction in progress	6,389,654,146.67	6,334,141,441.88
Right-of-use assets	9,627,759,524.54	9,633,325,390.46
Intangible assets	18,665,192,350.23	19,693,715,554.10
R&D expense	40,772,506.03	37,399,092.28
Goodwill	7,354,133,469.70	8,023,659,694.81
Long-term prepaid expense	703,284,738.98	711,911,011.67
Deferred income tax assets	318,805,846.59	300,435,502.27
Other non-current assets	2,123,106,923.47	2,082,965,467.04
Total non-current assets	145,326,821,808.13	141,662,074,350.75
Total assets	159,316,790,017.99	156,696,917,845.87

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	14,990,822,099.43	9,439,099,793.47
Notes payable	58,294,169.94	76,455,949.01
Accounts payable	525,636,390.14	591,112,466.39
Advances from customers	28,948,573.09	28,826,687.37
Contractual liabilities	62,279,597.08	85,831,002.52
Payroll payable	480,418,003.53	634,718,784.64
Taxes payable	1,934,700,917.39	1,898,076,342.74
Other payables	2,131,200,753.02	2,223,754,677.96
Including: Dividends payable	89,467,727.65	150,286,550.81
Current portion of non-current liabilities	5,291,195,910.05	6,104,339,856.79
Other current liabilities	885,994,998.61	885,956,581.63
Total current liabilities	26,389,491,412.28	21,968,172,142.52
Non-current liabilities:		
Long-term borrowings	6,146,216,962.44	6,313,735,540.33
Bonds payable	21,037,395,574.97	20,930,681,967.19
Lease liabilities	1,597,625,195.66	1,647,129,968.61
Long-term payables	1,916,042,020.81	1,935,245,003.21
Long-term payroll payable	468,844,362.41	471,482,138.63
Provisions	90,256,393.03	76,242,559.95
Deferred income	1,138,139,742.39	1,147,752,857.17
Deferred income tax liabilities	3,940,736,779.54	3,961,752,749.17
Other non-current liabilities	2,669,540,210.75	3,254,515,306.85
Total non-current liabilities	39,004,797,242.00	39,738,538,091.11
Total liabilities	65,394,288,654.28	61,706,710,233.63
Owners' equity:		
Share capital	1,922,365,124.00	1,922,365,124.00
Capital reserves	22,137,686,535.86	22,296,485,467.35
Other comprehensive income	-860,301,109.55	-355,944,565.91
Special reserves	21,245,635.19	12,386,734.70
Surplus reserves	630,345,307.43	630,345,307.43
Retained earnings	11,617,038,137.84	11,467,166,351.85
Total equity attributable to owners of the Company as the parent	35,468,379,630.77	35,972,804,419.42
Non-controlling interests	58,454,121,732.94	59,017,403,192.82
Total owners' equity	93,922,501,363.71	94,990,207,612.24
Total liabilities and owners' equity	159,316,790,017.99	156,696,917,845.87

The financial statements from Page 19 to Page 26 have been signed by:

Legal representative: Bai Jingtao

Chief Financial Officer: Wen Ling

Person-in-charge of the accounting organ: Sun Ligan

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Cash and bank balances	1,496,043,431.08	690,685,211.42
Prepayment	40,000.00	-
Other receivables	834,889,155.01	805,534,763.27
Including: Dividends receivable	207,259,421.40	207,259,421.40
Other current assets	3,477,523.28	1,107,292,458.33
Total current assets	2,334,450,109.37	2,603,512,433.02
Non-current assets:		
Long-term receivables	59,390,771.97	61,004,284.75
Long-term equity investments	30,276,219,464.71	30,266,376,582.23
Investments in other equity instruments	155,548,635.00	155,688,635.00
Fixed assets	625,230.44	672,842.27
Construction in progress	6,369,207.09	5,803,169.37
Intangible assets	54,087,099.55	54,692,581.18
Deferred income tax assets	928,465.21	928,465.21
Total non-current assets	30,553,168,873.97	30,545,166,560.01
Total assets	32,887,618,983.34	33,148,678,993.03
Current liabilities:		
Short-term borrowings	-	300,378,812.50
Payroll payable	6,340,347.90	6,000,000.00
Taxes payable	209,227,535.48	209,282,889.78
Other payables	679,851,596.58	628,013,119.77
Including: Dividends payable	34,577,578.12	34,577,578.12
Current portion of non-current liabilities	36,468,000.00	35,832,000.00
Other current liabilities	704,164,072.40	715,766,708.20
Total current liabilities	1,636,051,552.36	1,895,273,530.25
Non-current liabilities:		
Deferred income tax liabilities	35,129,858.75	35,164,858.75
Total non-current liabilities	35,129,858.75	35,164,858.75
Total liabilities	1,671,181,411.11	1,930,438,389.00
Owners' equity:		
Share capital	1,922,365,124.00	1,922,365,124.00
Capital reserves	27,579,735,800.46	27,576,242,527.73
Other comprehensive income	105,489,576.25	105,594,576.25
Surplus reserves	630,345,307.43	630,345,307.43
Retained earnings	978,501,764.09	983,693,068.62
Total owners' equity	31,216,437,572.23	31,218,240,604.03
Total liabilities and owners' equity	32,887,618,983.34	33,148,678,993.03

3. Consolidated Income Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Revenue	2,886,025,618.74	2,702,894,522.99
Including: Operating revenue	2,886,025,618.74	2,702,894,522.99
2. Costs and expenses	2,816,508,241.36	2,455,851,378.70
Including: Operating costs	1,864,663,358.55	1,660,826,958.58
Business taxes and levies	37,065,184.66	45,674,668.50
Administrative expense	347,824,422.99	287,367,055.02
R&D expense	29,980,546.01	30,052,292.96
Finance expense	536,974,729.15	431,930,403.64
Including: Interest expense	492,335,880.21	512,196,697.85
Interest income	50,524,669.01	59,236,488.39
Add: Other income	34,953,625.15	20,798,769.01
Return on investment (“-” for loss)	660,950,054.33	1,491,659,164.10
Including: Share of profit or loss of joint ventures and associates	640,438,994.27	759,492,112.86
Gains on changes in fair value (“-” for losses)	-188,668,882.47	803,456,059.74
Gains from impairment of credit (“-” for losses)	-3,725,180.29	-1,844,684.51
Gains from impairment of assets	947,693.77	25,031.28
Gains on disposal of assets	13,807,774.32	779,531.17
3. Operating profit	587,782,462.19	2,561,917,015.08
Add: Non-operating income	5,471,079.73	5,833,763.89
Less: Non-operating expenses	9,856,686.53	2,959,236.62
4. Profit before tax	583,396,855.39	2,564,791,542.35
Less: Income tax expenses	170,136,660.26	428,680,888.19
5. Net profit	413,260,195.13	2,136,110,654.16
5.1 By operating continuity		
5.1.1 Net profit from continuing operation	413,260,195.13	2,136,110,654.16
5.1.2 Net profit from discontinued operation	-	-
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	149,871,785.99	814,944,249.12
5.2.2 Net profit attributable to non-controlling interests	263,388,409.14	1,321,166,405.04
6. Other comprehensive income, net of tax	-1,507,888,654.28	-185,440,397.65
Attributable to owners of the Company as the parent	-504,356,543.64	147,028,952.60
6.1 Items that will not be reclassified to profit or loss	-105,000.00	-74,999.61
6.1.1 Other comprehensive income that will not be reclassified to profit or loss under the equity method	-	-

Item	Q1 2020	Q1 2019
6.1.2 Changes in the fair value of investments in other equity instruments	-105,000.00	-74,999.61
6.2 Items that will be reclassified to profit or loss	-504,251,543.64	147,103,952.21
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-82,409.78	5,312,466.40
6.2.2 Differences arising from the translation of foreign currency-denominated financial statements	-504,169,133.86	141,791,485.81
Attributable to non-controlling interests	-1,003,532,110.64	-332,469,350.25
7. Total comprehensive income	-1,094,628,459.15	1,950,670,256.51
Attributable to owners of the Company as the parent	-354,484,757.65	961,973,201.72
Attributable to non-controlling interests	-740,143,701.50	988,697,054.79
8. Earnings per share		
8.1 Basic earnings per share	0.08	0.45
8.2 Diluted earnings per share	0.08	0.45

4. Income Statement of the Company as the Parent

Unit: RMB

Item	Q1 2020	Q1 2019
1. Operating revenue	-	44,067,273.73
Less: Operating costs	566,489.91	34,142,026.25
Business taxes and levies	-	767,603.79
Administrative expense	19,314,560.24	17,391,388.67
Finance expenses	2,285,160.32	7,602,897.36
Including: Interest expense	6,212,087.86	11,494,411.09
Interest income	7,187,296.00	3,408,108.16
Add: Other income	329,651.83	-
Return on investment	16,645,254.11	12,832,064.39
Including: Share of profit or loss of joint ventures and associates	6,913,473.29	12,832,064.39
2. Operating profit ("-" for losses)	-5,191,304.53	-3,004,577.95
Add: Non-operating income	-	6,680.14
Less: Non-operating expense	-	68,028.29
3. Profit before tax ("-" for losses)	-5,191,304.53	-3,065,926.10
Less: Income tax expense	-	-
4. Net profit ("-" for net losses)	-5,191,304.53	-3,065,926.10
4.1 Net profit from continuing operation ("-" for net losses)	-5,191,304.53	-3,065,926.10
4.2 Net profit from discontinued operation	-	-
5. Other comprehensive income, net of tax	-105,000.00	75,000.00
5.1 Items that will not be reclassified to profit or loss	-105,000.00	75,000.00
5.1.1 Other comprehensive income that will not be reclassified to profit or loss under the equity method	-	-
5.1.2 Changes in the fair value of investments in other equity instruments	-105,000.00	75,000.00
5.2 Items that will be reclassified to profit or loss	-	-
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-	-
5.2.2 Differences arising from the translation of foreign currency-denominated financial statements	-	-
6. Total comprehensive income	-5,296,304.53	-2,990,926.10

5. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,647,968,072.69	2,647,510,819.37
Receipts of tax refunds	686,901.98	23.44
Cash generated from other operating activities	198,076,000.45	437,792,411.01
Subtotal of cash generated from operating activities	2,846,730,975.12	3,085,303,253.82
Payments for commodities and services	816,838,954.37	736,317,677.30
Cash paid to and for employees	865,253,180.20	727,281,690.78
Taxes paid	156,144,055.66	225,198,426.64
Cash used in other operating activities	161,329,413.29	247,542,337.46
Subtotal of cash used in operating activities	1,999,565,603.52	1,936,340,132.18
Net cash generated from/used in operating activities	847,165,371.60	1,148,963,121.64
2. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	1,092,096.82	-
Cash receipts from investments income	211,664,358.76	78,044,109.23
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	735,622.52	23,992,441.00
Cash generated from other investing activities	1,601,601,419.52	1,315,937,327.03
Subtotal of cash generated from investing activities	1,815,093,497.62	1,417,973,877.26
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	503,030,149.07	650,139,928.72
Payments for investments	2,746,841,398.03	415,845,100.00
Other cash payments relating to investing activities	3,792,979,774.69	255,659,104.33
Subtotal of cash used in investing activities	7,042,851,321.79	1,321,644,133.05
Net cash generated from/used in investing activities	-5,227,757,824.17	96,329,744.21
3. Cash flows from financing activities:		
Capital contributions received	-	460,518,459.96
Including: Capital contributions by non-controlling interests to subsidiaries	-	460,518,459.96
Borrowings obtained	8,281,485,148.10	5,720,896,211.18
Subtotal of cash generated from financing activities	8,281,485,148.10	6,181,414,671.14
Repayments of borrowings	3,167,336,858.98	6,241,679,082.60
Payments for interest and dividends	647,207,743.80	575,131,285.06
Including: Dividends paid by subsidiaries to non-controlling interests	58,380,000.00	24,360,440.28
Cash used in other financing activities	447,602,677.41	114,109,500.00
Subtotal of cash used in financing activities	4,262,147,280.19	6,930,919,867.66
Net cash generated from/used in financing activities	4,019,337,867.91	-749,505,196.52
4. Effect of foreign exchange rate changes on cash and cash equivalents	-68,824,378.45	-39,571,072.82
5. Net increase in cash and cash equivalents	-430,078,963.11	456,216,596.51
Add: Cash and cash equivalents, beginning of the period	7,714,157,995.87	5,373,281,504.75
6. Cash and cash equivalents, end of the period	7,284,079,032.76	5,829,498,101.26

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	-	51,258,278.89
Cash generated from other operating activities	67,957,173.78	236,323,914.96
Subtotal of cash generated from operating activities	67,957,173.78	287,582,193.85
Payments for commodities and services	-	15,108,762.13
Cash paid to and for employees	14,948,227.54	40,097,735.78
Taxes paid	-	18,735,502.45
Cash used in other operating activities	4,119,679.42	183,200,592.57
Subtotal of cash used in operating activities	19,067,906.96	257,142,592.93
Net cash generated from/used in operating activities	48,889,266.82	30,439,600.92
2. Cash flows from investing activities:		
Cash receipts from investments income	-	43,605,689.02
Cash generated from other investing activities	1,120,000,000.00	228,867,355.24
Subtotal of cash generated from investing activities	1,120,000,000.00	272,473,044.26
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	600,000.00	1,715,483.68
Payments for investments	-	375,334,390.00
Other cash payments relating to investing activities	45,918,914.21	185,800,000.00
Subtotal of cash used in investing activities	46,518,914.21	562,849,873.68
Net cash generated from/used in investing activities	1,073,481,085.79	-290,376,829.42
3. Cash flows from financing activities:		
Borrowings obtained	699,482,800.00	280,000,000.00
Subtotal of cash generated from financing activities	699,482,800.00	280,000,000.00
Repayments of borrowings	1,000,000,000.00	250,000,000.00
Payments for interest and dividends	16,524,793.03	11,647,054.79
Cash used in other financing activities	-	1,413,599.00
Subtotal of cash used in financing activities	1,016,524,793.03	263,060,653.79
Net cash generated from/used in financing activities	-317,041,993.03	16,939,346.21
4. Effect of foreign exchange rate changes on cash and cash equivalents	29,860.08	-3,957,304.53
5. Net increase in cash and cash equivalents	805,358,219.66	-246,955,186.82
Add: Cash and cash equivalents, beginning of the period	690,685,211.42	389,841,854.93
6. Cash and cash equivalents, end of the period	1,496,043,431.08	142,886,668.11

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the Initial Execution Year of any New Standards Governing Revenue or Leases from 2020

Applicable Not applicable

2. Retrospective Restatement of Previous Comparative Data due to the Initial Execution of any New Standards Governing Revenue or Leases from 2020

Applicable Not applicable

III Independent Auditor's Report

Is this report audited?

Yes No

This report is not audited.

The Board of Directors

China Merchants Port Group Co., Ltd.

30 April 2020