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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: 03369)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**FINANCIAL HIGHLIGHTS**

- The revenue of the Company amounted to RMB6,919.4210 million for the Year, representing an increase of 4.92% as compared with the corresponding period of last year.
- The net profit of the Company amounted to RMB1,357.0647 million for the Year, representing an increase of 36.10% as compared with the corresponding period of last year.
- The net profit attributable to owners of the parent company of the Company amounted to RMB1,308.4191 million for the Year, representing an increase of 26.00% as compared with the corresponding period of last year.
- The Board recommended a final dividend of RMB0.71 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 2022 prepared in accordance with the China Accounting Standards for Business Enterprises, together with the comparative figures for the corresponding period of 2021.

\* *For identification purpose only*

**CONSOLIDATED BALANCE SHEET**

31 December 2022

RMB

Note IV 31 December 2022 31 December 2021

**Assets**

## Current assets

Cash and bank balances	1	<b>4,847,758,214.85</b>	4,051,769,706.70
Including: deposits with finance companies		<b>4,049,298,698.27</b>	3,385,810,394.04
Bills receivable	2	<b>91,361,696.00</b>	68,346,713.28
Accounts receivable	3	<b>46,622,811.77</b>	42,864,847.49
Accounts receivable financing		<b>35,866,130.32</b>	69,049,566.27
Prepayments		<b>23,630,461.95</b>	10,234,539.55
Other receivables		<b>22,220,105.04</b>	30,936,239.46
Inventories	4	<b>125,279,242.63</b>	167,322,981.57
Other current assets		<b>82,539,575.60</b>	127,074,097.79
Total current assets		<b>5,275,278,238.16</b>	4,567,598,692.11
Non-current assets			
Long-term equity investments		<b>3,595,010,502.57</b>	3,258,872,327.87
Other equity instruments investments		<b>1,136,892,279.11</b>	910,016,638.38
Fixed assets	5	<b>11,548,007,158.30</b>	12,416,386,765.22
Construction in progress	6	<b>2,478,720,446.03</b>	2,509,104,468.28
Right-of-use assets		<b>141,869,720.26</b>	112,187,085.56
Intangible assets		<b>2,950,070,241.42</b>	2,981,369,444.65
Long-term prepaid expenses		<b>5,639,206.39</b>	35,096,766.80
Deferred income tax assets		<b>439,589,423.33</b>	410,078,781.79
Other non-current assets		<b>369,621,867.69</b>	576,266,914.12
Total non-current assets		<b>22,665,420,845.10</b>	23,209,379,192.67
Total assets		<b>27,940,699,083.26</b>	27,776,977,884.78

**Liabilities and shareholders' equity**

Current liabilities			
Short-term borrowings	7	<b>260,270,111.11</b>	330,357,805.56
Accounts payable	8	<b>259,894,659.77</b>	238,673,449.76
Contract liabilities	9	<b>563,480,833.77</b>	704,281,207.62
Employee benefits payable		<b>742,093,194.47</b>	798,496,547.67
Taxes payable	10	<b>43,304,688.38</b>	87,649,229.69
Other payables		<b>548,457,808.34</b>	898,468,189.51
Non-current liabilities due within one year		<b>680,774,886.72</b>	840,171,471.74
		<hr/>	<hr/>
Total current liabilities		<b>3,098,276,182.56</b>	3,898,097,901.55
		<hr/>	<hr/>
Non-current liabilities			
Long-term borrowings	11	<b>5,949,695,604.50</b>	6,259,174,345.98
Lease liabilities		<b>16,720,143.33</b>	323,144.98
Long-term payable		<b>34,000,000.00</b>	36,000,000.00
Long-term employee benefits payable		<b>372,187,195.91</b>	454,318,825.86
Deferred income		<b>143,939,129.50</b>	175,284,044.38
Deferred income tax liabilities		<b>100,804,502.79</b>	44,085,592.61
		<hr/>	<hr/>
Total non-current liabilities		<b>6,617,346,576.03</b>	6,969,185,953.81
		<hr/>	<hr/>
Total liabilities		<b>9,715,622,758.59</b>	10,867,283,855.36
		<hr/>	<hr/>
Shareholders' equity			
Share capital		<b>5,587,412,000.00</b>	5,587,412,000.00
Capital reserve		<b>5,207,670,068.40</b>	5,207,670,068.40
Other comprehensive income		<b>639,705,620.44</b>	398,289,967.40
Special reserve		<b>192,106,174.51</b>	162,786,888.70
Surplus reserve		<b>1,634,203,017.11</b>	1,529,961,605.48
Retained profit		<b>4,060,508,205.81</b>	3,169,225,628.95
		<hr/>	<hr/>
Total equity attributable to shareholders of the parent		<b>17,321,605,086.27</b>	16,055,346,158.93
		<hr/>	<hr/>
Minority interests		<b>903,471,238.40</b>	854,347,870.49
		<hr/>	<hr/>
Total shareholders' equity		<b>18,225,076,324.67</b>	16,909,694,029.42
		<hr/>	<hr/>
Total liabilities and shareholders' equity		<b>27,940,699,083.26</b>	27,776,977,884.78
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## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

RMB

	Note IV	2022	2021
Revenue	12	<b>6,919,421,033.92</b>	6,594,861,850.05
Less: Operating costs	12	<b>4,267,181,490.83</b>	4,094,699,901.80
Tax and surcharges		<b>135,409,345.59</b>	206,541,922.78
Administrative expenses		<b>834,726,694.34</b>	922,314,914.16
Research and development expenses		<b>143,991,281.29</b>	53,878,006.83
Financial costs	13	<b>139,990,216.94</b>	217,662,699.89
Including: Interest expense		<b>234,358,723.92</b>	277,584,295.95
Interest income		<b>93,696,682.15</b>	60,224,911.87
Add: Other income		<b>83,784,701.68</b>	54,709,973.87
Investment income	14	<b>235,234,912.61</b>	186,114,188.04
Including: Investment income from associates and joint ventures		<b>223,039,392.85</b>	176,101,826.59
Credit impairment loss		<b>(16,362,180.04)</b>	(28,394,521.41)
Asset impairment loss		<b>(36,782,860.23)</b>	(34,562,954.52)
Gains from the disposal of assets		<b>572,569.46</b>	–
Operating profits		<b>1,664,569,148.41</b>	1,277,631,090.57
Add: Non-operating income	15	<b>5,287,891.55</b>	8,877,816.18
Less: Non-operating expenses		<b>6,669,457.12</b>	5,068,230.20
Total profit		<b>1,663,187,582.84</b>	1,281,440,676.55
Less: Income tax expenses	16	<b>306,122,888.75</b>	284,300,281.26
Net profit		<b><u>1,357,064,694.09</u></b>	<b><u>997,140,395.29</u></b>
Classified by business continuity			
Net profit from continuing operations		<b>1,357,064,694.09</b>	997,140,395.29
Classified by ownership			
Net profit attributable to shareholders of the parent		<b>1,308,419,060.49</b>	1,038,394,361.09
Minority interests		<b>48,645,633.60</b>	(41,253,965.80)

	<i>Note IV</i>	<b>2022</b>	2021
Other comprehensive income, net of tax		<b>239,202,177.64</b>	146,452,127.44
Other comprehensive income attributable to shareholders of the parent, net of tax		<b>241,415,653.04</b>	135,025,490.10
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		<b>65,142,567.44</b>	55,478,499.54
Changes in fair value of investments in other equity instruments		<b>172,370,205.95</b>	80,774,357.50
Other comprehensive income to be reclassified into profit or loss			
Exchange differences on foreign currency translation		<b>3,902,879.65</b>	(1,227,366.94)
Other comprehensive income attributable to minority shareholders, net of tax		<b>(2,213,475.40)</b>	11,426,637.34
Total comprehensive income		<b><u>1,596,266,871.73</u></b>	<b><u>1,143,592,522.73</u></b>
Including:			
Total comprehensive income attributable to shareholders of the parent		<b>1,549,834,713.53</b>	1,173,419,851.19
Total comprehensive income attributable to minority shareholders		<b>46,432,158.20</b>	(29,827,328.46)
Earnings per share			
Basic and diluted earnings per share	<i>17</i>	<b><u>0.23</u></b>	<b><u>0.19</u></b>

## **NOTES TO FINANCIAL STATEMENTS**

*31 December 2022*

### **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 the Company 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 for issue by the Board of the Company by resolutions on 29 March 2023.

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 presented 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, taxpayers engaging in manufacturing and living service industries are permitted an additional 10% input credit against payable VAT by the Company and certain of its subsidiaries from 1 April 2019 to 31 December 2021 in accordance with the deductible input tax for the current period. According to the Announcement on the Value-Added Tax Policy Concerning Relieving and Advancing Development of Difficult Fields in Service Industries (《關於促進服務業領域困難行業紓困發展有關增值稅政策的公告》) (Notice [2022] No. 11 from the Ministry of Finance and the State Administration of Taxation), the implementation period of the additional deduction policy of VAT for manufacturing and living service industries will be extended to 31 December 2022.

#### IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

##### 1. Cash and Bank Balances

	2022	2021
Cash on hand	25,508.88	12,897.86
Bank deposits	4,847,732,205.97	4,051,436,308.84
Other cash and bank balances	500.00	320,500.00
	<u>4,847,758,214.85</u>	<u>4,051,769,706.70</u>
Including: Secured bank deposits from bidding deposits	<u>500.00</u>	<u>320,500.00</u>

As at 31 December 2022, the cash and bank balances deposited overseas by the Group were equivalent to RMB59,014,402.57 (31 December 2021: RMB54,388,043.80).

Interest income earned on current deposits is calculated through 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 earns interest income at the respective deposit rates.

##### 2. Bills Receivable

	2022	2021
Bank acceptance bills	<u>91,361,696.00</u>	<u>68,346,713.28</u>

As at 31 December 2022 and 31 December 2021, the bills receivable pledged by the Group to issue bank acceptance bills was nil.

As at 31 December 2022 and 31 December 2021, the Group did not transfer any bills receivable to accounts receivable due to non-performance of drawers.

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

	2022		2021	
	Derecognized	Not derecognized	Derecognized	Not derecognized
Bank acceptance bills	<u>-</u>	<u>18,307,584.00</u>	<u>-</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:

	2022	2021
Within 1 year	<b>51,506,942.00</b>	45,102,759.64
1 to 2 years	<b>860,169.46</b>	19,139.80
2 to 3 years	<b>9,728.80</b>	–
Over 3 years	<b>1,633,960.63</b>	2,449,866.43
	<b>54,010,800.89</b>	47,571,765.87
Less: Provision for bad debts of accounts receivable	<b>7,387,989.12</b>	4,706,918.38
	<b>46,622,811.77</b>	42,864,847.49

	Balance		2022 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Individual provision for bad debts	3,252,364.00	6	3,252,364.00	100	–
Provision for bad debts made by portfolio of credit risk characteristics	50,758,436.89	94	4,135,625.12	8	46,622,811.77
	<b>54,010,800.89</b>	<b>100</b>	<b>7,387,989.12</b>	<b>14</b>	<b>46,622,811.77</b>

	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	47,571,765.87	100	4,706,918.38	10	42,864,847.49

As at 31 December 2022, accounts receivable with individual provision for bad debts are as follows:

	Balance	Provision for bad debts	Expected credit loss ratio	Reason for provision
China Ocean Shipping Agency Qinhuangdao Co., Ltd. (中國秦皇島外輪代理有限公司)	61,460.00	61,460.00	100%	Debtor involved in litigation
Penavico QHD Logistics Co., Ltd. (秦皇島外代物流有限公司)	3,190,904.00	3,190,904.00	100%	Debtor involved in litigation
	<u>3,252,364.00</u>	<u>3,252,364.00</u>		

As at 31 December 2021, 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:

	2022			2021		
	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	48,254,578.00	5	2,412,728.90	45,102,759.64	5	2,251,692.81
1 to 2 years	860,169.46	10	86,016.95	19,139.80	28	5,359.14
2 to 3 years	9,728.80	30	2,918.64	-	-	-
Over 3 years	1,633,960.63	100	1,633,960.63	2,449,866.43	100	2,449,866.43
	<u>50,758,436.89</u>	<u>8</u>	<u>4,135,625.12</u>	<u>47,571,765.87</u>	<u>10</u>	<u>4,706,918.38</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
<b>2022</b>	<u>4,706,918.38</u>	<u>3,343,995.54</u>	<u>(610,985.17)</u>	<u>(51,939.63)</u>	<u>7,387,989.12</u>
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>

The Group had accounts receivable of RMB51,939.63 written off in 2022 (2021: RMB1,316,167.83).

As at 31 December 2022 and 31 December 2021, no accounts receivable of the Group was pledged.

As at 31 December 2022, accounts receivable from the five largest customers were as follows:

	Carrying amount		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)
Hebei Xinshenggang International Logistics Co., Ltd. (河北新盛港國際物流有限公司)	12,941,528.12	23.96	647,076.41	5
Ningxia Tianyuan Logistics Group Co., Ltd. (寧夏天元物流集團有限公司)	4,952,663.00	9.17	247,633.15	5
Tangshan Caofeidian Shiye Port Co., Ltd. (唐山曹妃甸實業港務有限公司)	3,212,272.68	5.95	165,007.14	5
Penavico QHD Logistics Co., Ltd. (秦皇島外代物流有限公司)	3,190,904.00	5.91	3,190,904.00	100
Qinhuangdao Sea Shipping Agency Co., Ltd. (秦皇島之海船務代理有限公司)	2,847,525.00	5.27	142,376.25	5
	<b>27,144,892.80</b>	<b>50.26</b>	<b>4,392,996.95</b>	<b>16</b>

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

	Carrying amount		Provision for bad debts	
	Amount	Percentage (%)	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
	<b>29,020,291.99</b>	<b>60.99</b>	<b>1,451,014.60</b>	<b>5</b>

#### 4. Inventories

	2022			2021		
	Balance	Provision for impairment	Carrying amount	Balance	Provision for impairment	Carrying amount
Materials	37,498,767.60	7,704,743.48	29,794,024.12	47,393,131.68	7,045,116.52	40,348,015.16
Fuels	1,561,084.99	-	1,561,084.99	1,891,040.70	-	1,891,040.70
Spare parts	107,049,206.96	15,562,073.14	91,487,133.82	136,431,543.91	13,946,108.90	122,485,435.01
Low-cost consumables	2,586,811.92	149,812.22	2,436,999.70	2,789,939.52	191,448.82	2,598,490.70
	<b>148,695,871.47</b>	<b>23,416,628.84</b>	<b>125,279,242.63</b>	<b>188,505,655.81</b>	<b>21,182,674.24</b>	<b>167,322,981.57</b>

Change in provision for impairment is as follows:

**2022**

	Opening balance	Provision for the year	Decrease during the year		Closing balance
			Reversal	Write-off	
Materials	7,045,116.52	2,198,445.72	–	(1,538,818.76)	7,704,743.48
Spare parts	13,946,108.90	5,891,576.25	–	(4,275,612.01)	15,562,073.14
Low-cost consumables	191,448.82	40,638.26	–	(82,274.86)	149,812.22
	<u>21,182,674.24</u>	<u>8,130,660.23</u>	<u>–</u>	<u>(5,896,705.63)</u>	<u>23,416,628.84</u>

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>

**5. Fixed Assets**

	2022	2021
Fixed Assets	<b>11,543,919,367.83</b>	12,411,537,209.32
Disposal of fixed assets	<u>4,087,790.47</u>	<u>4,849,555.90</u>
Fixed Assets	<u><b>11,548,007,158.30</b></u>	<u>12,416,386,765.22</u>

2022

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
<b>Cost</b>						
Opening balance	6,533,097,099.85	8,360,744,819.51	10,352,111,451.29	479,815,621.86	247,736,097.86	25,973,505,090.37
Purchase	258,407.08	-	282,183.65	864,181.94	10,600.00	1,415,372.67
Transferred from construction in progress	80,069,780.07	-	212,728,340.53	6,382,174.46	14,055,719.87	313,236,014.93
Reclassification	65,038,227.31	(65,038,227.31)	-	-	-	-
Disposal for the year	(3,522,323.73)	-	(51,142,916.56)	(24,000,263.64)	(19,911,185.83)	(98,576,689.76)
Closing balance	<u>6,674,941,190.58</u>	<u>8,295,706,592.20</u>	<u>10,513,979,058.91</u>	<u>463,061,714.62</u>	<u>241,891,231.90</u>	<u>26,189,579,788.21</u>
<b>Accumulated depreciation</b>						
Opening balance	2,318,524,982.72	3,153,115,784.12	7,386,808,326.27	413,377,988.02	188,509,736.01	13,460,336,817.14
Provision for the year	275,089,227.62	315,708,946.89	521,053,035.24	17,028,753.80	18,864,140.37	1,147,744,103.92
Reclassification	76,436,794.35	(76,436,794.35)	-	-	-	-
Disposal for the year	(1,264,348.58)	-	(49,486,783.39)	(22,628,193.84)	(19,311,009.37)	(92,690,335.18)
Closing balance	<u>2,668,786,656.11</u>	<u>3,392,387,936.66</u>	<u>7,858,374,578.12</u>	<u>407,778,547.98</u>	<u>188,062,867.01</u>	<u>14,515,390,585.88</u>
<b>Provision for impairment</b>						
Opening balance	10,659,447.39	17,447,997.81	72,678,646.18	27,115.89	817,856.64	101,631,063.91
Provision	9,893,022.76	16,954,931.38	1,730,219.04	-	74,026.82	28,652,200.00
Disposal for the year	-	-	(4,792.07)	(8,492.80)	(144.54)	(13,429.41)
Closing balance	<u>20,552,470.15</u>	<u>34,402,929.19</u>	<u>74,404,073.15</u>	<u>18,623.09</u>	<u>891,738.92</u>	<u>130,269,834.50</u>
<b>Carrying amounts</b>						
End of the year	<u>3,985,602,064.32</u>	<u>4,868,915,726.35</u>	<u>2,581,200,407.64</u>	<u>55,264,543.55</u>	<u>52,936,625.97</u>	<u>11,543,919,367.83</u>
Beginning 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>

2021

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
<b>Cost</b>						
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	-	-	(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>
<b>Accumulated depreciation</b>						
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	-	-	(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>
<b>Provision for impairment</b>						
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	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>
<b>Carrying amounts</b>						
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>

As at 31 December 2022 and 31 December 2021, the Group had no fixed assets which were temporarily idle.

Fixed assets leased out under operating leases were as follows:

**2022**

	Properties and buildings	Terminal facilities	Office and other equipment	Total
<b>Cost</b>				
Opening balance	41,456,011.24	15,818,169.35	57,100.00	57,331,280.59
Transferred to fixed assets during the year	331,130.76	-	10,600.00	341,730.76
Transferred from fixed assets during the year	<u>(2,696,222.12)</u>	<u>(7,912,688.60)</u>	<u>(20,000.00)</u>	<u>(10,628,910.72)</u>
Closing balance	<u>39,090,919.88</u>	<u>7,905,480.75</u>	<u>47,700.00</u>	<u>47,044,100.63</u>
<b>Accumulated depreciation</b>				
Opening balance	4,480,659.49	6,382,795.04	55,387.00	10,918,841.53
Transferred to fixed assets during the year	60,362.34	-	10,282.00	70,644.34
Provision	1,062,828.73	383,860.55	-	1,446,689.28
Transferred from fixed assets during the year	<u>(310,502.32)</u>	<u>(3,040,109.43)</u>	<u>(19,400.00)</u>	<u>(3,370,011.75)</u>
Closing balance	<u>5,293,348.24</u>	<u>3,726,546.16</u>	<u>46,269.00</u>	<u>9,066,163.40</u>
<b>Carrying amounts</b>				
Closing balance	<u>33,797,571.64</u>	<u>4,178,934.59</u>	<u>1,431.00</u>	<u>37,977,937.23</u>
Opening balance	<u>36,975,351.75</u>	<u>9,435,374.31</u>	<u>1,713.00</u>	<u>46,412,439.06</u>

2021

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
<b>Cost</b>						
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>
<b>Accumulated depreciation</b>						
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>
<b>Carrying amounts</b>						
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>

As at 31 December 2022, fixed assets without title certificate are as follows:

	Carrying amounts	Reason for not obtaining the title certificate
Properties and buildings	<u>8,708,986.58</u>	In progress

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

## 6. Construction in Progress

	<b>2022</b>			2021		
Construction in Progress	<b><u>2,478,720,446.03</u></b>			<b><u>2,509,104,468.28</u></b>		
	2022			2021		
	Balance	Provision for impairment	Carrying amounts	Balance	Provision for impairment	Carrying amounts
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	2,303,050,713.18	-	2,303,050,713.18	2,208,549,850.63	-	2,208,549,850.63
Reconstruction of bucket reclaimer for Phase Four coal project	46,002,288.26	-	46,002,288.26	12,817,774.53	-	12,817,774.53
Commencing project of complex port zone in Huanghua Port	23,941,614.11	-	23,941,614.11	25,208,174.80	-	25,208,174.80
The sixth and seventh coal terminal in Caofeidian	18,466,438.16	-	18,466,438.16	15,747,764.62	-	15,747,764.62
Reconstruction of intelligent single unit and stacking yards for Phase Five coal project	11,741,182.28	-	11,741,182.28	-	-	-
Upgrading Programs of No.1, No.2 and No.3 loaders for Phase Three coal project	96,854.71	-	96,854.71	128,760,826.77	-	128,760,826.77
Others	99,837,821.58	24,416,466.25	75,421,355.33	142,436,543.18	24,416,466.25	118,020,076.93
	<b><u>2,503,136,912.28</u></b>	<b><u>24,416,466.25</u></b>	<b><u>2,478,720,446.03</u></b>	<b><u>2,533,520,934.53</u></b>	<b><u>24,416,466.25</u></b>	<b><u>2,509,104,468.28</u></b>

Significant movements in construction in progress for 2022 were as follows:

	Budget	Opening balance	Increase in the year	Transferred from 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	2,208,549,850.63	94,500,862.55	-	-	-	2,303,050,713.18	Fund raised, loans from financial institutes and self-owned capital	98
Reconstruction of bucket reclaimer for Phase Four coal project	86,410,000.00	12,817,774.53	33,184,513.73	-	-	-	46,002,288.26	Self-owned capital	53
Commencing project of complex port zone in Huanghua Port	7,555,702,691.90	25,208,174.80	12,710,450.46	-	(13,977,011.15)	-	23,941,614.11	Loans from financial institutes and self-owned capital	91
The sixth and seventh coal terminal in Caofeidian	15,000,000,000.00	15,747,764.62	4,572,843.69	-	-	(1,854,170.15)	18,466,438.16	Self-owned capital	1
Reconstruction of intelligent single unit and stacking yards for Phase Five coal project	41,108,900.00	-	11,741,182.28	-	-	-	11,741,182.28	Self-owned capital	29
Upgrading Programs of No.1, No.2 and No.3 loaders for Phase Three coal project	169,588,600.00	128,760,826.77	14,679,348.05	-	(143,343,320.11)	-	96,854.71	Self-owned capital	85
Others	3,381,911,810.88	142,436,543.18	188,680,188.87	1,147,175.80	(198,152,633.88)	(34,273,452.39)	99,837,821.58		
	29,285,583,402.78	2,533,520,934.53	360,069,389.63	1,147,175.80	(355,472,965.14)	(36,127,622.54)	2,503,136,912.28		

Significant movements in 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		
	<u>31,686,402,813.42</u>	<u>1,207,457,196.89</u>	<u>1,553,310,345.68</u>	<u>483,234.55</u>	<u>(224,629,259.13)</u>	<u>(3,100,583.46)</u>	<u>2,533,520,934.53</u>		

In 2022, the included capitalized interest of construction in progress were as follows:

	<b>Progress of project</b>	<b>Accumulated amounts of capitalized interest</b>	<b>Including: Capitalized interest for the year</b>	<b>Ratio of capitalized interest for the year</b>
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	98%	580,948,213.76	65,656,055.72	3.92%
Others		<u>1,724,716.73</u>	<u>500,543.94</u>	3.39%
		<u><u>582,672,930.49</u></u>	<u><u>66,156,599.66</u></u>	

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

	<b>Progress of project</b>	<b>Accumulated amounts of capitalized interest</b>	<b>Including: Capitalized interest for the year</b>	<b>Ratio of capitalized interest for the year</b>
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><u>516,516,330.83</u></u>	<u><u>41,001,298.53</u></u>	

Provision for impairment of construction in progress:

**2022 and 2021**

	<b>Opening balance</b>	<b>Increase in the year</b>	<b>Decrease in the year</b>	<b>Closing balance</b>	<b>Reason for provision</b>
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

	2022	2021
Unsecured borrowings	<b>260,000,000.00</b>	330,000,000.00
Interest payable on short-term borrowings	<b>270,111.11</b>	357,805.56
	<b><u>260,270,111.11</u></b>	<b><u>330,357,805.56</u></b>

As at 31 December 2022, the interest rate of the above unsecured borrowings was 3.40% per annum (31 December 2021: 3.20%-3.85%).

As at 31 December 2022, the Group had no overdue borrowings (31 December 2021: nil).

## 8. Accounts Payable

	2022	2021
Accounts payable	<b>259,894,659.77</b>	238,673,449.76

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

An ageing analysis of accounts payable is as follows:

	2022	2021
Within 1 year	<b>221,512,097.92</b>	228,346,117.77
1 to 2 years	<b>32,208,486.99</b>	6,370,300.95
2 to 3 years	<b>3,412,105.15</b>	1,835,895.08
Over 3 years	<b>2,761,969.71</b>	2,121,135.96
	<b><u>259,894,659.77</u></b>	<b><u>238,673,449.76</u></b>

As at 31 December 2022 and 31 December 2021, the Group had no significant accounts payable ageing more than 1 year.

## 9. Contract Liabilities

	2022	2021
Port handling fees	<b>561,933,615.55</b>	703,247,143.78
Weighing fees	<b>325,359.54</b>	192,647.67
Others	<b>1,221,858.68</b>	841,416.17
	<b><u>563,480,833.77</u></b>	<b><u>704,281,207.62</u></b>

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 decreased RMB140,800,373.85, primarily due to the decreased balance of contract liabilities driven by income from advance receipts carried forward.

## 10. Taxes Payable

	2022	2021
Enterprise income tax	<b>27,127,134.34</b>	70,599,601.43
Environmental protection tax	<b>12,498,101.84</b>	13,566,150.15
Individual income tax	<b>3,369,518.58</b>	3,172,438.47
Stamp duty	<b>273,793.65</b>	194,922.30
Value-added tax	<b>33,228.10</b>	102,437.88
Urban maintenance and construction tax	<b>1,554.80</b>	6,920.65
Education surcharge	<b>1,110.57</b>	4,943.31
Water resource tax	<b>246.50</b>	1,815.50
	<b><u>43,304,688.38</u></b>	<b><u>87,649,229.69</u></b>

## 11. Long-term Borrowings

	2022	2021
Unsecured borrowings	<b>6,609,767,592.04</b>	6,997,204,749.46
Less: Long-term borrowings due within one year	<b><u>660,071,987.54</u></b>	<u>738,030,403.48</u>
	<b><u>5,949,695,604.50</u></b>	<b><u>6,259,174,345.98</u></b>

As at 31 December 2022, the interest rate of the above borrowings was 3.55%-4.00% per annum (31 December 2021: 3.71%-5.15%).

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

	2022	2021
Within 1 year (including 1 year)	<b>660,071,987.54</b>	738,030,403.48
Within 2 years (including 2 years)	<b>605,210,000.00</b>	604,882,652.48
Within 2 to 5 years (including 5 years)	<b>2,766,450,636.00</b>	1,952,046,093.50
Over 5 years	<b>2,578,034,968.50</b>	3,702,245,600.00
	<b><u>6,609,767,592.04</u></b>	<b><u>6,997,204,749.46</u></b>

## 12. Operating Revenue and Cost

	2022		2021	
	Revenue	Cost	Revenue	Cost
Principal operations	<b>6,913,191,222.91</b>	<b>4,264,189,398.61</b>	6,586,980,019.69	4,090,934,480.55
Other operations	<b>6,229,811.01</b>	<b>2,992,092.22</b>	7,881,830.36	3,765,421.25
	<b><u>6,919,421,033.92</u></b>	<b><u>4,267,181,490.83</u></b>	<b><u>6,594,861,850.05</u></b>	<b><u>4,094,699,901.80</u></b>

The operating revenue is as follows:

	2022	2021
Revenue from contracts with customers	<b>6,911,587,787.11</b>	6,588,699,355.57
Rental income	<b>7,833,246.81</b>	6,162,494.48
	<b><u>6,919,421,033.92</u></b>	<b><u>6,594,861,850.05</u></b>

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

	2022	2021
Principal place of business		
Qinhuangdao	4,310,282,257.45	4,431,324,101.65
Others	<u>2,601,305,529.66</u>	<u>2,157,375,253.92</u>
	<u><b>6,911,587,787.11</b></u>	<u><b>6,588,699,355.57</b></u>
Main types of services		
Service in relation to coal and relevant products	4,878,324,042.01	4,857,477,441.75
Service in relation to metal ore and relevant products	1,246,072,324.52	1,086,801,417.07
Service in relation to general and other cargoes	572,239,016.63	428,665,544.47
Container service	85,128,193.35	84,960,952.15
Service in relation to liquefied cargoes	45,951,734.67	55,511,425.22
Others	<u>83,872,475.93</u>	<u>75,282,574.91</u>
	<u><b>6,911,587,787.11</b></u>	<u><b>6,588,699,355.57</b></u>

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 are provided completely.

In 2022, the revenue included in the opening carrying amount of contract liabilities recognized by the Group was RMB648,068,191.25 (2021: RMB575,770,567.98).

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:

	2022	2021
Within 1 year	518,200,188.59	643,413,769.43
Over 1 year	<u>45,280,645.18</u>	<u>60,867,438.19</u>
	<u><b>563,480,833.77</b></u>	<u><b>704,281,207.62</b></u>

### 13. Financial Cost

	2022	2021
Interest expenses	<b>300,515,323.58</b>	318,585,594.48
Less: Interest income	<b>93,696,682.15</b>	60,224,911.87
Less: Capitalised interest	<b>66,156,599.66</b>	41,001,298.53
Foreign exchange (gain)/loss	<b>(859,061.34)</b>	90,005.17
Others	<b>187,236.51</b>	213,310.64
	<b><u>139,990,216.94</u></b>	<b><u>217,662,699.89</u></b>

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

### 14. Investment Income

	2022	2021
Long-term equity investment income accounted for under the equity method	<b>223,039,392.85</b>	176,101,826.59
Dividend income on other equity instrument investments held	<b>12,195,519.76</b>	10,011,600.00
Investment income from disposal of financial assets held for trading	<b>–</b>	761.45
	<b><u>235,234,912.61</u></b>	<b><u>186,114,188.04</u></b>

### 15. Non-operating Income

	2022	2021	Including 2022 non- recurring gains and losses
Payables waived	<b>2,055,388.10</b>	30,773.85	2,055,388.10
Gains from spoilage and obsolescence of non-current assets	<b>877,271.31</b>	3,208,948.54	877,271.31
Government subsidy	<b>300,000.00</b>	–	300,000.00
Others	<b>2,055,232.14</b>	5,638,093.79	2,055,232.14
	<b><u>5,287,891.55</u></b>	<b><u>8,877,816.18</u></b>	<b><u>5,287,891.55</u></b>

## 16. Income Tax Expense

	2022	2021
Current income tax expenses	<b>335,633,530.29</b>	297,559,756.86
Deferred income tax expenses	<b>(29,510,641.54)</b>	(13,259,475.60)
	<b><u>306,122,888.75</u></b>	<b><u>284,300,281.26</u></b>

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

	2022	2021
Total profit	<b>1,663,187,582.84</b>	1,281,440,676.55
Income tax expenses calculated at the statutory tax rate	<b>415,796,895.71</b>	320,360,169.14
Effect of different tax rates of certain subsidiaries	<b>(280,483.58)</b>	(516,852.89)
Income not subject to tax	<b>(3,048,879.94)</b>	(2,502,900.00)
Share of profits and losses of joint ventures and associates	<b>(55,759,848.21)</b>	(44,025,456.65)
Expenses not deductible for tax	<b>14,848,468.35</b>	15,464,818.86
Utilizing deductible losses in previous years	<b>(11,414,746.05)</b>	(20,320,587.08)
Effect of recognition of previously unrecognized deductible temporary differences and deductible losses	<b>(69,367,159.12)</b>	(2,752,345.13)
Effect of unrecognized deductible temporary differences and deductible losses	<b>19,338,504.97</b>	29,182,805.00
Adjustments in respect of current income tax of previous periods	<b>(7,287,305.97)</b>	(11,917,852.69)
Others	<b>3,297,442.59</b>	1,328,482.70
Income tax expense at the Group's effective rate	<b><u>306,122,888.75</u></b>	<b><u>284,300,281.26</u></b>

## 17. Earnings per Share

	2022 RMB/Share	2021 RMB/Share
Basic and diluted earnings per share from continuing operations	<u>0.23</u>	<u>0.19</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 issued.

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

	2022	2021
<b>Earnings</b>		
Net profit for the year attributable to ordinary shareholders of the Company continuing operations	<u>1,308,419,060.49</u>	<u>1,038,394,361.09</u>
<b>Shares</b>		
Weighted average number of ordinary shares in issue of the Company	<u>5,587,412,000.00</u>	<u>5,587,412,000.00</u>

The Company had no dilutive potential ordinary shares in issue for the year 2022 (2021: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### (I) Overview

#### (1) Overall Situation

In 2022, the gross domestic product (GDP) of PRC amounted to RMB121.0207 trillion, representing a year-on-year increase of 3.0%. In terms of industry sectors, value added by the primary sector was RMB8,834.5 billion, representing an increase of 4.1%; value added by the secondary industry was RMB48,316.4 billion, representing an increase of 3.8%; and value added by the tertiary industry was RMB63,869.8 billion, representing an increase of 2.3%.

#### (2) Overview of Port Industry in the PRC

The national cargo throughput in ports reached 15.685 billion tonnes in 2022, representing a year-on-year increase of 0.9%, of which the throughput of foreign trade reached 4.607 billion, representing a year-on-year decrease of 1.9%. The container throughput completed reached 296 million TEUs, representing a year-on-year increase of 4.7%. The throughput in costal ports reached 261 million TEUs, representing a year-on-year increase of 4.6%.

In terms of the coal business, in 2022, the output of raw coal of industrial enterprises above designated size was 4.50 billion tonnes, hitting a new record and representing a year-on-year increase of 9.0%. The growth rate of such output is 4.3 percentage points higher than that of the previous year. 290 million tonnes of coal were imported in 2022, representing a year-on-year decrease of 9.2%. Power production was stable and orderly with an increased proportion of clean energy power generation. In 2022, the industrial power generation above designated size reached 8.4 trillion kWh, representing a year-on-year increase of 2.2% - of which thermal power generation increased by 0.9%. The power generation from clean energy such as hydropower, nuclear power, wind power and solar energy increased by 5.3%, with proportion in total power generation up by 0.9 percentage point.

In terms of the iron ore business, the production volume of iron ore in China amounted to 967.873 million tonnes in 2022, representing a year-on-year decrease of 1.0%. In 2022, the production volume of crude steel in China amounted to 1,013.003 million tonnes, representing a year-on-year decrease of 2.1%; the production volume of pig iron amounted to 863.828 million tonnes, representing a year-on-year decrease of 0.8%; and the production volume of steel amounted to 1,340.335 million tonnes, representing a year-on-year decrease of 0.8%. In 2022, China's imports of iron ore amounted to 1,107 million tonnes, representing a year-on-year decrease of 17.88 million tonnes or 1.6%.

In terms of the petroleum business, the output of crude oil of industrial enterprises above designated size in 2022 was 204.67 million tonnes, representing a year-on-year increase of 2.9%. 508.28 million tonnes of crude oil were imported in 2022, representing a year-on-year decrease of 0.9%.

## **(II) RESULTS OF OPERATION AND FINANCIAL PERFORMANCE**

### ***(1) Operating Revenue***

The revenue of the Company amounted to RMB6,919.421 million for the Year, representing a year-on-year increase of 4.92%, which was mainly due to the increase in the throughput of metal ore, metal ore related products, and other general cargoes of the Company during the Year.

### ***(2) Operating Costs***

The operating costs of the Company amounted to RMB4,267.1815 million for the Year, representing a year-on-year increase of 4.21%, which was primarily attributable to the increased energy material consumption and repair and maintenance expenses.

### ***(3) Gross Profit Margin***

The gross profit of the Company for the Year amounted to RMB2,652.2395 million, representing a year-on-year increase of 6.08%. The gross profit margin of the Company for the Year was 38.33%, representing an increase of 0.42 percentage point as compared with that of the corresponding period last year.

#### **(4) Segment Analysis (Business Review)**

During the Reporting Period, the Company achieved a total cargo throughput of 383.83 million tonnes, representing an increase of 4.84 million tonnes or 1.28%, as compared with the throughput of 378.99 million tonnes in the corresponding period of 2021.

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

	2022		2021		Increase/ (Decrease)	Increase/ (Decrease)
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total throughput (%)	(million tonnes)	(%)
Qinhuangdao Port	186.77	48.66	193.27	51.00	(6.50)	(3.36)
Caofeidian Port	115.48	30.09	116.24	30.67	(0.76)	(0.65)
Huanghua Port	81.58	21.25	69.48	18.33	12.10	17.42
Total	<u>383.83</u>	<u>100.00</u>	<u>378.99</u>	<u>100.00</u>	<u>4.84</u>	<u>1.28</u>

During the Reporting Period, the Company achieved a cargo throughput of 186.77 million tonnes in Qinhuangdao Port, which represented a decrease of 6.50 million tonnes or 3.36% from 193.27 million tonnes for the corresponding period of 2021, which was mainly due to the decline in demand for multiple cargo transshipments as numerous factories were not fully operative across regions.

The Company achieved a cargo throughput of 115.48 million tonnes in Caofeidian Port, representing a slight decrease of 0.76 million tonne or 0.65% from 116.24 million tonnes in the corresponding period of 2021. The slight decrease was mainly due to an increase in coal throughput in Caofeidian Port Zone as some cargos of the Daqin Railway were transferred to Caofeidian Port Zone through the Zhangjiakou – Tangshan Line during the Year. However, the overall throughput of iron ore remained stable due to the decrease in price and output of ore globally.

The Company achieved a cargo throughput of 81.58 million tonnes in Huanghua Port, representing an increase of 12.10 million tonnes or 12.10% from 69.48 million tonnes for the corresponding period of 2021. This significant increase was primarily due to the substantial increase of throughput along with the improvement of port handling capacity driven by the two berths for iron ore of its subsidiary Cangzhou Mineral Port newly put into operation.

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

	2022		2021		Increase/ (Decrease) (million tonnes)	Increase/ (Decrease) (%)
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total throughput (%)		
Coal	223.48	58.22	228.58	60.31	(5.10)	(2.23)
Metal ore	117.20	30.54	112.35	29.65	4.85	4.32
Oil and liquefied chemicals	1.39	0.36	2.24	0.59	(0.85)	(37.95)
Container	16.21	4.22	12.04	3.18	4.17	34.63
General and other cargoes	25.55	6.66	23.78	6.27	1.77	7.44
Total	<u>383.83</u>	<u>100.00</u>	<u>378.99</u>	<u>100.00</u>	<u>4.84</u>	<u>1.28</u>

### 1. Coal handling services

During the Reporting Period, the Company achieved a total coal throughput of 223.48 million tonnes, representing a decrease of 5.10 million tonnes or 2.23% from 228.58 million tonnes for the corresponding period of 2021. Such decrease was mainly due to the decreased throughput of coal cargoes as a result of the international energy tension, frequent fluctuation in the market, and other factors.

### 2. Metal ore handling services

During the Reporting Period, the Company achieved a total metal ores throughput of 117.20 million tonnes, representing an increase of 4.85 million tonnes or 4.32% from 112.35 million tonnes for the corresponding period of 2021. Such increase was mainly due to the improvement of berth utilization and handling efficiency driven by the two berths for iron ore of its subsidiary Cangzhou Mineral Port newly put into operation, while the Company gave play to its advantage of fast ship turnover, low ship waiting, and demurrage costs to boost arrival of customers' ships.

### 3. Oil and liquefied chemicals handling services

During the Reporting Period, the Company recorded an oil and liquefied chemicals throughput of 1.39 million tonnes, representing a decrease of 0.85 million tonne or 37.95% from 2.24 million tonnes for the corresponding period of 2021. Such decrease was mainly due to the declining production of our major cargo source, offshore oil, and continuous shutdown of the asphalt plants in the hinterland.

#### 4. *Container handling services*

During the Reporting Period, the Company recorded a total container throughput of 1,599,425 TEUs, equivalent to a throughput of 16.21 million tonnes, representing an increase in the number of containers handled and throughput of 104,435 TEUs (i.e. 6.99%) as compared with the number of containers handled and throughput of 1,494,990 TEUs and 12.04 million tonnes for the corresponding period of 2021, respectively. The increase was primarily because the Company strengthened its efforts in container transportation business, strived to expand the cargo sources of “dry bulk to containers”, coordinated more with neighboring ports and, operated more routes to/from Tianjin Port and newly launched regional routes in Shandong and Southern China.

#### 5. *General cargoes handling services*

During the Reporting Period, the Company recorded a throughput of general and other cargoes of 25.55 million tonnes, representing an increase of 1.77 million tonnes or 7.44% from 23.78 million tonnes for the corresponding period of 2021. The increase was mainly because the Company strengthened marketing efforts by actively visiting customers in Handan, Shijiazhuang, Shanxi and other regions, paid attention to needs of potential customers, enhanced market sourcing, and continuously improved port operation efficiency.

#### 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 2022, the operating revenue of ancillary port services and value-added services of the Company amounted to RMB231.8868 million, representing an increase of RMB7.9147 million or 3.53% from RMB223.9721 million for the corresponding period of 2021.

**(5) Tax and Surcharges**

During the Year, the tax and surcharges of the Company amounted to RMB135.4093 million, representing a decrease of 34.44% as compared with that of the corresponding period last year. This was mainly attributable to the substantial decrease in environmental protection tax over that of last year.

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

In 2022, the Company's provision for costs on employees who leave their posts and wait for retirement was RMB180.9173 million, representing a decrease of 34.45% as compared with that of the corresponding period 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 a number of 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 left their posts and wait for retirement in the next 1 to 10 years, until they reach the statutory retirement age. The salary to the employee who leaves his or her posts and waits for retirement is determined based on a certain percentage of the average monthly salary of the last year when the said employee officially leaves his or her posts and waits for retirement. At the same time, the Company shall pay the basic social insurances and housing funds 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 them leaving their posts and waiting for retirement to their retirement shall be charged as expenses in the year of them 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, shall discount these expenses on the basis of the yield of the PRC treasury bond in the same period and include them in administrative expenses all at once.

**(7) Financial Costs**

The financial costs of the Company amounted to RMB139.9902 million for the Year, representing a decrease of 35.68% as compared with that of the corresponding period last year, which was mainly attributable to the substantial decrease in interest rate of loans negotiated with major lending banks and the decreased bank borrowings.

**(8) Impairment Losses of Credit**

The impairment losses of credit of the Company amounted to RMB16.3622 million for the Year, representing a year-on-year decrease of 42.38%, which was mainly attributable to the decrease in those of our subsidiary, Cangzhou Mineral Port.

**(9) Impairment Losses of Assets**

The impairment losses of assets of the Company amounted to RMB36.7829 million for the Year, representing a year-on-year increase of 6.42%, which was mainly due to the increase in provision of impairment loss on fix assets.

**(10) Other Income**

During the Year, other income of the Company amounted to RMB83.7847 million, representing a year-on-year increase of 53.14%, which was mainly attributable to the increase in additional deduction of VAT.

**(11) Investment Income**

During the Year, investment income of the Company amounted to RMB235.2349 million, representing a year-on-year increase of 26.39%, which was mainly attributable to the increase in net profits of associates of the Company.

**(12) Net Non-operating Revenue and Expenses**

During the Year, net non-operating revenue and expenses of the Company amounted to RMB-1,381,600, representing a year-on-year decrease of 136.27%, which was mainly attributable to the increase in loss on disposal of non-current assets.

**(13) Income Tax Expense**

Income tax expense of the Company increased by RMB21.8226 million to RMB306.1229 million for the Year from RMB284.3003 million last year, and the effective income tax rate of the Company decreased to 18.41% for the Year from 22.19% last year, mainly due to the provision of deductible deferred income tax assets against total income tax expense by our subsidiary Caofeidian Coal Port.

**(14) Net Profit**

Net profit of the Company for the Year amounted to RMB1,357.0647 million, representing a year-on-year increase of 36.10%, of which net profit attributable to owners of the parent company amounted to RMB1,308.4191 million, representing a year-on-year increase of 26.00%. Net profit margin of the Company was 19.61%, representing a year-on-year increase of 4.49 percentage points.

**(15) Donation**

Charity contributions and other donations of the Company made during the Year amounted to RMB432,300.

**(16) Retained Profits at the end of the Year**

As at 31 December 2022, retained profits at the end of the Year available for distribution to Shareholders of the Company amounted to RMB4,060.5082 million.

**(17) Cash Flows**

During the Year, net cash flows generated from operating activities amounted to RMB2,434.3004 million, representing a year-on-year decrease of 2.85%, which was relatively stable as compared to that of the corresponding period last year.

During the Year, net cash flows generated from investing activities amounted to RMB-464.6801 million, representing a year-on-year increase of 75.02%, mainly resulted from the decrease in the cash outflows of investing activities.

During the Year, net cash flows generated from financing activities amounted to RMB-1,087.2737 million, representing a year-on-year decrease of 310.65%, mainly due to the decrease in the cash proceeds from borrowing.

**(18) 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(s).

**(19) Bank Loans and Other Borrowings**

As at 31 December 2022, 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.

**(20) Pledge of Assets and Contingent Liabilities**

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

**(21) Management of Working Capital**

	<b>31 December 2022</b>	31 December 2021
Current ratio	<b>1.70</b>	1.17
Quick ratio	<b>1.63</b>	1.10
Turnover days of trade receivables	<b>2.36</b>	2.80
Turnover days of trade payables	<b>21.32</b>	18.90

As at 31 December 2022, the Company's current ratio and quick ratio were 1.70 and 1.63, respectively, representing a slight increase as compared with the current ratio of 1.17 and quick ratio of 1.10 as at 31 December 2021. The turnover days of trade receivables for the year 2022 was 2.36 days and the turnover days of trade payables was 21.32 days, representing a decrease of 0.44 day as compared with 2.80 days in 2021 and an increase of 2.42 days as compared with 18.90 days in 2021, respectively. All indicators above are within the appropriate range.

**(22) Overview of Major Investment**

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

### **(III) FUTURE PROSPECTS**

Guided by Xi Jinping’s Ideology on Socialism with Chinese Characteristics for a New Era, the Company will comprehensively grasp the specific requirements of the Hebei Provincial Party Committee and Hebei Provincial Government on developing towards the sea and striving for greatness, take serving major state strategies and comprehensively enhancing operational efficiency as the guide, adhere to the overall development idea of “taking ports as the foundation, transforming and upgrading, synergizing and linking, and improving quality and efficiency”, continue to optimize and improve the function layout of the ports, maintain the world’s leading public terminal operator for bulk cargo, further play the important role as the national energy hub port, and constantly enhance its comprehensive competition.

In 2023, the Company’s prospects for various business are as follows:

#### ***Coal business***

In 2023, the fundamentals sustaining China’s long-term economic growth will remain strong. In the context of “dual carbon” and energy security, preventing campaign-style coal abandonment and coal power peaking has become the focus of various policies in 2023. High-quality production capacity will be released soon, and there is hardly a significant increase in the total amount of coal imports. The proportion of clean energy power generation will be further increased, and power grid construction will be booming. With the effects of the long-term agreements of ballast stone, coal prices in the Bohai Rim region are expected to be steady. In light of such sentiments, the Company will continue to vigorously increase its marketing efforts, expand cargo sources, improve handling efficiency, and promote throughput growth.

#### ***Metal ore business***

The Company will continue its efforts in the metal ore business through actively sourcing cargo, strengthening overall planning and coordination, and optimizing production organizations to further release port operational capacity and to ensure the efficient operation of ports. Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port will be put into operation to improve operation efficiency; a flexible pricing mechanism will be adopted to cope with competition among the surrounding ports.

#### ***Container business***

The Company will continue to develop “dry bulk to containers” business and sea-rail transport business, and further explore the cargo source in remote hinterland areas such as Inner Mongolia and Xinjiang. In addition to the stable operation of existing routes, new routes will be developed.

#### ***General cargoes business***

The Company will continue to make efforts in sourcing cargoes, expanding its market, deeply meeting its customers’ needs, and securing more cargo sources while strengthening business cooperation with large customers; the Company will also strengthen coordination with railway authorities to jointly explore the market to achieve an incremental supply of steel and other goods. The Company will continue on its collection and distribution capacity of the port railway, and develop more “transformation from road haulage to rail-freight transport” cargo sources and sea-rail transport business for bulk 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\$1.2353 million mainly for working capital and general corporate purposes. As of 31 December 2022, HK\$3,845.1494 million of the proceeds from H Shares have been used by the Company and HK\$14.1379 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\$12.5973 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 had no material change.

The balance of proceeds from H Shares of HK\$14.1379 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 had no events after the Reporting Period.

### **(III) Repurchase, Sales and Redemption of Shares**

For the twelve months ended 31 December 2022, 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 had complied with the provisions of the Model Code during the Reporting Period.

#### **(VI) Dividends**

The profit distribution plan for the year 2022: on the basis of total share capital of 5,587,412,000 shares as of 31 December 2022, the Company proposes to pay cash dividend of RMB0.71 (tax inclusive) for every 10 shares to all shareholders, with a total cash dividend amounting to RMB396,706,252.00.

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 to the Enterprise 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, the PRC domestic enterprise 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 2022 annual general meeting, dividends will be paid to the Shareholders before 25 August 2023.

#### **(VII) Audit Committee**

The audit committee of the Board of the Company has reviewed the annual results for 2022 and the financial statements for the year ended 31 December 2022 of the Company prepared under the China Accounting Standards for Business Enterprises.

#### **(VIII) Auditor**

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](http://www.hkexnews.hk)) and the Company ([www.qhdport.com](http://www.qhdport.com)). In accordance with the requirements under the Listing Rules of the Stock Exchange applicable in the Reporting Period, the 2022 annual report containing all information about the Company set out in this preliminary results announcement for the year ended 31 December 2022 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
“Berth”	the place of a dock designated for a vessel to moor
“Board”	the board of Directors of the Company
“Bulk cargo”	loose commodity cargo that is transported in volume size including dry bulk cargo and liquid bulk cargo
“Cangzhou Mineral Port”	Cangzhou Huanghuagang Mineral Port Co., Ltd.* (滄州黃驊港礦石港務有限公司), a company established in the PRC with limited liability on 10 April 2012, with 97.59% of its equity interest held by the Company as at the date of this announcement
“Caofeidian Coal Port”	Tangshan Caofeidian Coal Port Co., Ltd.* (唐山曹妃甸煤炭港務有限公司), a company established in the PRC with limited liability on 29 October 2009, with 51.00% of its equity interest held by the Company as at the date of this announcement
“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 2021”	the twelve months ended 31 December 2021
“Director(s)”	the director(s) of the Company
“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 transhipped 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 56.27% 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 “Year”	the twelve months ended 31 December 2022
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 transhipped, each unloading and loading process is measured separately as part of throughput

By order of the Board  
**Qinhuangdao Port Co., Ltd.\***  
**ZHANG Xiaoqiang**  
*Chairman*

Qinhuangdao, Hebei Province, the PRC  
29 March 2023

*As at the date of this announcement, the executive Directors of the Company are ZHANG Xiaoqiang and NIE Yuzhong; the non-executive Directors of the Company are LI Yingxu and XIAO Xiang; and the independent non-executive Directors of the Company are CHEN Ruihua, XIAO Zuhe, ZHAO Jinguang and ZHU Qingxiang.*

\* For identification purpose only