



CHINA MERCHANTS PORT GROUP CO., LTD.
THE REPORT FOR THE THIRD QUARTER OF 2019

Date of Disclosure: 31 October 2019

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, Hong Kong Ta Kung Pao and the cninfo website are media designated by the Company for information disclosure. All information disclosed by the Company on above designated media shall prevail.

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 versions shall prevail.

Definitions

Term	Definition
The “Company”, “CMPort” or “we”	China Merchants Port Group Co., Ltd., formerly named as Shenzhen Chiwan Wharf Holdings Limited
CMG	China Merchants Group Co., Limited
CMID	China Merchants Investment Development Company Limited, the Chinese name is “招商局投资发展有限公司”
CMPort Holdings	China Merchants Port Holdings Company Limited (00144.HK)
Zhanjiang Port	Zhanjiang Port (Group) Co., Ltd.
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
Lac Assal	Lac Assal Investment Holding Company Limited
CM Qianhai Industrial	Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.
SIPG	Shanghai International Port (Group) Co., Ltd.
TCP	TCP Participações S.A., Paranagua, Brazil
HIPG	Hambantota International Port Group, Hambantota, Sri Lanka
Djibouti Asset Company	KHOR AMBADO FZCO
SZSE	Shenzhen Stock Exchange
CMG Finance	China Merchants Group Finance Co., Ltd.
The “Articles of Association”	The Articles of Association of China Merchants Port Group Co., Ltd.
The “Stock Listing Rules”	The Stock Listing Rules of the Shenzhen Stock Exchange
The cninfo website	www.cninfo.com.cn
TEU	Twenty Foot Equivalent Unit
RMB	Expressed in the Chinese currency of Renminbi
RMB’0,000	Expressed in tens of thousands of Renminbi
RMB’00,000,000	Expressed in hundreds of millions of Renminbi (unless otherwise specified)

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

Reasons for the retrospective adjustments or restatements: 1. Changes to accounting policies. For details, please refer to “XIII YoY Changes to Accounting Policies, Estimates and Methods” under “Part III Significant Events” in this report; 2. A business combination under common control. The Company completed the issuance of shares to the trading counterpart CMID on 25 December 2018 and took control of CMPort Holdings in form and in nature. In accordance with the Accounting Standards for Business Enterprises No. 33-Consolidated Financial Statements, the Company starts to include CMPort Holdings into the consolidated financial statements since December 2018. Therefore, the Company adjusted the comparative financial data in the table below as required by the rules governing business combinations under common control.

	30 September 2019	31 December 2018		Change (%)
				Restated
Total assets (RMB)	152,633,216,405.25	128,018,084,415.68		19.23%
Equity attributable to the listed company's shareholders (RMB)	33,006,062,129.65	30,760,475,412.93		7.30%
	Q3 2019	YoY change (%)	Q1~Q3 2019	YoY change (%)
Operating revenue (RMB)	3,178,406,039.64	22.75%	9,012,759,460.97	24.11%
Net profit attributable to the listed company's shareholders (RMB)	171,091,424.23	-38.20%	2,470,272,754.81	175.43%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	155,647,010.17	14.46%	725,052,340.93	59.93%
Net cash generated from/used in operating activities (RMB)	--	--	3,956,552,986.35	26.97%
Basic earnings per share (RMB/share)	0.095	-38.31%	1.377	175.40%
Diluted earnings per share (RMB/share)	0.095	-38.31%	1.377	175.40%
Weighted average return on equity (%)	0.52%	-0.43%	7.74%	4.63%

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)	1,793,412,378
---	---------------

Fully diluted EPS calculated by the newest share capital:

Fully diluted EPS calculated by the newest share capital (RMB/share)	1.377
--	-------

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1-Q3 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	4,172,553,224.00	-
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)	93,398,328.01	-
Capital occupation charges on non-financial enterprises that are recorded into current profit or loss	26,105,690.91	-
Gain or loss on fair-value changes in trading financial assets and liabilities, as well as derivative financial assets and liabilities & income from disposal of 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)	651,390,184.96	Gain or loss on fair value changes in financial assets and liabilities at fair value through profit or loss held in this year
Reverse of bad debt provision of accounts receivable and contract assets individually conducting impairment test	886,165.84	-
Non-operating income and expense other than the above	4,111,751.77	-
Other gains and losses that meet definition of nonrecurring gain/loss	722,688,249.35	The Company realized its control over Zhanjiang Port in this year and recognized the investment income by fair value regarding the original long-term equity investment in Zhanjiang Port under equity method
Less: Income tax effects	1,213,811,582.86	-
Minority interests effects (after tax)	2,712,101,598.10	-
Total	1,745,220,413.88	--

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

No such cases for the Reporting Period.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2019

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		34,452 (including 23,286 A-shareholders and 11,166 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	Pledged or frozen shares	
China Merchants Investment Development Company Limited	Foreign legal person	64.05%	1,148,648,648	1,148,648,648	0	
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	State-owned legal person	20.68%	370,878,000	0	0	
Broadford Global Limited	State-owned legal person	3.08%	55,314,208	0	0	
CMBSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign legal person	1.80%	32,276,393	0	Unknown	
NORGES BANK	Foreign legal person	0.16%	2,802,863	0	Unknown	
China Merchants Securities (HK) Co., Ltd.	State-owned legal person	0.14%	2,580,267	0	Unknown	
Mai Shuqing	Domestic natural person	0.13%	2,376,747	0	Unknown	
Shen Huailing	Domestic natural person	0.08%	1,519,849	0	Unknown	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.07%	1,326,082	0	Unknown	
Chen Zehong	Domestic natural person	0.07%	1,240,000	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
CMBSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	32,276,393	Domestically listed foreign stock	32,276,393
NORGES BANK	2,802,863	Domestically listed foreign stock	2,802,863
China Merchants Securities (HK) Co., Ltd.	2,580,267	Domestically listed foreign stock	2,580,267
Mai Shuqing	2,376,747	RMB-denominated ordinary stock	2,376,747
Shen Huailing	1,519,849	Domestically listed foreign stock	1,519,849
VANGUARD EMERGING MARKETS STOCK INDEX FUND	1,326,082	Domestically listed foreign stock	1,326,082
Chen Zehong	1,240,000	RMB-denominated ordinary stock	1,240,000
Industrial and Commercial Bank of China-Fullgoal China Securities Dividend Index Enhanced Securities Investment Fund	1,128,901	RMB-denominated ordinary stock	1,128,901
Related or acting-in-concert parties among the shareholders above	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a wholly-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		

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 for 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 Major Accounting Data and Financial Indicators for the Reporting Period, As Well As Reasons for Such Changes

√ Applicable □ Not applicable

Item	30 September 2019	1 January 2019	Change (%)	Explanation of changes
Notes receivable	183,280,331.85	11,608,669.43	1478.82%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year
Accounts receivable	2,000,684,891.11	1,109,230,503.08	80.37%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year
Other current assets	256,563,223.61	1,195,421,189.12	-78.54%	Recovery of shareholder loans provided for Djibouti Asset Company in this year
Investments in other equity instruments	576,268,518.53	247,848,314.30	132.51%	An new investment in Lac Assal in this year
Right-of-use assets	7,800,820,483.13	6,549,564,031.55	19.10%	The execution of new standards governing leases in this year and the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year
Fixed assets	25,876,417,875.48	17,477,797,429.30	48.05%	Comprehensively influenced by the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year and new standards governing leases
Other non-current assets	2,090,965,196.70	395,191,485.98	429.10%	Comprehensively influenced by the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year and reclassification of the land to be replaced located in Qianhaiwan
Short-term borrowings	9,508,679,077.29	3,427,365,512.21	177.43%	Comprehensively influenced by the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year and increase in short-term borrowings out of operating capitals.
Taxes payable	1,589,840,943.85	345,183,422.42	360.58%	Recognition of taxes in relation to land integration and reorganization in Qianhai in this year
Dividends payable	601,041,503.21	66,052,207.09	809.95%	Accrual of 2019 interim dividends for non-controlling interests by the main subsidiary CMPort Holdings in this year
Current portion of non-current liabilities	5,331,155,487.58	2,903,320,877.97	83.62%	Comprehensively influenced by the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year and reclassification

				of bonds payable due within one year.
Other current liabilities	1,462,750,847.15	602,659,721.80	142.72%	Issue of SCP in this year and the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year
Leasing liabilities	1,703,624,315.56	1,020,239,824.73	66.98%	The execution of new standards governing leases in this year and the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year
Deferred income	1,472,709,970.09	228,658,214.64	544.07%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year and a government subsidy for the western channel in the current year
Deferred income tax liabilities	3,908,205,769.54	2,911,074,941.27	34.25%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of this year and withholding income tax from dividends in this year
Item	Q1~Q3 2019	Q1~Q3 2018	Change (%)	Explanation of changes
Cost of sales	5,578,083,009.08	4,083,642,812.31	36.60%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of the current period, and the inclusion of TCP as a new entity in the consolidation financial statements in February 2018
Administrative expense	996,281,408.36	727,114,780.51	37.02%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of the current period, and the inclusion of TCP as a new entity in the consolidation financial statements in February 2018
Investment income	3,437,560,891.43	2,334,080,699.12	47.28%	The Company took control of Zhanjiang Port in the current period, and return on investment was recognized and measured on the long-term equity investment in Zhanjiang Port formerly at fair value
Gain on changes in fair value	278,440,925.78	-682,729,854.10	140.78%	Increase in net gains on fair value of trading financial assets held
Asset disposal income	4,171,684,760.29	-3,636,782.41	114808.12%	Compensation income from land within the scope of land integration and reorganization in Qianhai
Income tax expense	2,167,283,540.59	560,348,680.84	286.77%	Income tax generated from the new land compensation claims
Item	Q1~Q3 2019	Q1~Q3 2018	Change (%)	Explanation of changes
Cash received from other operating activities	826,743,586.32	505,434,007.65	63.57%	A government subsidy for the western channel in the current year
Payments for commodities and services	2,607,802,429.06	1,938,269,025.06	34.54%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of the current

				period, and the inclusion of TCP as a new entity in the consolidation financial statements in February 2018
Cash paid to and for employees	1,884,322,010.85	1,299,781,660.28	44.97%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of the current period, and the inclusion of TCP as a new entity in the consolidation financial statements in February 2018
Taxes paid	697,239,343.97	508,671,731.22	37.07%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of the current period, and the inclusion of TCP as a new entity in the consolidation financial statements in February 2018
Return on investment	1,409,672,809.32	460,620,212.63	206.04%	Difference in times for dividend of SIPG in two years
Cash received from the disposal of fixed assets, intangible assets and other long-lived assets	6,135,808,673.12	8,214,912.89	74591.10%	Compensation income from land within the scope of land integration and reorganization in Qianhai
Cash received from other investing activities	4,062,782,125.98	121,000,000.00	3257.67%	Comprehensively influenced by recovery of principal of structured deposits, by recovery of a borrowing by shareholders and the inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of the current period
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	2,451,110,448.40	1,647,474,893.85	48.78%	The inclusion of Zhanjiang Port as a new entity into the consolidated financial statements of the current period, and the inclusion of TCP as a new entity in the consolidation financial statements in February 2018
Payments for investments	7,828,684,852.29	3,558,918,904.65	119.97%	Payments for capital increase in CM Qianhai Industrial in this year
Net payments for the acquisition of subsidiaries and other business units	-	9,317,382,826.55	-100.00%	Payments for projects of TCP and HIPG last year
Cash paid in other investing activities	1,303,951,129.78	25,463,390.79	5020.89%	The purchase of structured deposits not repaid on demand in this year
Borrowings obtained	12,838,230,272.62	30,277,177,842.54	-57.60%	Decrease in borrowings obtained in this year

II Progress, Influence and Solutions with regard to Significant Events

√ Applicable □ Not applicable

1. Index to Information Disclosure

In the reporting period, the Company disclosed the following significant events on Securities Times, Ta Kung Pao and <http://www.cninfo.com.cn>:

No.	Announcement No.	Date	Title
1	2019-054	3 July 2019	Announcement on Implementation of Equity Assignment of 2018
2	2019-055	11 July 2019	Announcement on Semi-annual Performance Estimation of 2019
3	2019-056	16 July 2019	Announcement on Voluntary Disclosure of the Business Volume Data of June 2019
4	2019-057	16 August 2019	Announcement on Voluntary Disclosure of the Business Volume Data of July 2019
5	2019-058	16 August 2019	Announcement on Resignation of Securities Affairs Representative
6	2019-059	30 August 2019	Announcement on Voluntary Disclosure of Signing the Strategic Cooperation Frame Agreement
7	2019-060	31 August 2019	Announcement on the Resolutions of the 6 th Meeting of the 9 th Board of Directors
8	2019-061	31 August 2019	Announcement on the Resolutions of the 6 th Meeting of the 9 th Supervisory Committee
9	2019-062	31 August 2019	Abstract of Interim Report of 2019
	2019-062	31 August 2019	Abstract of Interim Report of 2019 (English version)
10	2019-063	31 August 2019	Announcement on Changes in Accounting Policies
11	2019-064	31 August 2019	Announcement on Issuing the Interim Results of Controlled Subsidiaries in 2019
12	2019-065	31 August 2019	Announcement on Online Investor Seminar of Semi-annual Performance in 2019 and Participating in a Unified Investor Day for the Listed Companies of 2019 in Shenzhen
13	2019-066	7 September 2019	Announcement on Resolutions of the 8 th Extraordinary Meeting of 9 th Board of Directors in 2019
14	2019-067	7 September 2019	Announcement on Providing Financial Aid and Connected transaction to Holding Subsidiaries
15	2019-068	16 September 2019	Announcement on Voluntary Disclosure of the Business Volume Data of August 2019

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

No such cases in the Reporting Period.

IV Operating Performance Forecast for 2019

Warning of a forecast loss on or a forecast significant year-on-year change in the net profit made during the period from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable Not applicable

V Securities Investments

Applicable Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes recorded into equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying value	Accounting item	Funding resources
Stock	601018	Ningbo Port	592,183,095.14	Fair value method	1,361,414,474.58	114,517,739.90	-	0.00	0.00	38,672,165.11	1,520,382,032.52	Trading financial assets	Self-owned
Stock	06198	Qingdao Port	124,405,138.80	Fair value method	190,401,046.01	-16,959,420.50	-	0.00	0.00	15,697,928.28	178,625,688.00	Trading financial assets	Self-owned
Stock	601298	Qingdao Port	331,404,250.30	Fair value method	413,280,000.00	253,120,000.00	-	0.00	0.00	42,526,400.00	666,400,000.00	Trading financial assets	Self-owned
Stock	600377	Ninghu Expressway	1,120,000.00	Fair value method	9,800,000.00	-	442,500.00	0.00	0.00	460,000.00	10,390,000.00	Investments in other equity instruments	Self-owned
Stock	400032	Petrochemical A1	3,500,000.00	Fair value method	382,200.00	-	-	0.00	0.00	-	382,200.00	Investments in other equity instruments	Self-owned
Stock	400009	Guang Jian 1	27,500.00	Fair value method	17,000.00	-	-	0.00	0.00	-	17,000.00	Investments in other	Self-owned

												equity instrument s	
Other investment securities at the period-end	-	--	-	-	-	-	-	-	-	-	-	--	--
Total	1,052,639,984. 24	--	1,975,294,720. 59	350,678,319.4 0	442,500.0 0	0.00	0.00	97,356,493.3 9	2,376,196,920. 52	--	--		

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

Applicable Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
1 July 2019 to 30 September 2019	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/ssessgs/S001872/index.html)
5 September 2019	Meeting in Investment Bank	Institution	
25 September 2019	By one-on-one meeting	Institution	
Times of communications			25
Number of institutions communicated with			2
Number of individuals communicated with			23
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

The focuses of risk control for Q3 2019 are as follows:

1. Establishment and Evaluation of Internal Control System

(1) Establishment of internal control system

In Q3 2019, the Company issued the Rules for Audit Committee under the Board of Directors of China Merchants Port Group Co., Ltd., among others, improved its management level control and compliance requirements for the Company and finished the first draft of the eighteen-business-process involved in the management of the headquarters of the Company. Currently, the Company is seeking for opinions on the said first draft from all departments and plans to publish it at the end of the year.

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

In Q3 2019, all units conducted system carding and self-evaluation by sampling regarding internal control pursuant to the annual internal control system establishment and evaluation work program. The Company's work group of risk control reexamined all units' working papers regarding internal control and reported problems in risk control for the Q2 2019 so as to continuously promote all units' internal control system establishment and evaluation more regulated. As of now, the Company and its subsidiaries completed the amendments to 129 systems, increased 109 systems and found 38 defects of internal control among which 35 have been rectified. For the three defects not rectified, the rectification plan has been formulated.

(3) Popping up online of the risk control information system platform

In accordance with the work program of risk control information system, the headquarters of the Company completed the entry of initial data including the risk database, progress system, self-evaluation papers, internal control defects and risk issues. Moreover, the Company also put forward advices about optimizing the risk control information platform and feedbacks, which provided strong supports for the formal popping up online of the

system at the end of the year.

2. Risk Management

(1) Major risks for 2019 were monitored

According to the division of risk responsibility and fixed risk management strategies (solutions), combined the risk matters and annual emphasis of the Company together, tracked and monitored the top ten risks for 2019 timely, no significant risk matter was occurred in the third quarter of the Company.

(2) The top ten risks assessment of 2020 was carried out.

The units included in the risk management system shall carry out the top ten risks assessment of 2020. Based on the top ten risks list formed through the completion of the top ten risks selection in every unit respectively, China Merchants Port Group Co., Ltd. gave scores in two rounds through organizing the leaders of the Company, all departments in headquarters and management layer in subsidiaries, and selected the risks ranking top ten of 2020. The Company completed the division of responsibility and has drawn the management strategies and measures for risk matters.

(3) Specific prevention and control for risks

As for the third quarter of 2019, underscoring the specific prevention and control and investigation of risks matters, the Company tracked dynamic risks of six innovation-type investment projects and control the risk exposure strictly; and investigated the headquarters of ports and financing trading business of all management and control enterprises, which there is no financing trading business yet.

(4) Construction of risk management tools

According to the work plan, the work program of risk preference degree and tolerance was implemented, and the risk limitation index (including six business sectors, such as market, credit, management, operation, debt paying ability and investment, and 15 specific indexes) was further formulated. From two dimensions between index conforming to the Company's actual operation and index able to put into operation (the index assess is unified with the existing system assess), the internal control audit department, finance management department and operation management department have made the second-round discussion and communication, and the quota index of risk preference degree of China Merchants Port Group Co., Ltd. (first draft) was taken shape, further improving the construction of risk management and control in advance of the Company.

XII Deposits in and Loans Provided by a Finance Company

The Proposal on Signing Financial Service Agreement with Sinotrans & CSC Finance Co., Ltd. was reviewed and approved on the 2nd Meeting of the 9th Board of Directors held by the Company on 23 August 2017, in which, the Company was agreed to signed the Financial Service Agreement with Sinotrans & CSC Finance Co., Ltd. (renamed China Merchants Group Finance Co., Ltd. from August 2017) with the period of three years.

The Proposal on Adjusting Limit of Deposits and Loans and Signing Supplementary Agreement to Financial Service Agreement with China Merchants Group Finance Co., Ltd and the Related-party Transactions was reviewed and approved on the 5th Meeting of the 9th Board of Directors held by the Company on 28 March 2019, in which, the Company was agreed to signed Supplementary Agreement to 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.	49,413.12	610,048.94	608,092.64	51,369.41
II. Loans provided by China Merchants Group Finance Co., Ltd.	77,500.00	129,248.39	125,800.00	80,948.39

XIII Explain Change of the Accounting Policy, Accounting Estimate and Measurement Methods as Compared with the Financial Reporting of Last Year

The Accounting Standards for Business Enterprises No. 21 – Lease (hereinafter referred to as “New lease standard”) revised and issued by Ministry of Finance on 7 December 2018 required that enterprises listed both domestically and overseas and enterprises listed overseas who prepare the financial statements by International Financial Reporting Standards or Accounting Standards for Business Enterprises shall implement it from 1 January 2019, and other enterprises implementing the Accounting Standards for Business Enterprises shall implement it from 1 January 2021. According to the requirements of Ministry of Finance, enterprises whose subsidiaries are listed overseas and prepare the financial statements by International Financial Reporting Standards or Accounting Standards for Business Enterprises can implement the new lease standard in advance. The Company, in accordance with the requirements of Ministry of Finance, implemented the new lease standard from 1 January 2019. For details, see Announcement on Changes in Accounting Policies (Announcement No.: 2019-031) published by the Company on <http://www.cninfo.com.cn> dated 30 March 2019. According to the

regulations of the new standards, the Company did not adjust the information during comparative period, executed the accumulative influence number of the standard for the first time, and adjusted the beginning retained earnings and the amount of other related items in financial statements.

On 30 April 2019, Ministry of Finance revised and issued the Format of Financial Statements of General Enterprises in 2019 with partial adjustment to the format of the financial statements. The alternation of format of the financial statements of the Company was executed in the interim report of 2019. For details, see the Announcement on Changes in Accounting Policies (Announcement No.: 2019-063) published by the Company on <http://www.cninfo.com.cn> dated 31 August 2019.

On 19 September 2019, Ministry of Finance revised and issued the Format of Consolidated Financial Statements (2019 edition) with partial adjustment to the format of the financial statements based on the Format of Financial Statements of General Enterprises in 2019 and Format of Financial Statements of Financial Enterprises in 2018. The alternation of format of the financial statements of the Company was executed in the report for the third quarter on 30 September 2019. For details, see the Announcement on Changes in Accounting Policies (Announcement No.: 2019-076) published by the Company on <http://www.cninfo.com.cn> dated 31 October 2019.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Unit: RMB

Item	30 September 2019	31 December 2018(restated)
Current assets:		
Cash and bank balances	7,570,300,546.84	7,077,396,895.72
Notes receivable	183,280,331.85	11,608,669.43
Accounts receivable	2,000,684,891.11	1,109,230,503.08
Prepayments	114,094,741.55	124,404,862.87
Other receivables	861,375,359.75	766,518,078.72
Including: Dividends receivable	294,284,140.79	259,804,145.16
Inventories	177,571,554.18	108,567,270.02
Assets classified as held for sale	115,356,162.94	115,356,162.94
Current portion of non-current assets	880,016,146.03	25,952,956.76
Other current assets	256,563,223.61	1,195,421,189.12
Total current assets	12,159,242,957.86	10,534,456,588.66
Non-current assets:		
Long-term receivables	990,395,940.04	793,046,240.11
Long-term equity investments	57,121,941,857.95	50,176,577,263.40
Investments in other equity instruments	576,268,518.53	247,848,314.30
Other non-current financial assets	2,384,841,199.32	2,087,872,081.94
Investment property	5,812,827,368.38	5,890,146,989.51
Fixed assets	25,876,417,875.48	22,994,190,880.43
Construction in progress	7,341,547,179.03	5,499,426,090.06
Engineering material	15,937,900.47	-
Right-of-use assets	7,800,820,483.13	-
Intangible assets	22,056,504,382.35	20,761,018,044.54
R&D expense	19,805,798.67	-
Goodwill	8,030,512,615.98	8,335,895,842.35
Long-term prepaid expense	250,832,615.65	235,706,437.21
Deferred income tax assets	104,354,515.71	66,708,157.19
Other non-current assets	2,090,965,196.70	395,191,485.98
Total non-current assets	140,473,973,447.39	117,483,627,827.02
Total assets	152,633,216,405.25	128,018,084,415.68

Item	30 September 2019	31 December 2018(restated)
Current liabilities:		
Short-term borrowings	9,508,679,077.29	3,427,365,512.21
Notes payable	26,960,775.03	-
Accounts payable	473,848,698.02	429,120,690.97
Receipts in advance	25,702,237.90	29,170,709.86
Contractual liabilities	214,370,909.35	49,993,895.50
Employee benefits payable	624,724,714.81	433,489,555.40
Taxes payable	1,589,840,943.85	345,183,422.42
Other payables	2,445,068,275.38	1,690,124,901.29
Including: Dividends payable	601,041,503.21	66,052,207.09
Non-current liabilities due with one year	5,331,155,487.58	2,903,320,877.97
Other current liabilities	1,462,750,847.15	602,659,721.80
Total current liabilities	21,703,101,966.36	9,910,429,287.42
Non-current liabilities:		
Long-term borrowings	7,561,578,571.50	6,971,479,842.18
Bonds payable	21,158,771,697.12	22,097,467,096.40
Lease liabilities	1,703,624,315.56	
Long-term payables	1,294,397,897.63	1,294,190,118.18
Long-term payroll payable	723,418,097.82	375,325,127.65
Provisions	65,541,678.61	34,951,392.27
Deferred income	1,472,709,970.09	228,658,214.64
Deferred income tax liabilities	3,908,205,769.54	2,911,074,941.27
Other non-current liabilities	3,764,284,123.53	3,777,582,522.86
Total non-current liabilities	41,652,532,121.40	37,690,729,255.45
Total liabilities	63,355,634,087.76	47,601,158,542.87
Owners' equity:		
Share capital	1,793,412,378.00	1,793,412,378.00
Capital reserves	19,855,375,587.87	19,426,912,957.05
Other comprehensive income	-336,867,814.35	88,925,978.57
Special reserves	23,183,673.64	8,231,080.43
Surplus reserves	527,175,908.67	527,175,908.67
Retained earnings	11,143,782,395.82	8,915,817,110.21
Total equity attributable to parent company shareholders'	33,006,062,129.65	30,760,475,412.93
Minority interests	56,271,520,187.84	49,656,450,459.88
Total shareholders' equity	89,277,582,317.49	80,416,925,872.81
Total liabilities and owners' equity	152,633,216,405.25	128,018,084,415.68

The financial statements from Page 17 to Page 28 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	30 September 2019	31 December 2018(restated)
Current assets:		
Cash and bank balances	192,908,139.78	389,841,854.93
Accounts receivable	-	23,444,175.65
Other receivables	483,802,383.93	651,050,233.08
Including: Dividends receivable	207,259,421.40	329,153,465.70
Inventories	-	165,553.46
Other current assets	1,305,257.21	1,563,111.61
Total current assets	678,015,780.92	1,066,064,928.73
Non-current assets:		
Long-term receivables	61,004,284.75	11,004,284.75
Long-term equity investments	29,604,604,658.12	28,544,261,576.96
Investments in other equity instruments	527,671,090.00	151,746,700.00
Investment property	-	12,685,959.06
Fixed assets	720,454.10	190,804,655.63
Construction in progress	-	2,500,843.87
Intangible assets	55,298,062.81	57,755,603.44
Long-term prepaid expense	-	3,785,801.32
Total non-current assets	30,249,298,549.78	28,974,545,425.03
Total assets	30,927,314,330.70	30,040,610,353.76
Current liabilities:		
Short-term borrowings	-	377,716,000.00
Accounts payable	-	13,125,624.29
Contractual liabilities	-	92,003.00
Employee benefits payable	-	26,605,190.52
Taxes payable	145,016,113.63	18,826,587.50
Other payables	592,711,718.01	717,536,924.18
Including: Dividends payable	197,739,983.93	37,608,540.65
Non-current liabilities due with one year	344,721,753.45	299,531,506.81
Other current liabilities	1,009,776,712.33	200,000,000.00
Total current liabilities	2,092,226,297.42	1,653,433,836.30

Item	30 September 2019	31 December 2018(restated)
Non-current liabilities:		
Long-term payables	-	151,710,000.00
Deferred income tax liabilities	34,326,875.00	34,179,375.00
Total non-current liabilities	34,326,875.00	185,889,375.00
Total liabilities	2,126,553,172.42	1,839,323,211.30
Owners' equity:		
Share capital	1,793,412,378.00	1,793,412,378.00
Capital reserves	25,517,679,153.52	25,517,647,180.04
Other comprehensive income	103,080,625.00	102,638,125.00
Special reserves	300,328.61	470,465.59
Surplus reserves	527,175,908.67	527,175,908.67
Retained earnings	859,112,764.48	259,943,085.16
Total shareholders' equity	28,800,761,158.28	28,201,287,142.46
Total liabilities and owners' equity	30,927,314,330.70	30,040,610,353.76

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Revenue	3,178,406,039.64	2,589,330,353.39
Including: Operating revenue	3,178,406,039.64	2,589,330,353.39
2. Costs and expenses	3,027,193,739.93	2,252,237,596.22
Including: Cost of sales	1,970,062,313.17	1,469,181,593.93
Taxes and surcharges	36,181,418.94	61,078,941.92
Administrative expense	349,036,690.00	229,694,042.28
R&D expense	32,360,952.71	25,511,552.02
Finance costs	639,552,365.11	466,771,466.07
Including: Interest expense	537,231,578.17	446,929,334.02
Interest income	66,340,293.70	82,025,472.89
Add: Other income	40,977,175.67	3,919,675.91
Return on investment (“-” for loss)	812,511,406.87	797,780,466.05
Including: Share of profit or loss of joint ventures and associates	800,883,928.29	783,255,125.89
Gain on changes in fair value (“-” for loss)	-365,186,387.23	-211,390,461.27
Credit impairment loss (“-” for loss)	-300,605.98	1,026,232.21
Asset impairment loss (“-” for loss)	96,054.00	344,445.40
Asset disposal income (“-” for loss)	1,827,593.76	-14,115,664.40
3. Operating profit (“-” for loss)	641,137,536.80	914,657,451.07
Add: Non-operating income	7,715,394.72	12,017,193.20
Less: Non-operating expense	9,154,852.76	54,161,889.78
4. Total profit (“-” for loss)	639,698,078.76	872,512,754.49
Less: Income tax expense	149,312,790.43	183,848,659.57
5. Net profit (“-” for net loss)	490,385,288.33	688,664,094.92
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	490,385,288.33	688,664,094.92
5.1.2 Net profit from discontinued operations (“-” for net loss)	-	-
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	171,091,424.23	276,846,536.50
5.2.2 Net profit attributable to minority interests	319,293,864.10	411,817,558.42
6. Other comprehensive income, net of tax	-226,046,371.51	230,262,503.84

Attributable to owners of the Company as the parent	-93,181,249.64	-291,146,836.69
Item	Q3 2019	Q3 2018
6.1 Items that will not be reclassified to profit or loss	-138,951.49	210,986.32
6.1.1 Other comprehensive income that will not be reclassified to profit or loss under the equity method	123,548.51	-
6.1.2 Changes in the fair value of investments in other equity instruments	-262,500.00	210,986.32
6.2 Items that will be reclassified to profit or loss	-93,042,298.15	-291,357,823.01
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-14,204,312.79	4,289,906.88
6.2.2 Changes in the fair value of investments in other debt obligations	-	14,759.46
6.2.3 Differences arising from the translation of foreign currency-denominated financial statements	-78,837,985.36	-295,662,489.35
Attributable to non-controlling interests	-132,865,121.87	521,409,340.53
7. Total comprehensive income	264,338,916.82	918,926,598.76
Attributable to owners of the Company as the parent	77,910,174.59	-14,300,300.19
Attributable to minority interests	186,428,742.23	933,226,898.95
8. Earnings per share		
8.1 Basic earnings per share	0.095	0.154
8.2 Diluted earnings per share	0.095	0.154

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Operating revenue	2,255,597.58	64,302,993.32
Less: Cost of sales	3,935,675.51	37,535,635.06
Taxes and surcharges	250,040.88	677,409.72
Administrative expense	4,351,326.63	17,624,077.09
R&D expense	-	176,574.54
Finance costs	9,001,535.76	14,549,332.38
Including: Interest expense	9,942,358.24	10,699,557.51
Interest income	3,565,984.24	4,258,772.27
Add: Other income	67,712.05	-
Return on investment (“-” for loss)	25,630,162.05	8,731,799.29
Including: Share of profit or loss of joint ventures and associates	14,807,577.05	8,291,799.29
Asset disposal income (“-” for loss)	502,371.58	-223,673.61
2. Operating profit (“-” for loss)	10,917,264.47	2,248,090.21
Add: Non-operating income	0.10	281,382.11
Less: Non-operating expense	13,063.89	83,085.02
3. Total profit (“-” for loss)	10,904,200.68	2,446,387.30
Less: Income tax expense	-3,681,490.33	-
4. Net profit (“-” for net loss)	14,585,691.01	2,446,387.30
4.1 Net profit from continuing operations (“-” for net loss)	14,585,691.01	2,446,387.30
4.2 Net profit from discontinued operations (“-” for net loss)	-	-
5. Other comprehensive income, net of tax	-262,500.00	7,500.00
5.1 Items that will not be reclassified to profit or loss	-262,500.00	7,500.00
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	-262,500.00	7,500.00
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	14,323,191.01	2,453,887.30

5. Consolidated income statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Revenue	9,012,759,460.97	7,261,668,394.11
Including: Operating revenue	9,012,759,460.97	7,261,668,394.11
2. Operating costs and expenses	8,312,063,125.76	6,219,286,752.54
Including: Cost of sales	5,578,083,009.08	4,083,642,812.31
Taxes and surcharges	132,656,930.36	144,120,181.47
Administrative expense	996,281,408.36	727,114,780.51
R&D expense	92,379,788.00	73,575,367.64
Finance costs	1,512,661,989.99	1,190,833,610.60
Including: Interest expense	1,575,186,876.47	1,158,918,040.82
Interest income	205,694,115.16	192,227,447.71
Add: Other income	114,069,681.43	30,522,988.68
Investment income (“-” for loss)	3,437,560,891.43	2,334,080,699.12
Including: Share of profit or loss of joint ventures and associates	2,596,836,906.37	2,280,857,082.51
Gain on changes in fair value (“-” for loss)	278,440,925.78	-682,729,854.10
Credit impairment loss (“-” for loss)	7,398,528.80	2,815,675.99
Asset impairment loss (“-” for loss)	121,105.16	344,445.40
Asset disposal income (“-” for loss)	4,171,684,760.29	-3,636,782.41
3. Operating profit (“-” for loss)	8,709,972,228.10	2,723,778,814.25
Add: Non-operating income	22,095,013.06	57,655,859.65
Less: Non-operating expense	16,661,227.05	77,146,226.10
4. Total profit (“-” for loss)	8,715,406,014.11	2,704,288,447.80
Less: Income tax expense	2,167,283,540.59	560,348,680.84
5. Net profit (“-” for net loss)	6,548,122,473.52	2,143,939,766.96
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	6,548,122,473.52	2,143,939,766.96
5.1.2 Net profit from discontinued operations (“-” for net loss)	-	-
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	2,470,272,754.81	896,884,942.15
5.2.2 Net profit attributable to minority interests	4,077,849,718.71	1,247,054,824.81
6. Other comprehensive income, net of tax	-1,142,062,566.11	243,716,774.54
Attributable to owners of the Company as the parent	-425,793,792.72	-283,022,884.64

Item	Q1~Q3 2019	Q1~Q3 2018
6.1 Items that will not be reclassified to profit or loss	15,491,398.99	-141,513.68
6.1.1 Other comprehensive income that will not be reclassified to profit or loss under the equity method	15,048,898.99	-
6.1.2 Changes in the fair value of investments in other equity instruments	442,500.00	-141,513.68
6.2 Items that will be reclassified to profit or loss	-441,285,191.71	-282,881,370.96
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-39,983,917.59	3,870,980.01
6.2.2 Differences arising from the translation of foreign currency-denominated financial statements	-401,301,274.12	-286,752,350.97
Attributable to non-controlling interests	-716,268,773.39	526,739,659.18
7. Total comprehensive income	5,406,059,907.41	2,387,656,541.50
Attributable to owners of the Company as the parent	2,044,478,962.09	613,862,057.51
Attributable to minority interests	3,361,580,945.32	1,773,794,483.99
8. Earnings per share		
8.1 Basic earnings per share	1.377	0.500
8.2 Diluted earnings per share	1.377	0.500

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Operating revenue	92,032,385.87	183,725,970.79
Less: Cost of sales	76,074,166.52	104,439,721.38
Taxes and surcharges	1,636,938.34	2,346,306.03
Administrative expense	41,809,584.57	55,287,511.43
R&D expense	-	176,574.54
Finance costs	37,124,831.40	25,943,344.61
Including: Interest expense	32,276,680.84	27,074,710.19
Interest income	10,414,141.65	17,169,968.62
Add: Other income	279,433.82	-
Investment income (“-” for loss)	1,012,144,142.26	54,148,074.29
Including: Share of profit or loss of joint ventures and associates	52,654,083.88	45,919,099.29
Asset disposal income (“-” for loss)	502,371.58	-1,157,680.60
2. Operating profit (“-” for loss)	948,312,812.70	48,522,906.49
Add: Non-operating income	35,710.36	1,115,668.26
Less: Non-operating expense	81,092.18	202,335.13
3. Total profit (“-” for loss)	948,267,430.88	49,436,239.62
Less: Income tax expense	144,323,146.24	395,773.33
4. Net profit (“-” for net loss)	803,944,284.64	49,040,466.29
4.1 Net profit from continuing operations (“-” for net loss)	803,944,284.64	49,040,466.29
4.2 Net profit from discontinued operations (“-” for net loss)	-	-
5. Other comprehensive income, net of tax	442,500.00	-577,500.00
5.1 Items that will not be reclassified to profit or loss	442,500.00	-577,500.00
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	442,500.00	-577,500.00
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	804,386,784.64	48,462,966.29

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	8,883,879,809.23	6,907,275,967.42
Receipts of tax refunds	2,983,000.88	6,523,416.76
Cash received from other operating activities	826,743,586.32	505,434,007.65
Subtotal of cash generated from operating activities	9,713,606,396.43	7,419,233,391.83
Payments for commodities and services	2,607,802,429.06	1,938,269,025.06
Cash paid to and on behalf of employees	1,884,322,010.85	1,299,781,660.28
Taxes paid	697,239,343.97	508,671,731.22
Cash paid in other operating activities	567,689,626.20	556,430,920.15
Subtotal of cash used in operating activities	5,757,053,410.08	4,303,153,336.71
Net cash generated from operating activities	3,956,552,986.35	3,116,080,055.12
2. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	-	200,000.00
Return on investment	1,409,672,809.32	460,620,212.63
Cash received from the disposal of fixed assets, intangible assets and other long-term assets	6,135,808,673.12	8,214,912.89
Cash received from the disposal of subsidiaries and other business units	1,000,000.00	-
Cash received from other investing activities	4,062,782,125.98	121,000,000.00
Subtotal of cash generated from investing activities	11,609,263,608.42	590,035,125.52
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	2,451,110,448.40	1,647,474,893.85
Payments for investments	7,828,684,852.29	3,558,918,904.65
Net payments for the acquisition of subsidiaries and other business units	-	9,317,382,826.55
Cash paid in other investing activities	1,303,951,129.78	25,463,390.79
Subtotal of cash used in investing activities	11,583,746,430.47	14,549,240,015.84
Net cash generated from investing activities	25,517,177.95	-13,959,204,890.32
3. Cash flows from financing activities:		
Capital contributions received	27,255,000.00	40,100,000.00
Including: Capital contributions by minority interests to subsidiaries	27,255,000.00	40,100,000.00
Borrowings obtained	12,838,230,272.62	30,277,177,842.54
Cash generated from other financing activities	-	3,879,245,683.44
Subtotal of cash generated from financing activities	12,865,485,272.62	34,196,523,525.98
Repayments of borrowings	11,791,203,049.88	20,097,481,238.26
Payments for interest and dividends	2,903,723,201.62	2,516,995,474.80
Including: Dividends paid by subsidiaries to minority interests	1,343,615,386.61	694,934,596.99
Cash used in other financing activities	281,985,995.17	142,123,745.90
Subtotal of cash used in financing activities	14,976,912,246.67	22,756,600,458.96
Net cash generated from financing activities	-2,111,426,974.05	11,439,923,067.02
4. Effect of foreign exchange rate changes on cash and cash equivalents	18,235,446.81	-15,665,859.94
5. Net increase in cash and cash equivalents	1,888,878,637.06	581,132,371.88
Add: Cash and cash equivalents, beginning of the period	5,373,281,504.75	7,729,460,082.75
6. Cash and cash equivalents, end of the period	7,262,160,141.81	8,310,592,454.63

8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	104,712,136.96	173,217,442.24
Cash received from other operating activities	7,971,877.19	478,013,625.50
Subtotal of cash generated from operating activities	112,684,014.15	651,231,067.74
Payments for commodities and services	35,832,461.34	51,308,565.98
Cash paid to and on behalf of employees	81,295,085.51	92,735,879.63
Taxes paid	19,133,226.24	5,009,988.48
Cash paid in other operating activities	278,977,499.75	544,437,740.05
Subtotal of cash used in operating activities	415,238,272.84	693,492,174.14
Net cash generated from operating activities	-302,554,258.69	-42,261,106.40
2. Cash flows from investing activities:		
Return on investment	281,458,359.20	444,717,054.92
Cash received from the disposal of fixed assets, intangible assets and other long-term assets	-	352,864.00
Cash received from other investing activities	228,867,355.24	-
Subtotal of cash generated from investing activities	510,325,714.44	445,069,918.92
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	1,916,637.68	8,448,540.50
Payments for investments	375,334,390.00	-
Net payments for the acquisition of subsidiaries and other business units	18,825,000.00	149,709,800.00
Cash paid in other investing activities	235,800,000.00	-
Subtotal of cash used in investing activities	631,876,027.68	158,158,340.50
Net cash generated from investing activities	-121,550,313.24	286,911,578.42
3. Cash flows from financing activities:		
Borrowings obtained	1,660,000,000.00	764,630,000.00
Subtotal of cash generated from financing activities	1,660,000,000.00	764,630,000.00
Repayments of borrowings	1,365,720,000.00	300,000,000.00
Payments for interest and dividends	63,755,911.40	859,343,226.23
Cash used in other financing activities	4,089,602.56	683,524.96
Subtotal of cash used in financing activities	1,433,565,513.96	1,160,026,751.19
Net cash generated from financing activities	226,434,486.04	-395,396,751.19
4. Effect of foreign exchange rate changes on cash and cash equivalents	736,370.74	-2,127,897.82
5. Net increase in cash and cash equivalents	-196,933,715.15	-152,874,176.99
Add: Cash and cash equivalents, beginning of the period	389,841,854.93	230,039,345.73
6. Cash and cash equivalents, end of the period	192,908,139.78	77,165,168.74

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the Execution of any New Standards Governing Financial Instruments, Revenue or Leases from 2019

√ Applicable □ Not applicable

Consolidated Balance Sheet

Unit: RMB

Item	31 December	1 January 2019	Adjusted
Current assets:			
Cash and bank balances	7,077,396,895.72	7,077,396,895.72	-
Notes receivable	11,608,669.43	11,608,669.43	-
Accounts receivable	1,109,230,503.08	1,109,230,503.08	-
Prepayments	124,404,862.87	81,845,182.30	-42,559,680.57
Other receivables	766,518,078.72	766,518,078.72	-
Including: Dividends receivable	259,804,145.16	259,804,145.16	-
Inventories	108,567,270.02	108,567,270.02	-
Assets classified as held for sale	115,356,162.94	115,356,162.94	-
Current portion of non-current assets	25,952,956.76	25,952,956.76	-
Other current assets	1,195,421,189.12	1,195,421,189.12	-
Total current assets	10,534,456,588.66	10,491,896,908.09	-42,559,680.57
Non-current assets:			
Long-term receivables	793,046,240.11	793,046,240.11	-
Long-term equity investments	50,176,577,263.40	50,176,577,263.40	-
Investments in other equity instruments	247,848,314.30	247,848,314.30	-
Other non-current financial assets	2,087,872,081.94	2,087,872,081.94	-
Investment property	5,890,146,989.51	5,890,146,989.51	-
Fixed assets	22,994,190,880.43	17,477,797,429.30	-5,516,393,451.13
Construction in progress	5,499,426,090.06	5,499,426,090.06	--
Right-of-use assets		6,549,564,031.55	6,549,564,031.55
Intangible assets	20,761,018,044.54	20,761,018,044.54	-
Goodwill	8,335,895,842.35	8,335,895,842.35	-
Long-term prepaid expense	235,706,437.21	235,706,437.21	-
Deferred income tax assets	66,708,157.19	66,708,157.19	-
Other non-current assets	395,191,485.98	395,191,485.98	-
Total non-current assets	117,483,627,827.02	118,516,798,407.44	1,033,170,580.42
Total assets	128,018,084,415.68	129,008,695,315.53	990,610,899.85

Item	31 December	1 January 2019	Adjusted
Current liabilities:			
Short-term borrowings	3,427,365,512.21	3,427,365,512.21	-
Accounts payable	429,120,690.97	429,120,690.97	-
Receipts in advance	29,170,709.86	29,170,709.86	-
Contractual liabilities	49,993,895.50	49,993,895.50	-
Employee benefits payable	433,489,555.40	433,489,555.40	-
Taxes payable	345,183,422.42	345,183,422.42	-
Other payables	1,690,124,901.29	1,690,124,901.29	-
Including: Dividends payable	66,052,207.09	66,052,207.09	-
Non-current liabilities due with one year	2,903,320,877.97	3,027,360,245.85	124,039,367.88
Other current liabilities	602,659,721.80	602,659,721.80	-
Total current liabilities	9,910,429,287.42	10,034,468,655.30	124,039,367.88
Non-current liabilities:			
Long-term borrowings	6,971,479,842.18	6,971,479,842.18	-
Bonds payable	22,097,467,096.40	22,097,467,096.40	-
Lease liabilities		1,020,239,824.73	1,020,239,824.73
Long-term payables	1,294,190,118.18	1,252,860,200.23	-41,329,917.95
Long-term payroll payable	375,325,127.65	375,325,127.65	-
Provisions	34,951,392.27	34,951,392.27	-
Deferred income	228,658,214.64	228,658,214.64	-
Deferred income tax liabilities	2,911,074,941.27	2,911,074,941.27	-
Other non-current liabilities	3,777,582,522.86	3,777,582,522.86	-
Total non-current liabilities	37,690,729,255.45	38,669,639,162.23	978,909,906.78
Total liabilities	47,601,158,542.87	48,704,107,817.53	1,102,949,274.66
Owners' equity:			
Share capital	1,793,412,378.00	1,793,412,378.00	-
Capital reserves	19,426,912,957.05	19,426,912,957.05	-
Other comprehensive income	88,925,978.57	88,925,978.57	-
Specific reserve	8,231,080.43	8,231,080.43	-
Surplus reserves	527,175,908.67	527,175,908.67	-
Retained earnings	8,915,817,110.21	8,877,958,652.78	-37,858,457.43
Total equity attributable to parent company	30,760,475,412.93	30,722,616,955.50	-37,858,457.43
Minority interests	49,656,450,459.88	49,581,970,542.50	-74,479,917.38
Total shareholders' equity	80,416,925,872.81	80,304,587,498.00	-112,338,374.81
Total liabilities and owners' equity	128,018,084,415.68	129,008,695,315.53	990,610,899.85

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2018(restated)	1 January 2019	Adjusted
Current assets:			
Cash and bank balances	389,841,854.93	389,841,854.93	-
Accounts receivable	23,444,175.65	23,444,175.65	-
Other receivables	651,050,233.08	651,050,233.08	-
Including: Dividends receivable	329,153,465.70	329,153,465.70	-
Inventories	165,553.46	165,553.46	-
Other current assets	1,563,111.61	1,563,111.61	-
Total current assets	1,066,064,928.73	1,066,064,928.73	-
Non-current assets:			
Long-term receivables	11,004,284.75	11,004,284.75	-
Long-term equity investments	28,544,261,576.96	28,544,261,576.96	-
Investments in other equity instruments	151,746,700.00	151,746,700.00	-
Investment property	12,685,959.06	12,685,959.06	-
Fixed assets	190,804,655.63	190,804,655.63	-
Construction in progress	2,500,843.87	2,500,843.87	-
Right-of-use assets		11,966,380.80	11,966,380.80
Intangible assets	57,755,603.44	57,755,603.44	-
Long-term prepaid expense	3,785,801.32	3,785,801.32	-
Total non-current assets	28,974,545,425.03	28,986,511,805.83	11,966,380.80
Total assets	30,040,610,353.76	30,052,576,734.56	11,966,380.80
Current liabilities:			
Short-term borrowings	377,716,000.00	377,716,000.00	-
Accounts payable	13,125,624.29	13,125,624.29	-
Contractual liabilities	92,003.00	92,003.00	-
Employee benefits payable	26,605,190.52	26,605,190.52	-
Taxes payable	18,826,587.50	18,826,587.50	-
Other payables	717,536,924.18	717,536,924.18	-
Including: Dividends payable	37,608,540.65	37,608,540.65	-
Non-current liabilities due with one year	299,531,506.81	305,454,311.08	5,922,804.27
Other current liabilities	200,000,000.00	200,000,000.00	-
Total current liabilities	1,653,433,836.30	1,659,356,640.57	5,922,804.27

Item	31 December 2018(restated)	1 January 2019	Adjusted
Non-current liabilities:			
Lease liabilities		6,369,170.76	6,369,170.76
Long-term payables	151,710,000.00	151,710,000.00	-
Deferred income tax liabilities	34,179,375.00	34,179,375.00	-
Total non-current liabilities	185,889,375.00	192,258,545.76	6,369,170.76
Total liabilities	1,839,323,211.30	1,851,615,186.33	12,291,975.03
Owners' equity:			
Share capital	1,793,412,378.00	1,793,412,378.00	-
Capital reserves	25,517,647,180.04	25,517,647,180.04	-
Other comprehensive income	102,638,125.00	102,638,125.00	-
Special reserves	470,465.59	470,465.59	-
Surplus reserves	527,175,908.67	527,175,908.67	-
Retained earnings	259,943,085.16	259,617,490.93	-325,594.23
Total shareholders' equity	28,201,287,142.46	28,200,961,548.23	-325,594.23
Total liabilities and owners' equity	30,040,610,353.76	30,052,576,734.56	11,966,380.80

Note for adjustment:

The Company began to implement the new lease standards 1 January 2019. On that implementation date, the Company conducted financial accounting treatment in situations where lease liabilities shall be measured by the present value discounted by lessee's incremental borrowing rate on the first execution day or right-of-use assets shall be measured by new lease standards if it's from the beginning date of lease term.

In the balance sheet, assets and liabilities increased at the same time due to the existence of operational lease contract, but it did not have significant impacts on the Company's financial situations.

2. Retrospective Restatement of Previous Comparative Data due to the Execution of any New Standards

Governing Financial Instruments or Leases from 2019

Applicable Not applicable

III Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

The Board of Directors
China Merchants Port Group Co., Ltd
31 October 2019