

Stock Code: 001872/201872

Stock Name: CM Port Group/CM Port Group B

Announcement No. 2022-043



CHINA MERCHANTS PORT GROUP CO., LTD.

THE REPORT FOR THE FIRST QUARTER OF 2022

China Merchants Port Group Co., Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are factual, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

Important Notes:

1. The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.
2. Wang Xiufeng, the Company’s legal representative, Tu Xiaoping, the Company’s Chief Financial Officer and the person-in-charge of the accounting organ hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

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

Yes No

4. *Securities Times, China Securities Journal, Shanghai Securities News, 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.

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

I Key Financial Information

(I) Key Accounting Data and Financial Indicators

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

Yes No

	Q1 2022	Q1 2021	YoY change (%)
Operating revenue (RMB)	4,020,203,113.25	3,574,128,378.48	12.48%
Net profit attributable to the listed company’s shareholders (RMB)	859,493,121.60	532,867,484.84	61.30%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	838,801,864.90	524,972,071.00	59.78%
Net cash generated from/used in operating activities (RMB)	999,264,265.35	880,940,193.44	13.43%

Basic earnings per share (RMB/share)	0.45	0.28	60.71%
Diluted earnings per share (RMB/share)	0.45	0.28	60.71%
Weighted average return on equity (%)	2.13%	1.42%	0.71%
	31 March 2022	31 December 2021	Change (%)
Total assets (RMB)	182,092,449,357.11	175,984,101,168.66	3.47%
Equity attributable to the listed company's shareholders (RMB)	41,086,608,794.81	39,801,188,662.13	3.23%

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

Total share capital at the end of the last trading session before the disclosure of this Report (share)	1,922,365,124
---	---------------

Fully diluted earnings per share based on the latest total share capital above:

Dividend of preference shares paid (RMB)	No preference shares
Interest of perpetual bonds paid (RMB)	No perpetual bonds
Fully diluted earnings per share based on the latest total share capital above (RMB/share)	0.4471

(II) Exceptional Gains and Losses

Unit: RMB

Item	Q1 2022	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-959,260.23	-
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		-
Government subsidies charged to current profit or loss (exclusive of government subsidies continually given in the Company's ordinary course of business at fixed quotas or amounts as per the government's policies and standards)	36,589,084.26	-
Capital occupation charges on non-financial enterprises that are charged to current profit or loss	55,071,144.47	-
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments		-
Gain/Loss on non-monetary asset swap		-
Gain/Loss on entrusting others with investments or asset management		-

Asset impairment provisions due to acts of God such as natural disasters		-
Gain/Loss from debt restructuring		-
Expenses on business reorganization, such as expenses on staff arrangements, integration, etc.		-
Gain/Loss on the part over the fair value due to transactions with distinctly unfair prices		-
Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net		-
Gain/Loss incurred from contingency unrelated to the Company's normal operating businesses.		-
Gain or loss on fair-value changes in held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	-28,601,507.19	-
Reversed portions of impairment allowances for receivables which are tested individually for impairment		-
Gain/loss on entrustment loans		-
Gain/loss on change in fair value of investment property of which the subsequent measurement is carried out adopting fair value method		-
Effect on current profit or loss when a one-off adjustment is made to current profit or loss according to requirements of taxation, accounting and other relevant laws and regulations		-
Custodian fees earned from entrusted operation		-
Non-operating income and expense other than the above	2,039,713.13	-
Other gains and losses that meet definition of exceptional gains and losses		-
Less: Income tax effects	9,044,805.13	-
Non-controlling interests effects (net of tax)	34,403,112.61	-
Total	20,691,256.70	--

Other items that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases.

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

Applicable Not applicable

No such cases.

(III) Changes in Key Financial Statement Line Items and Their Explanation

Unit: RMB

Balance sheet items	31 March 2022	31 December 2021	Change (%)	Explanation of changes
Accounts receivable	1,833,329,170.36	1,320,577,577.81	38.83%	Increase in revenue
Other current liabilities	5,146,776,107.61	2,158,497,775.85	138.44%	New short-term financing
Income statement items	Q1 2022	Q1 2021	Change (%)	Explanation of changes
Investment income	1,700,408,075.14	1,041,036,342.43	63.34%	Increased amount of the share of profits of associates and joint ventures
Gains from changes in fair value	-28,601,507.19	-168,400,154.98	83.02%	The measurement method adopted for concession royalties liabilities of TCP Participações S.A. was changed to the amortized cost method.
Cash flow statement items	Q1 2022	Q1 2021	Change (%)	Explanation of changes
Cash receipts from disposals and recovery of investments	16,908,644,162.50	1,730,000,000.00	877.38%	Maturity of structured deposits
Cash receipts from investments income	90,541,536.09	1,083,443,879.50	-91.64%	Decreased dividends from associates and joint ventures
Cash payments to acquire investments	16,688,874,317.28	977,561,289.86	1607.19%	Purchase of structured deposits
Cash receipts from borrowings	9,466,988,902.00	4,513,459,100.62	109.75%	Increase in short-term borrowings

II Shareholder Information

(I) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders	32,309 (20,796 A-shareholders, 11,513 B-shareholders)	Number of preferred shareholders with resumed voting rights (if any)	0
---------------------------------	--	--	---

Top 10 shareholders					
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Private shares held	Shares in pledge, marked or frozen
CHINA MERCHANTS PORT 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)	Funds, wealth management products	3.37%	64,850,182	0	0
CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	3.33%	64,102,564	0	0
BROADFORD GLOBAL LIMITED	State-owned legal person	2.88%	55,314,208	0	0
ZHU HUI	Domestic natural person	0.15%	2,958,003	0	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned legal person	0.13%	2,585,555	0	Unknown
ARROWSTREET EMERGING MARKET ALPHA EXTENSION TRUST FUND	Foreign legal person	0.11%	2,192,691	0	Unknown
MAI SHUQING	Domestic natural person	0.11%	2,129,247	0	Unknown
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.11%	2,070,402	0	Unknown
Top 10 public shareholders					
Name of shareholder	Public shares held	Shares by type			
		Type	Shares		
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	370,878,000	RMB ordinary share	370,878,000		
SHENZHEN INFRASTRUCTURE	64,850,182	RMB ordinary	64,850,182		

INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)		share	
CHINA-AFRICA DEVELOPMENT FUND	64,102,564	RMB ordinary share	64,102,564
BROADFORD GLOBAL LIMITED	55,314,208	Domestically listed foreign share	55,314,208
ZHU HUI	2,958,003	RMB ordinary share	2,958,003
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,585,555	Domestically listed foreign share	2,585,555
ARROWSTREET EMERGING MARKET ALPHA EXTENSION TRUST FUND	2,192,691	Domestically listed foreign share	2,192,691
MAI SHUQING	2,129,247	RMB ordinary share	2,129,247
HONG KONG SECURITIES CLEARING COMPANY LTD.	2,070,402	RMB ordinary share	2,070,402
SHEN HUAILING	1,721,049	Domestically listed foreign share	1,721,049
Related or acting-in-concert parties among the shareholders above	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a controlled subsidiary of Broadford Global Limited, and Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 shareholders engaged in securities margin trading (if any)	N/A		

(II) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

III Other Significant Events

(I) Details of the Stock Option Incentive Plan of the Company during the Reporting Period:

The 1st Extraordinary Meeting of the 10th Board of Directors in 2022 and 1st Extraordinary Meeting of the 10th Supervisory Committee in 2022 of the Company, held on 28 January 2022, reviewed and approved the *Proposal on Adjusting the Exercise Prices of the Stock Option Incentive Plan (Phase I) of the Company*, the *Proposal on Adjusting the Numbers of Qualified Awardees and Stock Options to Be Granted of the Stock Option Incentive Plan (Phase I) of the Company*, the *Proposal on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Stock Options (the First Batch to be Granted) of the Stock Option Incentive Plan (Phase I) of the Company*, and the *Proposal on Canceling Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company*. Independent directors gave independent opinions of agreement. The Supervisory Committee of the Company verified the proposals and gave opinions. For details, see the relevant announcements disclosed by the Company on Cninfo (www.cninfo.com.cn) (Announcement No. 2022-007, 2022-008, 2022-009, and 2022-010).

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

(II) Progress, Influence and Solutions in respect of Significant Events

1. Index to Information Disclosure

In the Reporting Period, the Company disclosed the following significant events:

Announcement No.	Date	Title
2022-001	8 January 2022	Announcement on the Exit of Investment Fund
2022-002	15 January 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of December 2021
2022-003	15 January 2022	Reminder of the Issuance of 2022 Phase I Super-short-term Financing Bonds
2022-004	20 January 2022	Announcement on Issue Results of 2022 Phase I Super-short-term Financing Bonds
2022-005	29 January 2022	Announcement on Resolutions of the 1 st Special Meeting of the 10 th Board of Directors in 2022
2022-006	29 January 2022	Announcement on Resolutions of the 1 st Special Meeting of the 10 th Supervisory Committee in 2022
2022-007	29 January 2022	Announcement on Adjusting the Exercise Prices of the Stock Option Incentive Plan (Phase I) of the Company

2022-008	29 January 2022	Announcement on Adjusting the Numbers of Qualified Awardees and Stock Options to Be Granted of the Stock Option Incentive Plan (Phase I) of the Company
2022-009	29 January 2022	Announcement on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Stock Options (the First Batch to be Granted) of the Stock Option Incentive Plan (Phase I) of the Company
2022-010	29 January 2022	Announcement on Canceling Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company
2022-011	15 February 2022	Announcement on Completing the Cancellation of Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company
2022-012	15 February 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of January 2022
2022-013	1 March 2022	Announcement on Resolutions of the 2 nd Special Meeting of the 10 th Board of Directors in 2022
2022-014	1 March 2022	Announcement on Resolutions of the 2 nd Special Meeting of the 10 th Supervisory Committee in 2022
2022-015	1 March 2022	Announcement on Resignation of Director and Supervisor and By-election of Director and Supervisor
2022-016	2 March 2022	Reminder of the Issuance of 2022 Phase II Super-short-term Financing Bonds
2022-017	5 March 2022	Announcement on Issue Results of 2022 Phase II Super-short-term Financing Bonds
2022-018	15 March 2022	Announcement on the Due Payment of 2021 Phase VII Super & Short-term Commercial Paper
2022-019	15 March 2022	Announcement on Voluntary Information Disclosure of Business Volume Data of February 2022
2022-020	19 March 2022	Announcement on Progress of Incorporation of HK Wholly-owned Subsidiary and Adjustment to Ownership Structure of the Subsidiary
2022-021	26 March 2022	Announcement on Online Investor Meeting on 2021 Annual Results
2022-022	26 March 2022	Reminder of the Issuance of 2022 Phase III Super-short-term Financing Bonds
2022-023	31 March 2022	Announcement on Resolutions of the 5 th Meeting of the 10 th Board of Directors
2022-024	31 March 2022	Announcement on Resolutions of the 5 th Meeting of the 10 th Supervisory Committee
2022-025	31 March 2022	Announcement on 2021 Profit Distribution Plan
2022-026	31 March 2022	Abstract of 2021 Annual Report (Chinese and English Versions)
2022-027	31 March 2022	Announcement on the Confirmation of the Continuing Related-Party

		Transactions in 2021 and the Estimation of Such Transactions in 2022
2022-028	31 March 2022	Announcement on the Related-Party Transaction Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2022
2022-029	31 March 2022	Announcement on the External Guarantee Progress of a Majority-Owned Subsidiary of the Company in 2021 and the Expected New External Guarantee Line in the Next 12 Months
2022-030	31 March 2022	Announcement on Renewing the Financial Service Agreement and Related Party Transactions with China Merchants Group Finance Co., Ltd.
2022-031	31 March 2022	Special Report on Deposit and Usage of Raised Fund in 2021
2022-032	31 March 2022	Announcement on Reappointment of Accounting Firm in 2022
2022-033	31 March 2022	Notice on Convening the 2021 Annual General Meeting
2022-034	31 March 2022	Announcement on Provision for Asset Impairment for 2021
2022-035	31 March 2022	Announcement on the Voluntary Information Disclosure of the 2021 Annual Results by the Majority-Owned Subsidiary

2. Progress of any Share Repurchase

Applicable Not applicable

3. Progress of any Reduction of the Repurchased Shares through Centralized Bidding

Applicable Not applicable

(III) Financial Investments

1. Securities Investments

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement method	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	Ending carrying value	Accounting title	Funding source
-----------------------	--------------------	--------------------	-------------------------	-------------------------------	--------------------------	---	--	-----------------------------------	------------------------------	------------------	-----------------------	------------------	----------------

		ies								R ep or ti ng Pe ri od			
Sto ck	06198	Qing dao Port	124,405,138.80	Fair value meth od	145,443,863.52	-8,051,515.78	-	-	-	-	136,959,885.55	Other non-c urren t finan cial assets	Se lf-f und ed
Sto ck	601298	Qing dao Port	331,404,250.30	Fair value meth od	637,280,000.00	-14,560,000.00	-	-	-	-	622,720,000.00	Other non-c urren t finan cial assets	Se lf-f und ed
Sto ck	600377	Jiang su Ex pre ss way	1,120,000.00	Fair value meth od	8,620,000.00	-7,500,000.00	-	-	-	-	1,120,000.00	Invest ment in other equit y instru ment s	Se lf-f und ed
Sto ck	400032	Pet roc he mi cal Al	3,500,000.00	Fair value meth od	382,200.00	-	-	-	-	-	382,200.00	Invest ment in other equit y instru ment s	Se lf-f und ed
Sto ck	400009	Gua ng	27,500.00	Fair value meth od	17,000.00	-	-	-	-	-	17,000.00	Invest ment in	Se lf-f und

		Jian		od							other equity instruments	ded	
Stock	600179	Amount on Holding	391,956.73	Fair value method	157,196.79	-11,965.11	-	50,200,000.00	-	-	50,345,231.68	Held-for-trading financial assets	Self-funded
Total			460,848,845.83	--	791,900,260.31	-22,623,480.89	-7,500,000.00	50,200,000.00	1,120,000.00	-	810,424,317.23	--	--

2. Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

(IV) Progress of Projects Financed with Raised Funds

1. Funds Raised through Private Placement of Shares

Pursuant to the Reply of China Securities Regulatory Commission on the Approval of Shenzhen Chiwan Wharf Holdings Limited Offering Shares to China Merchants Investment Development Company Limited for Asset Acquisition and Raising the Matching Funds (ZJXK [2018] No. 1750) dated 31 October 2018, the Company issued, in a private placement, a total of 128,952,746 shares of RMB-denominated ordinary shares (A-shares) to two entities including China-Africa Development Fund at RMB17.16/share, raising a total of RMB2,212,829,121.36 (with the net amount after deducting issuance costs being RMB2,185,997,340.15). Following the arrival of the aforesaid funds, BDO China Shu Lun Pan Certified Public Accountants LLP issued a Capital Verification Report (XKSBZ [2019] No. ZI10673).

As of 31 March 2022, a total of RMB9,976,754,817.17 of raised funds had been used, including: (1) RMB582,722,414.48 as the replacement for the self-financings that had been in advance input into project to be financed by raised funds; (2) RMB1,167,200,621.48 used after the arrival of the raised funds, including an investment of RMB1,167,200,621.48 in the Haixing Harbor Renovation Project (Phase II) (2019: RMB324,533,139.29; 2020: RMB424,734,590.46; 2021: RMB262,949,228.42; Q1 2022: RMB154,983,663.31); (3) RMB26,831,781.21 for paying issuance costs; (4) RMB7,130,000,000.00 for purchasing structured deposits (2019: RMB1,200,000,000.00; 2020: RMB2,650,000,000.00; 2021: RMB3,280,000,000.00); (5) RMB1,070,000,000.00 for purchasing seven days call deposits (2021: RMB900,000,000.00; Q1 2022: RMB170,000,000.00).

As of 31 March 2022, the interest income in the account of raised funds minus service charges stood at RMB1,673,699.03 in Q1 2022; the amount of income from structured deposits was RMB41,738,931.50 in Q1 2022; and the amount of income from seven days call deposits was RMB28,583.34 in Q1 2022. As of 31 March 2022, the balance in the account of raised funds amounted to RMB486,724,025.07. The use and balance of the raised funds are as follows:

Unit: RMB

Item	Amount
Opening balance of raised funds (31 December 2021)	640,005,406.01
Less: raised funds that were directly used for project to be financed by raised funds in Q1 2022	154,983,663.31
Add: Income from seven days call deposits in Q1 2022	28,583.34
Net interest income from raised funds in Q1 2022	1,673,699.03
Closing balance of raised funds (31 March 2022)	486,724,025.07

2. Funds Raised through Corporate Bonds

On 7 July 2020, the Company issued RMB2 billion of corporate bonds at the Shenzhen Stock Exchange, with a coupon rate of 3.36% and a term of three years. The funds raised would be used to acquire 1,606,855,919 ordinary shares in Zhanjiang Port (accounting for 27.3544% of Zhanjiang Port's total issued shares) from the issuer's wholly-owned subsidiary Chiwan Wharf Holdings (Hong Kong) Limited. As of 31 March 2022, the handover of the said equity interests has been completed.

(V) Communications with the Investment Community such as Researches, Inquiries and Interviews Received during the Reporting Period

Date	Place	Way of communic	Type of commun	Communication party	Index to basic information of researches
1 January 2022 to 31 March 2022	China Merchants Port Building	By phone, or written inquiry (the EasyIR platform of SZSE or email)	Individual	-	Basic business condition, investments and the financial condition of the Company; Materials provided: None; Index: SZSE EasyIR (http://irm.cninfo.com.cn/ircs/index)
Times of communications					20
Number of institutions communicated with					0
Number of individuals communicated with					20
Number of other communication parties					0
Tip-offs or leakages of substantial confidential information during the communications					No

(VI) Progress Made on Internal Control

The focuses of risk control for Q1 2022 are as follows:

1. Establishment of internal control system

As of 31 March 2022, a total of 25 units were included in the assessment of the risk control system, covering the Company's subsidiaries. The annual risk control planning and the formulation of the work plan were completed. Additionally, the lists of members of the steering and working groups of the self-assessment of risk management and internal control were adjusted, according to the staff turnover of the Company and its subsidiaries.

2. Further Improvement in coverage of internal control evaluation process

In 2022, the subsidiaries included in the self-assessment of the internal control system of the Company have streamlined the procedures of all businesses and covered their respective core businesses in the scope of internal control assessment. A priority task in Q1 2022 was the internal control self-assessment by all departments of the Headquarters of the Company, during which procedure design and implementation were streamlined and inspected. In addition, procedure manuals were timely updated in line with changes in the actual business.

3. Carrying out the establishment and evaluation of internal control system on a regular basis

As of 31 March 2022, all units have renewed their internal control self-evaluation working papers in accordance with the annual internal control evaluation plan and changes in business process and carried out the internal control self-evaluation work on a quarterly basis. The internal control working group of the Company has reviewed the internal control working papers submitted by each unit and notified the problems existing in the self-evaluation of each unit.

4. Completing the internal control as planned

The Company, as scheduled, orderly promoted 31 key risk control tasks for the year. As of 31 March 2022, it supported external project groups of internal control audit to complete internal control audit-related tasks and obtained reports on internal control audit on time. In conformity with the "Three-year Full-Coverage" Plan for the Supervision and Inspection of the Internal Control System, the internal control inspection over the development of the Shenzhen Chiwan Port Development Co., Ltd. was completed, and a list of deficiencies identified through the internal control assessment was compiled. Meanwhile, the Annual Risk Control Work Arrangement Conference was held. The risk control personnel of all organizations received the training of courses on corporate risk control.

(VII) 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.

The Proposal on Adjusting Limit of Deposits and Loans and Signing Supplementary Agreement II to Financial Service Agreement with China Merchants Group Finance Co., Ltd and the Related-party Transactions was reviewed and approved on the 11th Extraordinary Meeting of the 9th Board of Directors in 2019 and the 4th Extraordinary General Meeting of 2019 held by the Company respectively on 22 November 2019 and 11 December 2019, in which, the Company was agreed to signed Supplementary Agreement II to Financial Service Agreement with China Merchants Group Finance Co., Ltd.

The Company held the 5th Meeting of the 10th Board of Directors and the 2021 Annual General Meeting respectively on 29 March and 21 April 2022, respectively, reviewing and approving the *Proposal on Renewing the Financial Service Agreement and Related Party Transactions with China Merchants Group Finance Co., Ltd.* and agreeing with the renewal of the *Financial Service Agreement*, with a term of three years, with China Merchants Group Finance Co., Ltd. ("CMG Finance").

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	Q1 Increase	Q1 Decrease	Ending balance
I. Deposits in China Merchants Group Finance Co., Ltd.	217,823.09	520,708.57	622,254.54	116,277.12
II. Loans provided by China Merchants Group Finance Co., Ltd.	396,421.70	14178.37	114,634.80	295965.27

IV Quarterly Financial Statements**(I) Financial Statements****1. Consolidated Balance Sheet**

Prepared by China Merchants Port Group Co., Ltd.

31 March 2022

Unit: RMB

Item	31 March 2022	31 December 2021
Current assets:		
Cash and bank balances	16,297,751,964.47	12,772,349,406.77
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	5,162,880,867.29	6,921,831,502.55
Derivative financial assets		
Notes receivable	4,731,611.95	6,081,611.95
Accounts receivable	1,833,329,170.36	1,320,577,577.81
Receivables financing	237,228,226.50	238,429,402.71
Prepayments	89,448,942.83	51,606,794.20
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	734,290,028.25	696,276,595.87
Including: Interest receivable		
Dividend receivable	245,754,564.05	264,626,493.85
Financial assets purchased under resale		
Inventories	214,271,478.26	194,920,136.12
Contract assets		
Assets held for sale	337,442,757.28	337,442,757.28
Non-current assets due within one year	79,799,353.24	102,356,461.97
Other current assets	332,074,649.22	339,684,297.41
Total current assets	25,323,249,049.65	22,981,556,544.64
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	6,193,605,753.05	6,162,713,861.02
Long-term equity investments	73,613,734,189.52	70,353,451,824.52

Investments in other equity instruments	171,625,961.43	180,251,798.43
Other non-current financial assets	786,471,266.90	809,515,244.87
Investment properties	5,252,221,130.02	5,298,238,414.88
Fixed assets	31,505,707,256.01	31,710,513,230.29
Construction in progress	2,615,862,787.57	2,557,584,953.92
Productive living assets		
Oil and gas assets		
Right-of-use assets	8,749,843,845.04	8,743,077,542.19
Intangible assets	18,728,171,994.66	18,475,412,380.93
Development expenditure	86,214,834.04	82,391,225.85
Goodwill	6,441,272,105.55	6,024,160,942.07
Long-term prepaid expenses	973,530,705.15	975,994,541.52
Deferred tax assets	397,304,208.76	398,145,710.84
Other non-current assets	1,253,634,269.76	1,231,092,952.69
Total non-current assets	156,769,200,307.46	153,002,544,624.02
Total assets	182,092,449,357.11	175,984,101,168.66
Current liabilities:		
Short-term borrowings	12,879,494,775.70	13,651,452,805.36
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		1,895,987.17
Accounts payable	713,473,645.42	843,820,438.51
Receipts in advance	14,067,197.75	9,313,166.01
Contract liabilities	172,798,076.68	196,784,525.26
Financial assets sold under repurchase		
Customer deposits and interbank		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	600,080,059.05	820,416,415.47
Taxes payable	2,083,110,973.41	2,162,719,251.68
Other payables	2,010,303,559.98	2,140,108,341.08
Including: Interest payable		
Dividends payable	194,303,033.81	48,803,019.31
Handling charges and commissions		
Reinsurance payables		
Liabilities directly associated with		

Non-current liabilities due within one	8,391,131,832.68	8,268,209,284.17
Other current liabilities	5,146,776,107.61	2,158,497,775.85
Total current liabilities	32,011,236,228.28	30,253,217,990.56
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	8,135,652,014.40	7,144,839,870.89
Bonds payable	16,687,182,068.36	16,670,872,414.14
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	1,045,874,394.81	1,055,194,906.09
Long-term payables	3,856,207,423.67	3,422,179,366.40
Long-term employee benefits payable	576,393,082.40	588,681,492.63
Provisions	106,971,600.94	24,247,302.42
Deferred income	1,064,415,486.55	1,075,957,884.91
Deferred tax liabilities	4,692,783,872.26	4,550,417,470.61
Other non-current liabilities	163,355,229.36	163,065,578.53
Total non-current liabilities	36,328,835,172.75	34,695,456,286.62
Total liabilities	68,340,071,401.03	64,948,674,277.18
Shareholders' equity:		
Share capital	1,922,365,124.00	1,922,365,124.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	23,595,961,912.22	23,592,702,758.70
Less: Treasury stock		
Other comprehensive income	-575,458,060.07	-890,125,318.18
Special reserve	19,162,878.66	9,184,429.12
Surplus reserves	961,182,562.00	961,182,562.00
General reserve		
Unappropriated profit	15,163,394,378.00	14,205,879,106.49
Total shareholders' equity attributable to	41,086,608,794.81	39,801,188,662.13
Minority interests	72,665,769,161.27	71,234,238,229.35
Total shareholders' equity	113,752,377,956.08	111,035,426,891.48
Total liabilities and shareholders' equity	182,092,449,357.11	175,984,101,168.66

Legal Representative: Wang Xiufeng

Chief Financial Officer: Tu Xiaoping

Head of Accounting Department: Tu Xiaoping

2. Consolidated income statement for Q1

Unit: RMB

Item	Q1 2022	Q1 2021
1. Operating income	4,020,203,113.25	3,574,128,378.48
Including: Operating income	4,020,203,113.25	3,574,128,378.48
Interest income		
Premium income		
Handling charge and commission income		
2. Costs and expenses	3,257,382,937.14	2,845,927,469.64
Including: Operating costs	2,257,298,794.24	2,007,544,534.80
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as policy reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	70,163,530.02	41,717,436.22
Selling expense		
Administrative expenses	392,572,623.71	377,820,396.13
Research and development expenses	52,342,387.05	44,463,870.59
Finance expenses	485,005,602.12	374,381,231.90
Including: Interest expense	557,552,810.49	434,147,689.21
Interest income	95,418,037.96	91,196,956.90
Add: Other income	37,313,921.78	26,409,425.41
Investment income (Loss is marked with "-")	1,700,408,075.14	1,041,036,342.43
Including: Income from investments in associates and joint ventures	1,632,844,747.42	1,036,720,640.64
Income from the derecognition of financial assets at amortized cost (Loss is marked with "-")		
Foreign exchange gain (Loss is marked with "-")		
Net gain on exposure hedges (Loss is marked with "-")		
Gains from changes in fair value (Loss	-28,601,507.19	-168,400,154.98

is marked with "-")		
Gains from impairment of credit (Loss is marked with "-")	-592,423.11	-3,542,445.15
Gains from impairment of assets (Loss is marked with "-")		
Gains on disposal of assets (Loss is marked with "-")	-212,878.09	13,401,172.17
3. Operating profit (Loss is marked with "-")	2,471,135,364.64	1,637,105,248.72
Add: Non-operating income	5,208,084.73	5,495,288.51
Less: Non-operating expenses	3,571,426.77	3,575,349.46
4. Gross profit (Loss is marked with "-")	2,472,772,022.60	1,639,025,187.77
Less: Income tax expenses	304,563,099.35	265,348,021.64
5. Net profit (Loss is marked with "-")	2,168,208,923.25	1,373,677,166.13
5.1 Categorization by continuity of operation		
5.1.1 Net profit from continuing operation (Loss is marked with "-")	2,168,208,923.25	1,373,677,166.13
5.1.2 Net profit from discontinued operation (Loss is marked with "-")		
5.2 Categorization by attribution of ownership		
5.2.1 Net profit attributable to owners of the parent	859,493,121.60	532,867,484.84
5.2.2 Profit or loss attributable to minority shareholders	1,308,715,801.65	840,809,681.29
6. Other comprehensive income, net of tax	667,572,753.98	-384,544,155.52
Other comprehensive income attributable to owners of the parent, net of tax	412,689,408.02	-100,904,072.35
6.1 Other comprehensive income that will not be reclassified to profit or loss	-101,330.09	555,000.00
6.1.1 Changes from remeasurement of the defined benefit plan		
6.1.2 Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
6.1.3 Fair value changes of investments in other equity instruments	-101,330.09	555,000.00
6.1.4 Changes in the fair value of the company's credit risks		
6.1.5 Other		
6.2 Other comprehensive income that will be reclassified subsequently to profit or loss	412,790,738.11	-101,459,072.35

6.2.1 Other comprehensive income that can be reclassified to profit or loss under the equity method	6,527,928.11	4,801,689.64
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Allowance for credit impairments in investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Translation differences of financial statements denominated in foreign currencies	406,262,810.00	-106,260,761.99
6.2.7 Other		
Other comprehensive income attributable to minority interests, net of tax	254,883,345.96	-283,640,083.17
7. Total comprehensive income attributable to	2,835,781,677.23	989,133,010.61
Shareholders of the parent	1,272,182,529.62	431,963,412.49
Minority shareholders	1,563,599,147.61	557,169,598.12
8. Earnings per share		
8.1 Basic earnings per share	0.45	0.28
8.2 Diluted earnings per share	0.45	0.28

3. Consolidated Cash Flow Statement for Q1

Unit: RMB

Item	Q1 2022	Q1 2021
1. Cash flows from operating activities:		
Cash receipts from sales of goods and rendering of services	3,599,371,273.07	3,264,569,109.89
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Receipts of tax refunds	1,001,300.35	757,301.82
Other cash receipts relating to operating activities	244,231,744.88	166,292,401.99
Sub-total of cash inflows	3,844,604,318.30	3,431,618,813.70
Cash payments for goods purchased and services received	1,122,144,087.79	923,792,637.84
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash payments to and on behalf of employees	1,130,909,192.25	1,051,108,651.64
Payments of various types of taxes	391,860,341.00	396,738,259.71
Other cash payments relating to operating activities	200,426,431.91	179,039,071.07
Sub-total of cash outflows	2,845,340,052.95	2,550,678,620.26
Net Cash Flows from Operating Activities	999,264,265.35	880,940,193.44
2. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	16,908,644,162.50	1,730,000,000.00
Cash receipts from investments income	90,541,536.09	1,083,443,879.50

Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	56,999.00	13,739,634.14
Net cash receipts from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities	92,386,492.18	184,258,181.77
Sub-total of cash inflows	17,091,629,189.77	3,011,441,695.41
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	542,182,983.32	762,007,467.39
Cash payments to acquire investments	16,688,874,317.28	977,561,289.86
Net increase in pledged loans granted		
Net cash payments for acquisitions of subsidiaries and other business units		8,748,637.26
Other cash payments relating to investing activities	9,373,443.62	5,967,866.95
Sub-total of cash outflows	17,240,430,744.22	1,754,285,261.46
Net cash flows from investing activities	-148,801,554.45	1,257,156,433.95
3. Cash flows from financing activities:		
Cash receipts from capital contributions		
Including: Cash receipts from capital contributions from Minority shareholder of subsidiary		
Cash receipts from borrowings	9,466,988,902.00	4,513,459,100.62
Other cash receipts relating to financing activities		
Sub-total of cash inflows	9,466,988,902.00	4,513,459,100.62
Cash repayments of borrowings	6,229,427,431.03	7,886,158,730.55
Cash payments for distribution of dividends or profits or settlement of interest expenses	484,875,519.45	519,589,430.57
Including: Payments for distribution of dividends or profits to Minority shareholder of subsidiary	2,881,000.00	37,213,769.69
Other cash payments relating to financing activities	57,936,905.74	1,760,847.73
Sub-total of cash outflows	6,772,239,856.22	8,407,509,008.85
Net cash flows from financing activities	2,694,749,045.78	-3,894,049,908.23
4. Effect of foreign exchange rate changes on cash and cash equivalents	-25,315,406.26	-4,855,902.26
5. Net increase in cash and cash equivalents	3,519,896,350.42	-1,760,809,183.10
Add: Opening balance of Cash and Cash Equivalents	12,727,355,238.36	11,899,943,358.25
6. Closing balance of cash and cash equivalents	16,247,251,588.78	10,139,134,175.15

(II) 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.
30 April 2022