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秦 皇 島 港 股 份 有 限 公 司
QINHUANGDAO PORT CO., LTD.*

(a joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 3369)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS

- The revenue of the Company amounted to RMB6,594.8619 million for the Year, representing an increase of 2.15% as compared with the corresponding period of last year.
- The net profit of the Company amounted to RMB997.1404 million for the Year, representing an increase of 10.84% as compared with the corresponding period of last year.
- The net profit attributable to owners of the parent company of the Company amounted to RMB1,038.3944 million for the Year, representing an increase of 4.35% as compared with the corresponding period of last year.
- The Board recommended a final dividend of RMB0.56 per 10 Shares (before tax) to Shareholders for the Year.

The Board is pleased to announce the audited financial statements of the Company for the year ended 31 December 2021 prepared in accordance with the China Accounting Standards for Business Enterprises, together with the comparative figures for the corresponding period of 2020.

* For identification purpose only

CONSOLIDATED BALANCE SHEET*31 December 2021**RMB*

	<i>Note IV</i>	31 December 2021	31 December 2020
Assets			
Current assets			
Cash and bank balances	<i>1</i>	4,051,769,706.70	3,554,825,387.07
Bills receivable	<i>2</i>	68,346,713.28	158,493,277.00
Accounts receivable	<i>3</i>	42,864,847.49	58,344,006.76
Accounts receivable financing		69,049,566.27	—
Prepayments		10,234,539.55	10,788,998.64
Other receivables		30,936,239.46	53,522,988.81
Inventories	<i>4</i>	167,322,981.57	162,844,612.15
Other current assets		127,074,097.79	126,204,484.27
Total current assets		4,567,598,692.11	4,125,023,754.70
Non-current assets			
Long-term equity investments		3,258,872,327.87	3,052,665,906.74
Other equity instruments investments		910,016,638.38	787,081,978.59
Fixed assets	<i>5</i>	12,416,386,765.22	13,398,156,815.24
Construction in progress	<i>6</i>	2,509,104,468.28	1,183,040,730.64
Right-of-use assets		112,187,085.56	124,582,460.65
Intangible assets		2,981,369,444.65	3,040,805,653.86
Long-term prepaid expenses		35,096,766.80	62,249,709.20
Deferred income tax assets		410,078,781.79	396,819,306.19
Other non-current assets		576,266,914.12	72,940,444.96
Total non-current assets		23,209,379,192.67	22,118,343,006.07
Total assets		27,776,977,884.78	26,243,366,760.77

Liabilities and shareholders' equity

Current liabilities

Short-term borrowings	7	330,357,805.56	322,940,547.75
Bills payable		–	3,169,300.00
Accounts payable	8	238,673,449.76	185,335,672.51
Contract liabilities	9	704,281,207.62	630,272,097.10
Employee benefits payable		798,496,547.67	705,159,894.73
Taxes payable	10	87,649,229.69	149,212,114.42
Other payables		898,468,189.51	674,477,406.66
Non-current liabilities due within one year		840,171,471.74	726,958,673.79

Total current liabilities		3,898,097,901.55	3,397,525,706.96
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Non-current liabilities

Long-term borrowings	11	6,259,174,345.98	5,886,790,644.98
Lease liabilities		323,144.98	452,512.09
Long-term payable		36,000,000.00	138,000,000.00
Long-term employee benefits payable		454,318,825.86	500,298,437.92
Deferred income		175,284,044.38	207,520,518.95
Deferred income tax liabilities		44,085,592.61	13,351,927.66

Total non-current liabilities		6,969,185,953.81	6,746,414,041.60
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Total liabilities		10,867,283,855.36	10,143,939,748.56
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Shareholders' equity

Share capital		5,587,412,000.00	5,587,412,000.00
Capital reserve		5,207,670,068.40	5,207,670,068.40
Other comprehensive income		398,289,967.40	263,264,477.30
Special reserve		162,786,888.70	139,446,715.57
Surplus reserve		1,529,961,605.48	1,433,372,455.99
Retained profit		3,169,225,628.95	2,585,014,785.35

Total equity attributable to shareholders of the parent		16,055,346,158.93	15,216,180,502.61
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Minority interests		854,347,870.49	883,246,509.60
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Total shareholders' equity		16,909,694,029.42	16,099,427,012.21
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Total liabilities and shareholders' equity		27,776,977,884.78	26,243,366,760.77
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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

RMB

	Note IV	2021	2020
Revenue	12	6,594,861,850.05	6,455,853,710.64
Less: Operating costs	12	4,094,699,901.80	3,867,699,685.07
Tax and surcharges		206,541,922.78	358,480,448.79
Administrative expenses		922,314,914.16	891,955,858.32
Research and development expenses		53,878,006.83	11,469,425.68
Financial costs	13	217,662,699.89	266,699,264.59
Including: Interest expense		277,584,295.95	306,663,640.77
Interest income		60,224,911.87	40,524,005.20
Add: Other income	14	54,709,973.87	53,630,043.00
Investment income		186,114,188.04	201,940,194.13
Including: Investment income			
from associates and			
joint ventures		176,101,826.59	191,068,724.04
Credit impairment loss		(28,394,521.41)	(1,568,979.21)
Asset impairment loss		(34,562,954.52)	(84,379,438.55)
Gains from the disposal of assets		—	1,069,063.11
Operating profits		1,277,631,090.57	1,230,239,910.67
Add: Non-operating income	15	8,877,816.18	14,603,165.63
Less: Non-operating expenses		5,068,230.20	11,010,722.19
Total profit		1,281,440,676.55	1,233,832,354.11
Less: Income tax expenses	16	284,300,281.26	334,229,007.10
Net profit		997,140,395.29	899,603,347.01
Classified by business continuity			
Net profit from continuing operations		997,140,395.29	899,603,347.01
Classified by ownership			
Net profit attributable to shareholders			
of the parent		1,038,394,361.09	995,132,015.27
Minority interests		(41,253,965.80)	(95,528,668.26)

	<i>Note IV</i>	2021	2020
Other comprehensive income, net of tax		146,452,127.44	82,283,709.11
Other comprehensive income attributable to shareholders of the parent, net of tax		135,025,490.10	81,931,149.44
Other comprehensive income not to be reclassified to profit or loss			
Other comprehensive income not to be taken to profit or loss using the equity method		55,478,499.54	91,018,161.47
Changes in fair value of investments in other equity instruments		80,774,357.50	(4,635,947.72)
Other comprehensive income to be reclassified into profit or loss			
Other comprehensive income to be taken to profit or loss using the equity method		–	(1,702,543.41)
Exchange differences on foreign currency translation		(1,227,366.94)	(2,748,520.90)
Other comprehensive income attributable to minority shareholders, net of tax		11,426,637.34	352,559.67
Total comprehensive income		1,143,592,522.73	981,887,056.12
Including:			
Total comprehensive income attributable to shareholders of the parent		1,173,419,851.19	1,077,063,164.71
Total comprehensive income attributable to minority shareholders		(29,827,328.46)	(95,176,108.59)
Earnings per share	<i>17</i>		
Basic and diluted earnings per share		0.19	0.18

NOTES TO FINANCIAL STATEMENTS

31 December 2021

I. GENERAL INFORMATION

Qinhuangdao Port Co., Ltd. (the “Company”) is a joint stock company with limited liability incorporated in Hebei Province, the People’s Republic of China on 31 March 2008. The H Shares and A shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 12 December 2013 and the Shanghai Stock Exchange on 16 August 2017 respectively. The office address and headquarter of the Company is located at 35 Haibin Road, Qinhuangdao, Hebei Province.

The main operating activities of QHD Port and its subsidiaries (collectively referred to as the “Group”) are: provision of terminal facilities for vessels and provision of port services such as loading and discharging, stacking, warehousing, transportation, container stacking and less than container load services; other port related services such as tugboat service, lease and repair of harbor facilities, equipment and machinery, cargo weighing, freight forwarding, port tallying and provision of power and electrical engineering services; and import and export services of goods, labor dispatch. The Group’s port services mainly handle coal and metal ores as well as other types of cargo including oil and liquefied chemicals and general cargo and containers.

The parent and ultimate parent of the Group is Hebei Port Group Co., Ltd. (“HPG”), which was established in the People’s Republic of China.

These financial statements have been approved by the Board of the Company by resolutions on 29 March 2022.

The consolidation scope of these consolidated financial statements is determined on the basis of control, and the consolidation scope for the year is consistent with that for the prior year.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued and amended subsequently by the Ministry of Finance (collectively referred to as “Accounting Standards for Business Enterprises”).

These financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

Except for certain financial instruments, these financial statements have been prepared under the historical cost convention. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant rules.

III. TAXATION

1. Major Categories of Taxes and Respective Tax Rates

Value-added tax (“VAT”)	–	The Group is subject to output VAT at a tax rate of 13% on the taxable sales; related port service revenues are taxable to output VAT at a tax rate of 6%, and is levied after deducting deductible input VAT for the current period.
City maintenance and construction tax	–	It is levied at 7% of VAT paid actually.
Enterprise income tax	–	It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group established in Mainland China which enjoy tax preferences. The tax rate for overseas subsidiaries is 16.5%.
Property tax	–	Property tax on self-occupied properties is calculated at the applicable tax rate of 1.2% using the tax base of 70% of the initial cost of the properties; lease properties are taxable on the tax base of rental income at the applicable tax rate of 12%.
Land use tax	–	It is levied in accordance with unit tax amount prescribed in the tax law based on the actual area of land used by the taxpayer.
Environmental protection tax	–	The taxable amount of the Group’s taxable pollutants shall be paid in accordance with the applicable taxable amount stipulated by the Environmental Protection Tax Law.

2. Tax Concessions

Land use tax

Pursuant to the Provisional Regulations of the People’s Republic of China on Land Use Tax in respect of Urban and Town Land (《中華人民共和國城鎮土地使用稅暫行條例》) and the Announcement of the Ministry of Finance and the State Taxation Administration on the Extended Implementation of the Preferential Policies on Land Use Tax in respect of Urban and Town Land for Bulk Commodity Storage Facility of Logistics Companies (《財政部、國家稅務總局關於繼續實施物流企業大宗商品倉儲設施用地城鎮土地使用稅優惠政策的公告》) (Cai Shui [2020] No. 16), during the period from 1 January 2020 to 31 December 2022, urban and town land use tax will be reduced by 50% of the rate applicable to the standards of such land owned in respect of bulk commodity storage facilities owned by logistics companies (including self-owned and leased land). In respect of land used for bulk commodity storage facilities owned by the Company and Cangzhou Huanghuagang Mineral Port Co., Ltd. and Tangshan Caofeidian Coal Port Co., Ltd., subsidiaries of the Company, land use tax will be reduced by 50%.

VAT

Pursuant to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (Notice [2019] No. 39 from the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs) issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, the taxable amount of the Company and certain subsidiaries will be deducted according to the current deductible input VAT plus 10% from 1 April 2019 to 31 December 2021.

IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and Bank Balances

	2021	2020
Cash on hand	12,897.86	29,102.29
Bank deposits	4,051,436,308.84	3,548,475,784.78
Other cash and bank balances	320,500.00	6,320,500.00
	<u>4,051,769,706.70</u>	<u>3,554,825,387.07</u>
Including: Secured bank deposits from bidding deposits	<u>320,500.00</u>	<u>6,320,500.00</u>

As at 31 December 2021, the cash and bank balances deposited overseas by the Group were equivalent to RMB54,388,043.80 (31 December 2020: RMB57,285,622.96).

Interest income earned on current deposits is calculated by using the current deposit interest rate. The deposit periods for time deposits vary from 3 months to 1 year depending on the cash requirements of the Group and earn interest income at the respective deposit rates.

2. Bills Receivable

	2021	2020
Bank acceptance notes	68,346,713.28	154,093,277.00
Commercial acceptance notes	–	4,400,000.00
	<u>68,346,713.28</u>	<u>158,493,277.00</u>

As at 31 December 2021, the bills receivable pledged by the Group to issue bank acceptance notes was nil (31 December 2020: RMB4,000,000.00).

As at 31 December 2021 and 31 December 2020, the Group did not transfer any bills receivable to accounts receivable due to non-performance of drawers.

Bills receivable which were endorsed but undue as at the balance sheet date are as follows:

	2021		2020	
	Derecognized	Not derecognized	Derecognized	Not derecognized
Bank acceptance notes	–	–	63,031,357.26	–
Commercial acceptance notes	–	–	43,600,000.00	–
	<u>–</u>	<u>–</u>	<u>106,631,357.26</u>	<u>–</u>

3. Accounts Receivable

The credit period of accounts receivable is usually not more than 90 days. The accounts receivable bear no interest.

An ageing analysis of the accounts receivable is as follows:

	2021	2020
Within 1 year	45,102,759.64	61,317,685.90
1 to 2 years	19,139.80	102,733.82
2 to 3 years	–	–
Over 3 years	2,449,866.43	3,871,077.43
	<u>47,571,765.87</u>	<u>65,291,497.15</u>
Less: Provision for bad debts of accounts receivable	<u>4,706,918.38</u>	<u>6,947,490.39</u>
	<u>42,864,847.49</u>	<u>58,344,006.76</u>

	Balance		2021 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made by portfolio of credit risk characteristics	<u>47,571,765.87</u>	<u>100</u>	<u>4,706,918.38</u>	<u>10</u>	<u>42,864,847.49</u>

	Balance		2020 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made by portfolio of credit risk characteristics	<u>65,291,497.15</u>	<u>100</u>	<u>6,947,490.39</u>	<u>11</u>	<u>58,344,006.76</u>

As at 31 December 2021 and 31 December 2020, the Group did not make any individual provision for bad debts.

Accounts receivable with provision for bad debts made by portfolio of credit risk characteristics are as follows:

	2021			2020		
	Estimated balance arising from default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated balance arising from default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	45,102,759.64	5	2,251,692.81	61,317,685.90	5	3,041,797.52
1 to 2 years	19,139.80	28	5,359.14	102,733.82	34	34,615.44
2 to 3 years	–	–	–	–	–	–
Over 3 years	<u>2,449,866.43</u>	<u>100</u>	<u>2,449,866.43</u>	<u>3,871,077.43</u>	<u>100</u>	<u>3,871,077.43</u>
	<u>47,571,765.87</u>	<u>10</u>	<u>4,706,918.38</u>	<u>65,291,497.15</u>	<u>11</u>	<u>6,947,490.39</u>

The movements in provision for bad debts of accounts receivable are as follows:

	Opening balance	Provision for the year	Recover or reversal in the year	Write-off in the year	Closing balance
2021	<u>6,947,490.39</u>	<u>407,971.25</u>	<u>(1,332,375.43)</u>	<u>(1,316,167.83)</u>	<u>4,706,918.38</u>
2020	<u>11,432,059.74</u>	<u>414,341.21</u>	<u>(4,898,910.56)</u>	<u>–</u>	<u>6,947,490.39</u>

The Group had accounts receivable of RMB1,316,167.83 written off in 2021 (31 December 2020: RMB: Nil).

As at 31 December 2021 and 31 December 2020, no accounts receivable of the Group was pledged.

As at 31 December 2021, accounts receivable from the five largest customers were as follows:

	Carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
Hebei Jidong Hexin Logistics Co., Ltd. (河北冀東和信物流有限公司)	11,961,751.69	25.14	598,087.58	5
Qinhuangdao Qinren Shipping Co., Ltd. (秦皇島秦仁海運有限公司)	5,869,670.00	12.34	293,483.50	5
Qinhuangdao Sea Shipping Agency Co., Ltd. (秦皇島之海船務代理有限公司)	4,397,996.00	9.24	219,899.80	5
CNOOC Energy Technology & Services Limited Sales & Service Branch (中海油能源發展 股份有限公司銷售服務分公司)	3,550,573.00	7.46	177,528.65	5
Anyang Iron & Steel Co., Ltd. (安陽鋼鐵股份有限公司)	3,240,301.30	6.81	162,015.07	5
	29,020,291.99	60.99	1,451,014.60	

As at 31 December 2020, accounts receivable from the five largest customers were as follows:

	Carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
Hebei Jidong Hexin Logistics Co., Ltd. (河北冀東和信物流有限公司)	17,014,622.21	26.06	850,731.11	5
China Ocean Shipping Agency Qinhuangdao Co., Ltd. (中國秦皇島外輪代理有限公司)	6,933,887.00	10.62	346,694.35	5
Qinhuangdao Sea Shipping Agency Co., Ltd. (秦皇島之海船務代理有限公司)	6,474,235.00	9.92	323,711.75	5
China Coal Industry Qinhuangdao Import & Export Co., Ltd. (中國煤炭工業秦皇島 進出口有限公司)	4,137,862.00	6.34	206,893.10	5
Qinhuangdao COSCO Shipping Container Shipping Agency Co., Ltd. (秦皇島中遠海運集裝箱船務代理有限公司)	3,991,926.58	6.11	199,596.33	5
	38,552,532.79	59.05	1,927,626.64	

4. Inventories

	2021 Balance	Provision for impairment	Carrying amount	2020 Balance	Provision for impairment	Carrying amount
Materials	47,393,131.68	7,045,116.52	40,348,015.16	42,807,243.93	4,545,766.22	38,261,477.71
Fuels	1,891,040.70	-	1,891,040.70	1,327,697.07	-	1,327,697.07
Spare parts	136,431,543.91	13,946,108.90	122,485,435.01	124,760,341.99	6,389,762.82	118,370,579.17
Low-cost consumables	2,789,939.52	191,448.82	2,598,490.70	4,958,709.67	73,851.47	4,884,858.20
	188,505,655.81	21,182,674.24	167,322,981.57	173,853,992.66	11,009,380.51	162,844,612.15

Change in provision for impairment is as follows:

2021

	Opening balance	Provision for the year	Decrease during the year		Closing balance
			Reversal	Write-off	
Materials	4,545,766.22	3,875,427.31	–	(1,376,077.01)	7,045,116.52
Spare parts	6,389,762.82	10,204,550.18	–	(2,648,204.10)	13,946,108.90
Low-cost consumables	73,851.47	161,332.97	–	(43,735.62)	191,448.82
	<u>11,009,380.51</u>	<u>14,241,310.46</u>	<u>–</u>	<u>(4,068,016.73)</u>	<u>21,182,674.24</u>

2020

	Opening balance	Provision for the year	Decrease during the year		Closing balance
			Reversal	Write-off	
Materials	4,181,062.02	805,254.45	–	(440,550.25)	4,545,766.22
Spare parts	3,394,019.48	3,595,349.94	–	(599,606.60)	6,389,762.82
Low-cost consumables	23,164.93	51,020.29	–	(333.75)	73,851.47
	<u>7,598,246.43</u>	<u>4,451,624.68</u>	<u>–</u>	<u>(1,040,490.60)</u>	<u>11,009,380.51</u>

5. Fixed Assets

	2021	2020
Fixed Assets	12,411,537,209.32	13,397,846,298.01
Disposal of fixed assets	<u>4,849,555.90</u>	<u>310,517.23</u>
Fixed Assets	<u>12,416,386,765.22</u>	<u>13,398,156,815.24</u>

2021

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
Opening balance	6,509,956,408.42	8,360,993,453.11	10,265,079,782.44	496,533,015.64	247,849,356.21	25,880,412,015.82
Purchase	-	-	497,573.61	-	17,566.37	515,139.98
Transferred from construction in progress	29,133,900.30	83,461.40	157,268,322.99	1,091,889.47	18,155,461.12	205,733,035.28
Reclassification	(2,946,337.76)	(332,095.00)	2,734,306.04	-	544,126.72	-
Disposal for the year	(3,046,871.11)	-	(67,183,477.81)	(17,809,283.25)	(18,830,412.56)	(106,870,044.73)
Transferred to construction in progress during the year	-	-	(6,285,055.98)	-	-	(6,285,055.98)
Closing balance	<u>6,533,097,099.85</u>	<u>8,360,744,819.51</u>	<u>10,352,111,451.29</u>	<u>479,815,621.86</u>	<u>247,736,097.86</u>	<u>25,973,505,090.37</u>
Accumulated depreciation						
Opening balance	2,041,358,277.80	2,837,391,549.20	6,915,794,613.39	412,140,420.38	188,507,373.10	12,395,192,233.87
Provision for the year	279,744,942.93	315,724,234.92	532,116,319.51	18,512,572.38	18,057,853.99	1,164,155,923.73
Reclassification	(472,191.36)	-	301,175.09	-	171,016.27	-
Disposal for the year	(2,106,046.65)	-	(55,601,960.29)	(17,275,004.74)	(18,226,507.35)	(93,209,519.03)
Transferred to construction in progress during the year	-	-	(5,801,821.43)	-	-	(5,801,821.43)
Closing balance	<u>2,318,524,982.72</u>	<u>3,153,115,784.12</u>	<u>7,386,808,326.27</u>	<u>413,377,988.02</u>	<u>188,509,736.01</u>	<u>13,460,336,817.14</u>
Provision for impairment						
Opening balance	5,114,326.16	7,997,565.98	73,515,188.77	19,812.44	726,590.59	87,373,483.94
Provision for the year	5,545,121.23	9,450,431.83	5,273,410.25	7,303.45	45,377.30	20,321,644.06
Reclassification	-	-	(46,570.96)	-	46,570.96	-
Disposal for the year	-	-	(6,063,381.88)	-	(682.21)	(6,064,064.09)
Closing balance	<u>10,659,447.39</u>	<u>17,447,997.81</u>	<u>72,678,646.18</u>	<u>27,115.89</u>	<u>817,856.64</u>	<u>101,631,063.91</u>
Carrying amounts						
End of the year	<u>4,203,912,669.74</u>	<u>5,190,181,037.58</u>	<u>2,892,624,478.84</u>	<u>66,410,517.95</u>	<u>58,408,505.21</u>	<u>12,411,537,209.32</u>
Beginning of the year	<u>4,463,483,804.46</u>	<u>5,515,604,337.93</u>	<u>3,275,769,980.28</u>	<u>84,372,782.82</u>	<u>58,615,392.52</u>	<u>13,397,846,298.01</u>

2020

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
Opening balance	6,072,567,679.25	8,747,719,133.88	10,213,854,696.67	508,238,507.01	257,633,261.43	25,800,013,278.24
Purchase	1,361,561.10	–	914,468.15	1,451,885.76	8,406.19	3,736,321.20
Transferred from construction in progress	58,706,619.79	116,033.94	132,808,539.73	5,248,084.65	10,328,942.56	207,208,220.67
Reclassification	385,637,465.12	(385,176,358.71)	(1,442,211.10)	–	981,104.69	–
Disposal for the year	(8,316,916.84)	(1,665,356.00)	(81,055,711.01)	(18,405,461.78)	(21,102,358.66)	(130,545,804.29)
Closing balance	<u>6,509,956,408.42</u>	<u>8,360,993,453.11</u>	<u>10,265,079,782.44</u>	<u>496,533,015.64</u>	<u>247,849,356.21</u>	<u>25,880,412,015.82</u>
Accumulated depreciation						
Opening balance	1,707,567,240.43	2,578,159,079.96	6,466,412,513.29	403,481,246.52	190,950,750.70	11,346,570,830.90
Provision for the year	267,735,539.34	329,682,188.49	528,299,506.81	26,323,421.60	17,133,779.78	1,169,174,436.02
Reclassification	70,474,240.25	(70,053,950.25)	(1,262,539.78)	–	842,249.78	–
Disposal for the year	(4,418,742.22)	(395,769.00)	(77,654,866.93)	(17,664,247.74)	(20,419,407.16)	(120,553,033.05)
Closing balance	<u>2,041,358,277.80</u>	<u>2,837,391,549.20</u>	<u>6,915,794,613.39</u>	<u>412,140,420.38</u>	<u>188,507,373.10</u>	<u>12,395,192,233.87</u>
Provision for impairment						
Opening balance	–	–	66,602,489.44	10,132.88	673,515.99	67,286,138.31
Provision for the year	5,114,326.16	7,997,565.98	7,171,859.85	9,679.56	52,793.05	20,346,224.60
Reclassification	–	–	(14,558.65)	–	14,558.65	–
Write off for the year	–	–	(244,601.87)	–	(14,277.10)	(258,878.97)
Closing balance	<u>5,114,326.16</u>	<u>7,997,565.98</u>	<u>73,515,188.77</u>	<u>19,812.44</u>	<u>726,590.59</u>	<u>87,373,483.94</u>
Carrying amounts						
End of the year	<u>4,463,483,804.46</u>	<u>5,515,604,337.93</u>	<u>3,275,769,980.28</u>	<u>84,372,782.82</u>	<u>58,615,392.52</u>	<u>13,397,846,298.01</u>
Beginning of the year	<u>4,365,000,438.82</u>	<u>6,169,560,053.92</u>	<u>3,680,839,693.94</u>	<u>104,747,127.61</u>	<u>66,008,994.74</u>	<u>14,386,156,309.03</u>

As at 31 December 2021 and 31 December 2020, the Group had no fixed assets which were temporarily idle.

Fixed assets leased out under operating leases were as follows:

2021

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
Opening balance	9,724,710.34	15,818,169.35	42,592,726.32	427,816.00	5,300.00	68,568,722.01
Transferred to fixed assets during the year	41,456,011.24	-	-	-	51,800.00	41,507,811.24
Transferred from fixed assets during the year	(9,724,710.34)	-	(42,592,726.32)	(427,816.00)	-	(52,745,252.66)
Closing balance	<u>41,456,011.24</u>	<u>15,818,169.35</u>	<u>-</u>	<u>-</u>	<u>57,100.00</u>	<u>57,331,280.59</u>
Accumulated depreciation						
Opening balance	606,421.78	5,614,723.96	23,343,275.71	414,981.52	4,712.40	29,984,115.37
Transferred to fixed assets during the year	3,326,327.97	-	-	-	47,674.40	3,374,002.37
Provision	1,154,331.52	768,071.08	-	-	3,000.20	1,925,402.80
Transferred from fixed assets during the year	(606,421.78)	-	(23,343,275.71)	(414,981.52)	-	(24,364,679.01)
Closing balance	<u>4,480,659.49</u>	<u>6,382,795.04</u>	<u>-</u>	<u>-</u>	<u>55,387.00</u>	<u>10,918,841.53</u>
Carrying amounts						
Closing balance	<u>36,975,351.75</u>	<u>9,435,374.31</u>	<u>-</u>	<u>-</u>	<u>1,713.00</u>	<u>46,412,439.06</u>
Opening balance	<u>9,118,288.56</u>	<u>10,203,445.39</u>	<u>19,249,450.61</u>	<u>12,834.48</u>	<u>587.60</u>	<u>38,584,606.64</u>

2020

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
Opening balance	2,606,651.37	28,948,268.61	42,582,126.32	427,816.00	15,900.00	74,580,762.30
Transferred to fixed assets during the year	9,724,710.34	–	21,200.00	–	–	9,745,910.34
Transferred from fixed assets during the year	(2,606,651.37)	(13,130,099.26)	(10,600.00)	–	(10,600.00)	(15,757,950.63)
Closing balance	<u>9,724,710.34</u>	<u>15,818,169.35</u>	<u>42,592,726.32</u>	<u>427,816.00</u>	<u>5,300.00</u>	<u>68,568,722.01</u>
Accumulated depreciation						
Opening balance	732,129.67	8,887,261.42	20,131,876.19	414,981.52	11,781.00	30,178,029.80
Transferred to fixed assets during the year	202,140.59	–	15,422.40	–	–	217,562.99
Provision	404,281.19	757,805.50	3,203,831.12	–	785.40	4,366,703.21
Transferred from fixed assets during the year	(732,129.67)	(4,030,342.96)	(7,854.00)	–	(7,854.00)	(4,778,180.63)
Closing balance	<u>606,421.78</u>	<u>5,614,723.96</u>	<u>23,343,275.71</u>	<u>414,981.52</u>	<u>4,712.40</u>	<u>29,984,115.37</u>
Carrying amounts						
Closing balance	<u>9,118,288.56</u>	<u>10,203,445.39</u>	<u>19,249,450.61</u>	<u>12,834.48</u>	<u>587.60</u>	<u>38,584,606.64</u>
Opening balance	<u>1,874,521.70</u>	<u>20,061,007.19</u>	<u>22,450,250.13</u>	<u>12,834.48</u>	<u>4,119.00</u>	<u>44,402,732.50</u>

As at 31 December 2021, fixed assets without title certificate are as follows:

	Carrying amounts	Reason for not obtaining the title certificate
Properties and buildings	<u>10,032,615.94</u>	In progress

As at 31 December 2020, fixed assets without title certificate are as follows:

	Carrying amounts	Reason for not obtaining the title certificate
Properties and buildings	<u>10,555,247.43</u>	In progress

6. Construction in Progress

			2021		2020	
Construction in Progress			2,509,104,468.28		1,183,040,730.64	
	Balance	2021 Provision for impairment	Carrying amounts	Balance	2020 Provision for impairment	Carrying amounts
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	2,208,549,850.63	-	2,208,549,850.63	1,012,156,030.23	-	1,012,156,030.23
Upgrading Programs of No.1, No.2 and No.3 loaders for Phase Three coal project	128,760,826.77	-	128,760,826.77	915,617.69	-	915,617.69
Phase 1 of crude oil terminal of Huanghua Port	32,949,840.31	-	32,949,840.31	32,302,017.67	-	32,302,017.67
Commencing project of complex port zone in Huanghua Port	25,208,174.80	-	25,208,174.80	34,738,961.95	-	34,738,961.95
The sixth and seventh coal terminal in Caofeidian	15,747,764.62	-	15,747,764.62	13,568,875.64	-	13,568,875.64
Others	122,304,477.40	24,416,466.25	97,888,011.15	113,775,693.71	24,416,466.25	89,359,227.46
Total	2,533,520,934.53	24,416,466.25	2,509,104,468.28	1,207,457,196.89	24,416,466.25	1,183,040,730.64

Movements in significant construction in progress for 2021 were as follows:

	Budget	Opening balance	Increase in the year	Transferred from fixed assets or intangible assets during the year	Transferred to fixed assets and intangible assets during the year	Other decrease	Closing balance	Source of funds	Percentage of accumulated project input to budget (%)
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	3,050,861,400.00	1,012,156,030.23	1,196,393,820.40	-	-	-	2,208,549,850.63	Fund raised, loans from financial institutes and self-owned capital	94
Upgrading Programs of No.1, No.2 and No.3 loaders for Phase Three coal project	169,588,600.00	915,617.69	127,845,209.08	-	-	-	128,760,826.77	self-owned capital	76
Phase 1 of crude oil terminal of Huanghua Port	2,987,898,500.00	32,302,017.67	647,822.64	-	-	-	32,949,840.31	Self-owned capital	1
Commencing project of complex port zone in Huanghua Port	7,555,702,691.90	34,738,961.95	11,436,141.37	-	(20,571,270.19)	(395,658.33)	25,208,174.80	Loans from financial institutes and self-owned capital	91
The sixth and seventh coal terminal in Caofeidian	15,000,000,000.00	13,568,875.64	2,178,888.98	-	-	-	15,747,764.62	Self-owned capital	1
Others	2,922,351,621.52	113,775,693.71	214,808,463.21	483,234.55	(204,057,988.94)	(2,704,925.13)	122,304,477.40		
Total	31,686,402,813.42	1,207,457,196.89	1,553,310,345.68	483,234.55	(224,629,259.13)	(3,100,583.46)	2,533,520,934.53		

Movements in significant construction in progress for 2020 were as follows:

	Budget	Opening balance	Increase in the year	Transferred from fixed assets or intangible assets during the year	Transferred to fixed assets and intangible assets during the year	Other decrease	Closing balance	Source of funds	Percentage of accumulated project input to budget (%)
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	3,050,861,400.00	672,446,295.76	1,010,864,909.82	-	(671,155,175.35)	-	1,012,156,030.23	Fund raised, loans from financial institutes and self-owned capital	55
Commencing project of complex port zone in Huanghua Port	7,555,702,691.90	20,258,154.40	14,749,476.94	-	(268,669.39)	-	34,738,961.95	Loans from financial institutes and self-owned capital	91
35-ton open-top container handling and environmental protection upgrading project	86,093,400.00	47,487,044.15	7,146,694.99	-	(54,633,739.14)	-	-	Self-owned capital	63
Phase 1 of crude oil terminal of Huanghua Port	2,987,898,500.00	32,070,885.59	358,242.08	-	(127,110.00)	-	32,302,017.67	Self-owned capital	1
The sixth and seventh coal terminal in CaoFeidian	15,000,000,000.00	10,632,568.33	2,936,307.31	-	-	-	13,568,875.64	Self-owned capital	1
Others	3,091,940,221.52	60,185,113.00	215,552,598.20	-	(159,730,869.96)	(1,315,529.84)	114,691,311.40		
Total	31,772,496,213.42	843,080,061.23	1,251,608,229.34	-	(885,915,563.84)	(1,315,529.84)	1,207,457,196.89		

In 2021, the included capitalized interest of construction in progress were as follows:

	Progress of project	Accumulated amounts of capitalized interest	Including: Capitalized interest for the year	Ratio of capitalized interest for the year
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	94%	515,292,158.04	40,085,715.22	3.99%
Others		<u>1,224,172.79</u>	<u>915,583.31</u>	3.46%
		<u>516,516,330.83</u>	<u>41,001,298.53</u>	

In 2020, the included capitalized interest of construction in progress were as follows:

	Progress of project	Accumulated amounts of capitalized interest	Including: Capitalized interest for the year	Ratio of capitalized interest for the year
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	55%	475,206,442.82	7,559,238.89	3.94%
Others		<u>308,589.48</u>	<u>308,589.48</u>	4.05%
		<u>475,515,032.30</u>	<u>7,867,828.37</u>	

Provision for impairment of construction in progress:

2021

	Opening balance	Increase in the year	Decrease in the year	Closing balance	Reason for provision
Basement Treatment Engineering	<u>24,416,466.25</u>	<u>—</u>	<u>—</u>	<u>24,416,466.25</u>	Recoverable amount lower than carrying amounts

2020

	Opening balance	Increase in the year	Decrease in the year	Closing balance	Reason for provision
Basement Treatment Engineering	<u>24,416,466.25</u>	<u>—</u>	<u>—</u>	<u>24,416,466.25</u>	Recoverable amount lower than carrying amounts

7. Short-term Borrowings

	2021	2020
Unsecured borrowings	330,000,000.00	322,582,895.00
Interest payable on short-term borrowings	357,805.56	357,652.75
	<u>330,357,805.56</u>	<u>322,940,547.75</u>

As at 31 December 2021, the interest rate of the above unsecured borrowings was 3.20%-3.85% per annum (31 December 2020: 3.20%-6.00%).

As at 31 December 2021, the Group had no overdue borrowings (31 December 2020: nil).

8. Accounts Payable

The accounts payable are interest-free and the terms are usually 90 days.

	2021	2020
Accounts payable	<u>238,673,449.76</u>	<u>185,335,672.51</u>

An ageing analysis of accounts payable is as follows:

	2021	2020
Within 1 year	228,346,117.77	167,100,108.14
1 to 2 years	6,370,300.95	9,855,718.76
2 to 3 years	1,835,895.08	7,256,662.88
Over 3 years	<u>2,121,135.96</u>	<u>1,123,182.73</u>
	<u>238,673,449.76</u>	<u>185,335,672.51</u>

As at 31 December 2021 and 31 December 2020, the Group had no significant accounts payable ageing more than 1 year.

9. Contract Liabilities

	2021	2020
Port handling fees	703,247,143.78	628,834,623.68
Weighing fees	192,647.67	757,870.03
Others	841,416.17	679,603.39
	<u>704,281,207.62</u>	<u>630,272,097.10</u>

Contract liabilities are mainly the amounts to be received by the Group from providing port services to customers. As at the end of the year, contract liabilities increased RMB74,009,110.52, primarily due to the increased business volume at coal terminal.

10. Taxes Payable

	2021	2020
Enterprise income tax	70,599,601.43	73,303,238.68
Environmental protection tax	13,566,150.15	73,125,155.18
Individual income tax	3,172,438.47	2,677,807.73
Stamp duty	194,922.30	79,496.70
Value-added tax	102,437.88	23,585.83
Urban maintenance and construction tax	6,920.65	1,651.01
Education surcharge	4,943.31	1,179.29
Water resource tax	1,815.50	—
	<u>87,649,229.69</u>	<u>149,212,114.42</u>

11. Long-term Borrowings

	2021	2020
Unsecured borrowings	6,997,204,749.46	6,504,678,794.37
Less: Long-term borrowings due within one year	<u>738,030,403.48</u>	<u>617,888,149.39</u>
	<u>6,259,174,345.98</u>	<u>5,886,790,644.98</u>

As at 31 December 2021, the interest rate of the above borrowings was 3.71%-5.15% per annum (31 December 2020: 3.80%-5.15%).

Analysis on the maturity date of long-term borrowings is as follows:

	2021	2020
Within 1 year (including 1 year)	738,030,403.48	617,888,149.39
Within 2 years (including 2 years)	604,882,652.48	572,854,949.00
Within 3 to 5 years (including 3 years and 5 years)	1,952,046,093.50	3,239,598,745.98
Over 5 years	3,702,245,600.00	2,074,336,950.00
	<u>6,997,204,749.46</u>	<u>6,504,678,794.37</u>

12. Operating Revenue and Cost

	2021		2020	
	Revenue	Cost	Revenue	Cost
Principal operations	6,586,980,019.69	4,090,934,480.55	6,441,796,748.35	3,863,064,895.85
Other operations	7,881,830.36	3,765,421.25	14,056,962.29	4,634,789.22
	<u>6,594,861,850.05</u>	<u>4,094,699,901.80</u>	<u>6,455,853,710.64</u>	<u>3,867,699,685.07</u>

The operating revenue is categorised as follows:

	2021	2020
Revenue from contracts with customers	6,588,699,355.57	6,446,186,223.16
Rental income	6,162,494.48	9,667,487.48
	<u>6,594,861,850.05</u>	<u>6,455,853,710.64</u>

The breakdown of operating revenue from contracts with customers is as follows:

Reporting segment - integrated port services	2021	2020
Principal place of business		
Qinhuangdao	4,431,324,101.65	4,416,534,130.94
Others	2,157,375,253.92	2,029,652,092.22
	6,588,699,355.57	6,446,186,223.16
Main types of services		
Service in relation to coal and relevant products	4,857,477,441.75	4,714,512,609.80
Service in relation to metal ore and relevant products	1,086,801,417.07	1,053,278,471.59
Service in relation to general and other cargoes	428,665,544.47	453,231,556.23
Container service	84,960,952.15	81,815,855.55
Service in relation to liquefied cargoes	55,511,425.22	53,502,873.90
Others	75,282,574.91	89,844,856.09
	6,588,699,355.57	6,446,186,223.16

The Group's revenue from contracts with customers is mainly the revenue generated from provision of port services to customers. The Group recognizes revenue when a performance obligation is satisfied, i.e. when the services is provided completely.

In 2021, the revenue included in the opening carrying amount of contract liabilities recognized by the Group is RMB575,770,567.98 (2020: RMB475,430,982.54).

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the year end are expected to be recognized as revenue as follows:

	2021	2020
Within 1 year	643,413,769.43	575,770,567.98
Over 1 year	60,867,438.19	54,501,529.12
	704,281,207.62	630,272,097.10

13. Financial Cost

	2021	2020
Interest expenses	318,585,594.48	314,531,469.14
Less: Interest income	60,224,911.87	40,524,005.20
Less: Capitalised interest	41,001,298.53	7,867,828.37
Foreign exchange gain or loss	90,005.17	(332,429.01)
Others	213,310.64	892,058.03
	<u>217,662,699.89</u>	<u>266,699,264.59</u>

The amount of capitalized borrowing costs has been included in construction in progress.

14. Investment Income

	2021	2020
Long-term equity investment income accounted for under the equity method	176,101,826.59	191,068,724.04
Dividend income on other equity instrument investments held	10,011,600.00	5,100,000.00
Investment income arising from disposal of long-term equity investments	–	2,133,100.00
Investment loss arising from deregistration of subsidiaries	–	(125,275.79)
Investment income from disposal of financial assets held for trading	761.45	3,763,645.88
	<u>186,114,188.04</u>	<u>201,940,194.13</u>

15. Non-operating Income

	2021	2020	Including 2021 non-recurring gains and losses
Payables waived	30,773.85	12,176,144.77	30,773.85
Gains from spoilage and obsolescence of non-current assets	3,208,948.54	1,545,805.38	3,208,948.54
Government subsidy	–	2,600.00	–
Others	5,638,093.79	878,615.48	5,638,093.79
	<u>8,877,816.18</u>	<u>14,603,165.63</u>	<u>8,877,816.18</u>

16. Income Tax Expense

	2021	2020
Current income tax expenses	297,559,756.86	320,771,937.63
Deferred income tax expenses	(13,259,475.60)	13,457,069.47
	<u>284,300,281.26</u>	<u>334,229,007.10</u>

The relationship between income tax expenses and the total profit is as follows:

	2021	2020
Total profit	1,281,440,676.55	1,233,832,354.11
Income tax expenses calculated at the statutory tax rate	320,360,169.14	308,458,088.53
Effect of different tax rates of certain subsidiaries	(516,852.89)	(486,281.98)
Income not subject to tax	(2,502,900.00)	(1,275,000.00)
Share of profits and losses of joint ventures and associates	(44,025,456.65)	(47,767,181.00)
Expenses not deductible for tax	15,464,818.86	15,850,932.68
Utilizing deductible losses in previous years	(20,320,587.08)	(2,847,114.79)
Effect of recognition of previously unrecognized deductible temporary differences and deductible losses	(2,752,345.13)	1,117,143.40
Effect of unrecognized deductible temporary differences and deductible losses	29,182,805.00	59,663,781.36
Adjustments in respect of current income tax of previous periods	(11,917,852.69)	(1,788,549.63)
Others	1,328,482.70	3,303,188.53
Income tax expense at the Group's effective rate	<u>284,300,281.26</u>	<u>334,229,007.10</u>

17. Earnings per Share

	2021	2020
Basic and diluted earnings per share from continuing operations	<u><u>0.19</u></u>	<u><u>0.18</u></u>

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

The calculation of the basic earnings per share is as follows:

	2021	2020
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company Continuing operations	<u><u>1,038,394,361.09</u></u>	<u><u>995,132,015.27</u></u>
Shares		
Weighted average number of ordinary shares in issue of the Company	<u><u>5,587,412,000.00</u></u>	<u><u>5,587,412,000.00</u></u>

The Company had no dilutive potential ordinary shares in issue for the year 2021 (2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Overview

(1) Overall Situation

In 2021, China's national economy continued to recover steadily, with a GDP of RMB114.3670 trillion, representing an increase of 8.1% over 2020 if calculated at constant prices. Of which figure, the added value of the primary industry was RMB8,308.6 billion, representing an increase of 7.1%; the added value of the secondary industry was RMB45,090.4 billion, representing an increase of 8.2%; the added value of the tertiary industry was RMB60,968.0 billion, representing an increase of 8.2%. The economy presents a trend of steady recovery, getting the 14th Five-Year Plan off to a good start.

(2) Overview of Port Industry in the PRC

In 2021, the main indicators of China's port industry have continued to improve. According to the statistics from the Ministry of Transport, the national cargo throughput in ports reached 15.545 billion tonnes in 2021, representing a year-on-year increase of 6.8%, continuing the upward trend, of which the throughput of foreign trade increased by 4.5%. The throughput of container reached 283 million TEUs, representing a year-on-year increase of 7%.

In terms of coal business, in 2021, the production of raw coal continued to increase, and the national output of raw coal contributed by coal companies above designated size was 4.07 billion tonnes, representing a year-on-year increase of 4.7%. The annual national industrial power generation above designated size exceeded 8 trillion kWh, representing a year-on-year increase of 8.1%, of which thermal power generation increased by 8.4%. In 2021, the overall power consumption achieved 8,312.8 billion kWh, representing a year-on-year increase of 10.3%. Thanks to China's outstanding efforts in prevention and control of COVID-19 in 2021, the industrial chain and supply chain were stable. Driven by the fundamentals of the economy, the demand for coal realized robust growth. All the coal shipment ports strived to guarantee the smooth transport of energy resources, and coal shipments for domestic trade in northern coastal ports achieved higher growth.

In terms of iron ore business, the production volume of iron ore in China amounted to 980.53 million tonnes in 2021, representing a year-on-year increase of 9.4%. During the Year, China's cumulative imports of iron ore amounted to 1,124.32 million tonnes, representing a year-on-year decrease of 3.9%. In 2021, the production volume of crude steel in China amounted to 1,032.79 million tonnes, representing a year-on-year decrease of 3.0%; the production volume of pig iron amounted to 868.57 million tonnes, representing a year-on-year decrease of 4.3%; and the production volume of steel amounted to 1,336.67 million tonnes, representing a year-on-year increase of 0.6%. Crude steel output recorded a first year-on-year decline for the past six years. The steel industry was characterized by output reduction and quality improvement in 2021. Output reduction imposed certain constraint on China's iron ore import demand and impacted the loading and unloading business of foreign trade iron ore in major costal ports to a certain extent, leading to a continuous increase in iron ore inventories in ports.

In terms of petroleum business, the national crude oil output was 199 million tonnes in 2021, representing a year-on-year increase of 2.4%. As for foreign trade of petroleum, economic condition, “dual-carbon” policy and transformation and upgrading of petroleum consumption and other factors continued to dampen China’s crude oil import demand and refined petroleum products consumption, which further affect coastal crude oil transportation in China.

(II) RESULTS OF OPERATION AND FINANCIAL PERFORMANCE

(1) Operating Revenue

In 2021, the operating revenue of the Company amounted to RMB6,594.8619 million, representing a year-on-year increase of 2.15%, which was mainly due to the increase in coal throughput of the Company during the Year.

Principal Operations of the Company by Industries and Regions:

Unit: Yuan Currency: RMB

By industries	Principal Operations by Industries			Increase/decrease of operating revenue as compared with that in the last year (%)	Increase/decrease of operating cost as compared with that in the last year (%)	Increase/decrease of gross profit margin as compared with that in the last year (%)
	Operating revenue	Operating cost	Gross profit margin (%)			
Service in relation to coal and relevant products	4,857,477,441.75	2,650,779,758.46	45.43	3.03	5.73	Decreased by 1.39 percentage points
Service in relation to metal ore and relevant products	1,086,801,417.07	817,173,472.54	24.81	3.18	6.88	Decreased by 2.60 percentage points
Service in relation to general and other cargoes	428,665,544.47	422,890,246.69	1.35	-5.42	5.35	Decreased by 10.08 percentage points
Container service	84,960,952.15	80,375,946.10	5.40	3.84	4.65	Decreased by 0.73 percentage point
Fluid cargo service	55,511,425.22	63,961,429.63	-15.22	3.75	-1.86	Increased by 6.59 percentage points
Revenue from others	81,445,069.39	59,519,048.38	26.92	-18.16	13.29	Decreased by 20.29 percentage points

By regions	Principal Operations by Regions			Increase/decrease of operating revenue as compared with that in the last year (%)	Increase/decrease of operating cost as compared with that in the last year (%)	Increase/decrease of gross profit margin as compared with that in the last year (%)
	Operating revenue	Operating cost	Gross profit margin (%)			
Qinhuangdao	4,434,920,138.20	2,459,313,430.38	44.55	0.35	6.18	Decreased by 3.04 percentage points
Others	2,159,941,711.85	1,635,386,471.42	24.29	6.06	5.40	Increased by 0.48 percentage points

(2) Operating Costs

In 2021, the operating costs of the Company amounted to RMB4,094.6999 million, representing an increase of 5.87% as compared with the corresponding period of last year, which was primarily attributable to the growth of labour costs and repair and maintenance expenses.

(3) Gross Profit Margin

The gross profit of the Company for the Year amounted to RMB2,500.1619 million, representing a decrease of 3.40% as compared with the corresponding period of last year. The gross profit margin of the Company for the Year was 37.91%, representing a decrease of 2.18 percentage points as compared with the corresponding period of last year.

(4) Segment Analysis (Business Review)

During the Reporting Period, the Company achieved a total cargo throughput of 378.99 million tonnes, representing an increase of 2.73 million tonnes or 0.73%, as compared with the throughput of 376.26 million tonnes in the corresponding period of 2020.

The throughputs generated from each of the ports of the Company are as follows:

	2021		2020		Increase/ (Decrease)	Increase/ (Decrease)
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total throughput (%)	(million tonnes)	(%)
Qinhuangdao Port	193.27	51.00	193.67	51.47	(0.40)	(0.21)
Caofeidian Port	116.24	30.67	112.16	29.81	4.08	3.64
Huanghua Port	69.48	18.33	70.43	18.72	(0.95)	(1.35)
Total	<u>378.99</u>	<u>100.00</u>	<u>376.26</u>	<u>100.00</u>	<u>2.73</u>	<u>0.73</u>

During the Reporting Period, the Company achieved a cargo throughput of 193.27 million tonnes in Qinhuangdao Port, which was relatively stable and represented a decrease of 0.40 million tonnes or 0.21% from 193.67 million tonnes for the corresponding period of 2020.

The Company achieved a cargo throughput of 116.24 million tonnes in Caofeidian Port, representing an increase of 4.08 million tonnes or 3.64% from 112.16 million tonnes for the corresponding period of 2020. The increase was mainly due to the increased use of coal for power generation in 2021 in line with export production orders grew as supply chains in other countries were disrupted by the global pandemic of COVID-19, as well as the significant contribution from Tangshan-Hohhot Railway, which boosted the throughput of its subsidiary Caofeidian Coal Port.

The Company achieved a cargo throughput of 69.48 million tonnes in Huanghua Port, representing a decrease of 0.95 million tonnes or 1.35% from 70.43 million tonnes for the corresponding period of 2020. Such decrease was primarily because the port handling capacity was limited due to the terminal expansion and renovation project of its subsidiary Cangzhou Mineral Port.

The cargo throughput of each type of cargoes the Company handled is set out below:

	2021		2020			
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total throughput (%)	Increase/ (Decrease) (million tonnes)	Increase/ (Decrease) (%)
Coal	228.58	60.31	219.24	58.27	9.34	4.26
Metal ore	112.35	29.65	117.67	31.27	(5.32)	(4.52)
Oil and liquefied chemicals	2.24	0.59	2.45	0.65	(0.21)	(8.57)
Container	12.04	3.18	14.98	3.98	(2.94)	(19.63)
General and other cargoes	23.78	6.27	21.92	5.83	1.86	8.49
Total	<u>378.99</u>	<u>100.00</u>	<u>376.26</u>	<u>100.00</u>	<u>2.73</u>	<u>0.73</u>

1. Coal handling services

During the Reporting Period, the Company achieved a total coal throughput of 228.58 million tonnes, representing an increase of 9.34 million tonnes or 4.26% from 219.24 million tonnes for the corresponding period of 2020. Such increase was mainly because the Company focused on business expansion through various measures, such as proactively releasing its potential by improving efficiency and full coverage grid-based marketing, further refining production and continuously enhancing handling efficiency.

2. Metal ore handling services

During the Reporting Period, the Company achieved a total metal ores throughput of 112.35 million tonnes, representing a decrease of 5.32 million tonnes or 4.52% from 117.67 million tonnes for the corresponding period of 2020. Such decrease was mainly due to the weak demand of import ores by steel enterprises in the Company's Hinterland as a result of strengthened production limit brought by environmental protection measures and other factors, as well as the intense competition among ports as neighboring ports' handling ability improved.

3. Oil and liquefied chemicals handling services

During the Reporting Period, the Company recorded an oil and liquefied chemicals throughput of 2.24 million tonnes, representing a decrease of 0.21 million tonnes or 8.57% from 2.45 million tonnes for the corresponding period of 2020. Such decrease was mainly due to the decline in transshipment volume caused by continued fall in crude oil production volume of the Company's major oil source ocean.

4. Container services

During the Reporting Period, the Company recorded a total container throughput of 1,494,990 TEUs, equivalent to a throughput of 12.04 million tonnes, representing increases in the number of containers handled and throughput of 150,343 TEUs (i.e. 11.18%) as compared with the number of containers handled and throughput of 1,344,647 TEUs and 14.98 million tonnes for the corresponding period of 2020, respectively. The increase was primarily because Company strengthened its efforts in container transportation business and continuously increased the number of container inland ports to improve its service in the Hinterland and the Company strived to expand the cargo sources of “dry bulk to containers”, coordinated more with neighboring ports, operated more routes to/from Tianjin Port and newly launched regional routes in Shandong.

5. General cargoes handling services

During the Reporting Period, the Company recorded a throughput of general and other cargoes of 23.78 million tonnes, representing an increase of 1.86 million tonnes or 8.49% from 21.92 million tonnes for the corresponding period of 2020. The increase was mainly because the Company continued to enhance cooperation with steel mills in Qinhuangdao Port’s Hinterland, leading to the increase in steel shipment volume, seized the opportunity to satisfy the increasing demand in the downstream market for construction materials so that the shipment volume of sand and gravel cargoes rose considerably, and developed new sources of goods such as cold rolled sheet imported from Korea and soda ash for export.

6. Ancillary port services and value-added services

The Company also provides a variety of ancillary port services and value-added services. Ancillary port services of the Group include tugging, tallying and transshipping services. Value-added services mainly include towing, tallying, coal blending and tariff-free warehouse and export supervisory warehouse services. In 2021, the operating revenue of ancillary port services and value-added services of the Company amounted to RMB223.9721 million, representing a decrease of RMB17.7570 million or 7.35 % from RMB241.7291 million for the corresponding period of 2020.

(5) Tax and Surcharges

During the Year, the tax and surcharges of the Company amounted to RMB206.5419 million, representing a decrease of 42.38% as compared with the corresponding period of last year, mainly attributable to the substantial decrease in environmental protection tax over the last year.

(6) Administrative Expenses

In 2021, the administrative expenses of the Company amounted to RMB922.3149 million, representing an increase of 3.40% as compared with the corresponding period of last year, mainly attributable to the increase in labour costs.

(7) *Provision for Costs on Employees who Leave Their Posts and Wait for Retirement*

In 2021, the Company's provision for costs on employees who leave their posts and wait for retirement was RMB275.9853 million, representing an increase of 7.44% as compared with the corresponding period of last year. In order to optimize the human resources structure, improve the labour productivity and per capita profitability, reduce the inefficiency and losses of labour costs and effectively enhance the development quality and operational efficiency, the Company has optimized and adjusted the posts of some employees who meet certain conditions on a voluntary basis, and has formulated and implemented the policy of "Leaving Posts and Waiting for Retirement". The Company is obliged to pay the welfare expenses to these employees who leave their posts and wait for retirement in the next 1 to 10 years, until they reach the statutory retirement age. The salary to employee who leaves their posts and waits for retirement is determined based on a certain percentage of the average monthly salary of last year when the employee officially leaves their posts and waits for retirement. At the same time, the Company shall pay the basic social insurances and housing fund for these employees in accordance with local social security regulations. In accordance with the provisions of the Accounting Standards for Business Enterprises No. 9 – Employees' Remuneration, the labour costs for employees during the period from their leaving their posts and waiting for retirement to their retirement shall be charged as expenses in the year of their leaving their posts. The Company, when considering its obligation to pay the leave and retirement welfare expenses for employees who leave their posts and wait for retirement, discounted these expenses on the basis of the yield of the PRC treasury bond in the same period and included them in administrative expenses at one time.

(8) *Financial Costs*

Financial costs of the Company amounted to RMB217.6627 million in 2021, representing a decrease of 18.39% as compared with the corresponding period of last year, which was mainly attributable to the decrease of interest expense resulting from the decrease in the amount of borrowings expensed as compared with the corresponding period of last year.

(9) *Impairment Losses of Credit*

The impairment losses of credit of the Company amounted to RMB28.3945 million in 2021, representing a year-on-year increase of 1,709.74%, which was mainly attributable to the increase of expected credit losses of other receivables of our subsidiary Cangzhou Mineral Port during the Year.

(10) *Impairment Losses of Assets*

The impairment losses of assets of the Company amounted to RMB34.5630 million in 2021, representing a year-on-year decrease of 59.04%, which was mainly because the Company made an impairment loss provision for the long-term equity investments in the previous year, but did not make such provision in the Year.

(11) *Other Income*

During the Year, other income of the Company amounted to RMB54.7100 million, representing a year-on-year increase of 2.01%, which was mainly attributable to the increase in employment stabilization subsidies.

(12) Investment Income

During the Year, investment income of the Company amounted to RMB186.1142 million, representing a year-on-year decrease of 7.84%, which was mainly attributable to the decrease in net profits of associates of the Company during the Year.

(13) Gain on Disposal of Assets

During the Year, gain on disposal of assets of the Company amounted to nil, representing a year-on-year decrease of 100%, which was mainly attributable to the income from the disposal of vehicles by our subsidiaries Cangzhou Mineral Port and Caofeidian Coal Port in the previous year.

(14) Net Non-operating Revenue and Expenses

During the Year, net non-operating revenue and expenses of the Company amounted to RMB3.8096 million, representing a year-on-year increase of 6.04%, which was mainly attributable to the year-on-year increase in net income from abandoned fixed assets and the decrease in donation during the Year.

(15) Income Tax Expense

Income tax expense of the Company decreased by RMB49.9287 million to RMB284.3003 million for the Year from RMB334.2290 million last year, and the effective income tax rate of the Company decreased to 22.19% for the Year from 27.09% last year, mainly due to the utilization of deductible losses for previous years by our subsidiary Cangzhou Mineral Port during the Year.

(16) Net Profit

Net profit of the Company for the Year amounted to RMB997.1404 million, representing a year-on-year increase of 10.84%, of which net profit attributable to owners of the parent company amounted to RMB1,038.3944 million, representing a year-on-year increase of 4.35%. Net profit margin of the Company was 15.75%, representing a year-on-year increase of 0.34 percentage point.

(17) Earnings per Share

Earnings per share are calculated by dividing the net profit attributable to owners of the parent company for the Year by the weighted average number of ordinary shares in issue during the Year. Earnings per share of the Company for the Year amounted to RMB0.19, representing an increase of 5.56% from RMB0.18 for 2020. Please refer to Note IV, 17 to the financial statements for the calculation of earnings per share.

(18) Cash Flows

During the year of 2021, net cash flows generated from operating activities amounted to RMB2,505.7733 million, representing a year-on-year decrease of 1.96%, mainly due to the increase in cash flows used in operating activities.

During the year of 2021, net cash flows generated from investing activities amounted to RMB-1,860.5758 million, representing a year-on-year decrease of 5.45%, mainly resulted from the increase in the settlement of project payment during the Year.

During the year of 2021, net cash flows generated from financing activities amounted to RMB-264.7658 million, representing a year-on-year increase of 63.45%, mainly due to the decrease in the repayment of bank borrowings.

As at 31 December 2021, the gearing ratio (total liabilities divided by total assets) of the Company was 39.12%, increased by 0.47 percentage point as compared with 38.65% as at 31 December 2020.

(19) Exchange Rate Risks

The operations of the Company mainly locate in the PRC, and overwhelming majority of business assets, liabilities, operating revenue and expenses are settled in RMB, while debts denominated in foreign currencies are mainly used to pay overseas agency fees. As such, the Company has not adopted any foreign exchange hedging arrangement.

(20) Bank Loans and Other Borrowings

As at 31 December 2021, the details of the Company's bank loans and other borrowings are set out in Notes IV, 7 and 11 to the financial statements of this announcement.

(21) Pledge of Assets and Contingent Liabilities

The Company has no pledge of assets or contingent liabilities during the Year.

(22) Management of Working Capital

	31 December 2021	31 December 2020
Current ratio	1.17	1.21
Quick ratio	1.10	1.13
Turnover days of trade receivables	2.80	3.95
Turnover days of trade payables	18.90	16.51

As at 31 December 2021, the Company's current ratio and quick ratio were 1.17 and 1.10, respectively, representing a slight decrease as compared with the current ratio of 1.21 and quick ratio of 1.13 as at 31 December 2020. The turnover days of trade receivables for the year 2021 was 2.80 days and the turnover days of trade payables was 18.90 days, representing a decrease of 1.15 days as compared with 3.95 days in 2020 and an increase of 2.39 days as compared with 16.51 days in 2020, respectively. All indicators above are within the appropriate range.

(23) Overview of Major Investment

The Company had no major acquisitions or investments during the Year.

(III) FUTURE PROSPECTS

The Company will gain a deep understanding and proactively take advantage of the new development stage, implement the new development philosophy and create a new development dynamic, to firmly grasp major opportunities in the coordinated development of Beijing-Tianjin-Hebei region, the planning and construction of Xiongan New Area, the joint building of the Belt and Road Initiative and the construction of pilot free trade zones. The Company will stick to the general thought of "port-based, transformation and upgrading, collaborative innovation, openness and cooperation, and improvement of quality and efficiency" to constantly improve the production efficiency, service quality and economic benefits of the port, actively promote the reform and innovation in the operation and management system and mechanism, accelerate the extension to the upstream and downstream industries of the port, and promote traditional drivers being replaced by new ones, thereby fully guaranteeing the safety and smoothness of the national energy transport corridor and ensuring its sustainable development.

In 2022, the Company's prospects for various business are as follows:

Coal business

In 2022, the macro economy is expected to remain stable growth, industrial demand for electricity will still increase, and the imbalance between coal supply and demand will be resolved. On the coal supply side, the tight coal supply situation will be improved as the state actively introduces policies to promote the release of production capacity, grant land for open-pit coal mines, and extend the combined trial operation of mines for one year. On the coal demand side, the role of clean energy as alternatives will be increasingly strengthened, and the proportion of coal consumption will decline year by year. It is expected that it will be a relatively loose market in the next year, and coal prices will generally maintain within a reasonable range, with obviously weakening fluctuation and lower price focus compared to 2021.

Metal ore business

The Company will continue to make efforts in the metal ore business, focus on the national "peaking carbon dioxide emissions and carbon neutrality", and "cutting overcapacity" and other major decisions and deployments, actively respond to changes in market demand and deepen cooperation with various types of customers at home and abroad; vigorously develop mixed ore business and other value-added businesses, optimize port operation mode and enhance service competitiveness; strengthen the construction of green collection and distribution system such as railway and belt pipeline to put into operation as soon as possible phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port; and take various measures to secure more metal ore sources on the premise of maintaining existing cargo sources.

Container business

The Company will insist on vigorously expanding its container transportation business, continuously improving the level of port informationization and intelligent services, and further enhancing production and operation efficiency; insist on vigorously developing “dry bulk to containers” business and actively expanding container sea-rail transport business to realize high-quality green development of the collection and distribution business of the port; insist on the strategy of enhancing the ability to expand the Hinterland to continue to establish new container inland ports and yard stations, and improve the capability to attract cargo sources and serve customers.

General cargoes business

The Company will continue to make efforts in sourcing cargoes and market development, deeply meet customers’ needs, and secure more cargo sources while strengthening business cooperation with large customers; strengthen coordination with railway authorities to give full play to the collection and distribution capacity of the port, and develop more “transformation from road haulage to rail-freight transport” cargo sources and sea-rail transport business for bulk cargoes; build an important domestic raw sugar import base in Huanghua port area, and strive to increase the throughput of other types of general cargoes.

OTHER INFORMATION

(I) Use of Proceeds of H Shares

The H Shares of QHD Port have been listed and traded on the Stock Exchange since 12 December 2013. After deducting related expenses, the net proceeds from H Shares of QHD Port amounted to HK\$3,823 million. The use of proceeds from H Shares disclosed in the section “Future Plans and Use of Proceeds” in the H share prospectus from QHD Port’s listing of H Shares in December 2013 to date (except for working capital and general corporate purposes) has been completed as planned, with the actual amount of proceeds slightly more than the allocated amount set out in the H Share Prospectus. In order to increase the efficiency of the use of proceeds from H Shares, the Board of Directors of QHD Port considers that it is necessary to adjust the use of proceeds from H Shares and has resolved to approve the adjustment of the unused proceeds from H Shares into working capital and general corporate purposes. The Board believes that the above all adjustments to the use of proceeds from H Shares will increase the flexibility of the Company’s financial management and reduce other financing costs as well as in line with the overall interests of QHD Port and its shareholders. For details, please refer to the announcement published on the website of the Stock Exchange on 27 October 2017.

During the Reporting Period, the Company has used the proceeds from H Shares of HK\$1.9596 million mainly for working capital and general corporate purposes. As of 31 December 2021, HK\$3,843.9141 million of the proceeds from H Shares have been used by the Company and HK\$15.2893 million of the proceeds from H Shares remain unused, including the self-raised funds for the payment of the listing expenses of HK\$24.0174 million and the net interest income relating to the proceeds from H Shares of HK\$12.4302 million. During the Reporting Period, the use of proceeds from H Shares by the Company was in line with the planned use as disclosed in previous announcements and has no material change.

The balance of proceeds from H Shares of HK\$15.2893 million is expected to be used for the working capital and general corporate purposes of the Company in the next five years, including the payment of dividend to the shareholders of H Shares, if any, and the payment of relevant fees to the overseas intermediaries in relation to the listing of H Shares. “The balance of proceeds from H Shares” shall represent the balance of proceeds from H Shares kept in the Designated Account.

(II) Events after the Reporting Period

The Company has no events after the Reporting Period for the Year.

(III) Repurchase, Sales and Redemption of Shares

For the twelve months ended 31 December 2021, the Company did not repurchase, sell or redeem any listed shares of QHD Port.

(IV) Compliance with Corporate Governance Code

During the Reporting Period, the Company continued to improve and optimize its internal control system in order to implement sound corporate governance.

The Company has adopted and complied with all applicable provisions of the Corporate Governance Code. During the Year, the Company had been complying with the applicable provisions of the Corporate Governance Code.

(V) Compliance with Model Code

During the Reporting Period, the Company has adopted the Model Code as the code of conduct for securities transactions by the Directors and supervisors of the Company to regulate the securities transactions made by the Directors and supervisors of the Company. Upon specific enquiries by the Company, all the Directors and supervisors of the Company confirmed that they have complied with the provisions of the Model Code during the Reporting Period.

(VI) Dividends

The profit distribution plan for the year 2021: on the basis of total share capital of 5,587,412,000 shares as of 31 December 2021, the Company proposes to pay cash dividend of RMB0.56 (tax inclusive) for every 10 shares to all shareholders, with a total cash dividend amounting to RMB312,895,072.00.

If there is any change to the total share capital registered at the date of the subsequent implementation of interest distribution, the Company intends to keep the total distribution unchanged and makes corresponding adjustment to the distribution ratio.

In accordance with the Corporate Income Tax Law of the PRC and its implementation rules effective 1 January 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% corporate income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of final dividends as corporate income tax, distribute the final dividends to non-resident enterprise shareholders, i.e. any shareholders who hold the Company's Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, or other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups.

Due to changes in the PRC tax laws and regulations, according to the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents issued by the State Administration of Taxation (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》) on 4 January 2011, individual Shareholders who hold the Company's H Shares and whose names appeared on the H Share Register of the Company can no longer be exempted from individual income tax pursuant to the Notice of the State Administration of Taxation Concerning the Taxation of Gains on Transfer and Dividends from Shares (Equities) Received by Foreign Investment Enterprises, Foreign Enterprises and Foreign Individuals (Guo Shui Fa [1993] No. 045) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]045號)) issued by the State Administration of Taxation, whilst pursuant to the letter titled Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies issued by the Stock Exchange to the issuers on 4 July 2011 and the Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 of State Administration of Taxation (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), it is confirmed that the overseas resident individual shareholders holding shares of domestic non-foreign invested enterprises issued in Hong Kong are entitled to the relevant preferential tax treatments pursuant to the provisions in the tax arrangements between the countries where they reside and the PRC or the tax arrangements between the PRC and Hong Kong or the Macau Special Administrative Region of the PRC. Therefore, the Company will withhold 10% of the dividend as individual income tax, unless it is otherwise specified in the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividends in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

Subject to the approval of the resolution regarding the declaration of dividends at the 2021 annual general meeting, dividends will be paid to the Shareholders before 25 August 2022.

(VII) Audit Committee

The Audit Committee of the Company has reviewed the annual results for 2021 and the financial statements for the year ended 31 December 2021 of the Company prepared under the China Accounting Standards for Business Enterprises.

(VIII) Auditors

The Company has appointed Ernst & Young Hua Ming LLP as the domestic auditor of the Company and to audit the financial statements for the Year.

(IX) Publication of Annual Results and Annual Report

This annual results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qhdport.com). In accordance with the requirements under the listing rules of the Stock Exchange applicable in the Reporting Period, the 2021 annual report containing all information about the Company set out in this preliminary results announcement for the year ended 31 December 2021 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company, respectively.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“A Share(s)”	the domestic listed RMB ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE
“Audit Committee”	the audit committee of the Board
“Berth”	the place of a dock designated for a vessel to moor
“Bulk cargo”	loose commodity cargo that is transported in volume size including dry bulk cargo and liquid bulk cargo
“Caofeidian Port”	Caofeidian Port Zone in Tangshan Port, Tangshan City, Hebei Province
“Company”, the “Company”	Qinhuangdao Port Co., Ltd.* and its subsidiaries
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the listing rules of the Stock Exchange
“Corresponding Period of 2020”	the twelve months ended 31 December 2020
“CSRC”	China Securities Regulatory Commission
“Economic hinterland” or “Hinterland”	Hinterland connected with the port by means of transportation, a territory scope in the port where cargoes are generated from or cargoes to be transshipped through the port are consumed
“General cargo”	a general terms for cargoes of various varieties, nature and packaging forms
“Harbor”	land and water surface of the port within the territory of the port and demarcated by the administrative agency of local government
“Hebei Port Group”, “controlling shareholder”, “QHD Port Group”	Hebei Port Group Co., Ltd.* (河北港口集團有限公司), a limited liability company incorporated under the laws of the PRC, previously known as Qinhuangdao Port Group Co., Ltd.* (秦皇島港務集團有限公司), which directly holds 54.27% equity interest of the Company
“H Share(s)”	the Hong Kong listed ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Huanghua Port”	Huanghua Port in Cangzhou City, Hebei Province

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the listing rules of the Stock Exchange
“QHD Port”	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC on 31 March 2008
“Qinhuangdao Port”	Qinhuangdao Port in Qinhuangdao City, Hebei Province
“Reporting Period” or the “Year”	the twelve months ended 31 December 2021
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tangshan-Hohhot Railway”	the railway line from Hohhot, Inner Mongolia Autonomous Region to Tangshan City, Hebei Province
“Terminal”	designated for mooring vessels, loading and unloading cargoes and boarding travelers
“TEU”	a statistical conversion unit for containers, a container of twenty feet in length (i.e. one TEU)
“Throughput”	a measure of the volume of cargo handled by a port, where cargoes are transshipped, each unloading and loading process is measured separately as part of throughput

By order of the Board
Qinhuangdao Port Co., Ltd.*
CAO Ziyu
Chairman

Qinhuangdao, Hebei Province, the PRC
29 March 2022

As at the date of this announcement, the executive Directors of the Company are CAO Ziyu, YANG Wensheng and MA Xiping; the non-executive Directors of the Company are LIU Guanghai, LI Jianping and XIAO Xiang; and the independent non-executive Directors of the Company are ZANG Xiuqing, CHEN Ruihua and XIAO Zuhe.

* *For identification purpose only*