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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 2023

### FINANCIAL HIGHLIGHTS

- The revenue of the Company amounted to RMB7,054.8838 million for the Year, representing an increase of 1.96% as compared with the corresponding period of last year.
- The net profit of the Company amounted to RMB1,564.4728 million for the Year, representing an increase of 15.28% as compared with the corresponding period of last year.
- The net profit attributable to owners of the parent company of the Company amounted to RMB1,531.2024 million for the Year, representing an increase of 17.03% as compared with the corresponding period of last year.
- The Board recommended a final dividend of RMB0.83 per 10 Shares (tax inclusive) to Shareholders for the Year.

The Board is pleased to announce the audited financial statements of the Company for the year ended 31 December 2023 prepared in accordance with the China Accounting Standards for Business Enterprises, together with the comparative figures for the Corresponding Period of 2022.

# CONSOLIDATED BALANCE SHEET

31 December 2023

RMB

	Note IV	31 December 2023	31 December 2022
<b>Assets</b>			
Current assets			
Cash and bank balances	1	<b>2,838,023,456.57</b>	4,847,758,214.85
Including: deposits with finance companies		<b>2,075,790,264.80</b>	4,049,298,698.27
Bills receivable	2	<b>49,965,475.00</b>	91,361,696.00
Accounts receivable	3	<b>67,817,955.73</b>	46,622,811.77
Accounts receivable financing		<b>74,502,289.57</b>	35,866,130.32
Prepayments		<b>30,560,118.08</b>	23,630,461.95
Other receivables		<b>131,647,857.46</b>	22,220,105.04
Inventories	4	<b>145,739,815.70</b>	125,279,242.63
Other current assets		<b>178,778,070.14</b>	82,539,575.60
Total current assets		<b>3,517,035,038.25</b>	5,275,278,238.16
Non-current assets			
Long-term equity investments		<b>3,821,426,321.81</b>	3,595,010,502.57
Other equity instruments investments		<b>1,091,562,136.20</b>	1,136,892,279.11
Fixed assets	5	<b>12,934,816,515.53</b>	11,548,007,158.30
Construction in progress	6	<b>815,220,131.65</b>	2,478,720,446.03
Right-of-use assets		<b>120,254,978.12</b>	141,869,720.26
Intangible assets		<b>2,928,202,819.21</b>	2,950,070,241.42
Long-term prepaid expenses		<b>4,797,193.38</b>	5,639,206.39
Deferred income tax assets		<b>365,511,874.01</b>	439,589,423.33
Other non-current assets		<b>2,427,279,951.61</b>	369,621,867.69
Total non-current assets		<b>24,509,071,921.52</b>	22,665,420,845.10
Total assets		<b>28,026,106,959.77</b>	27,940,699,083.26

	<i>Note IV</i>	<b>31 December 2023</b>	31 December 2022
<b>Liabilities and shareholders' equity</b>			
Current liabilities			
Short-term borrowings	7	<b>500,252,083.33</b>	260,270,111.11
Accounts payable	8	<b>253,421,149.43</b>	259,894,659.77
Contract liabilities	9	<b>564,480,062.57</b>	563,480,833.77
Employee benefits payable		<b>583,280,527.61</b>	742,093,194.47
Taxes payable	10	<b>21,764,786.44</b>	43,304,688.38
Other payables		<b>603,776,486.76</b>	548,457,808.34
Non-current liabilities due within one year		<b>633,718,528.57</b>	680,774,886.72
Total current liabilities		<b>3,160,693,624.71</b>	3,098,276,182.56
Non-current liabilities			
Long-term borrowings	11	<b>4,995,881,608.50</b>	5,949,695,604.50
Lease liabilities		<b>7,219.53</b>	16,720,143.33
Long-term payable		<b>32,000,000.00</b>	34,000,000.00
Long-term employee benefits payable		<b>267,844,523.45</b>	372,187,195.91
Deferred income		<b>108,099,841.75</b>	143,939,129.50
Deferred income tax liabilities		<b>89,471,967.06</b>	100,804,502.79
Total non-current liabilities		<b>5,493,305,160.29</b>	6,617,346,576.03
Total liabilities		<b>8,653,998,785.00</b>	9,715,622,758.59
Shareholders' equity			
Share capital		<b>5,587,412,000.00</b>	5,587,412,000.00
Capital reserve		<b>5,241,882,136.35</b>	5,207,670,068.40
Other comprehensive income		<b>645,070,189.30</b>	639,705,620.44
Special reserve		<b>119,947,727.76</b>	192,106,174.51
Surplus reserve		<b>1,754,087,442.20</b>	1,634,203,017.11
Retained profit		<b>5,075,119,932.68</b>	4,060,508,205.81
Total equity attributable to shareholders of the parent		<b>18,423,519,428.29</b>	17,321,605,086.27
Minority interests		<b>948,588,746.48</b>	903,471,238.40
Total shareholders' equity		<b>19,372,108,174.77</b>	18,225,076,324.67
Total liabilities and shareholders' equity		<b>28,026,106,959.77</b>	27,940,699,083.26

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

RMB

	Note IV	2023	2022
Revenue	12	<b>7,054,883,834.36</b>	6,919,421,033.92
Less: Operating costs	12	<b>4,413,559,410.53</b>	4,267,181,490.83
Tax and surcharges		<b>135,725,310.18</b>	135,409,345.59
Administrative expenses		<b>746,412,812.10</b>	834,726,694.34
Research and development expenses		<b>154,045,515.83</b>	143,991,281.29
Financial costs	13	<b>105,653,575.66</b>	139,990,216.94
Including: Interest expense	13	<b>236,306,728.69</b>	234,358,723.92
Interest income	13	<b>130,974,478.65</b>	93,696,682.15
Add: Other income		<b>64,104,619.72</b>	83,784,701.68
Investment income	14	<b>311,501,884.52</b>	235,234,912.61
Including: Investment income from associates and joint ventures		<b>275,501,884.52</b>	223,039,392.85
Credit impairment loss		<b>3,859,652.04</b>	(16,362,180.04)
Asset impairment loss		<b>(4,375,553.88)</b>	(36,782,860.23)
Gains from the disposal of assets		<b>4,357,037.29</b>	572,569.46
Operating profits		<b>1,878,934,849.75</b>	1,664,569,148.41
Add: Non-operating income	15	<b>8,934,003.71</b>	5,287,891.55
Less: Non-operating expenses		<b>4,726,814.58</b>	6,669,457.12
Total profit		<b>1,883,142,038.88</b>	1,663,187,582.84
Less: Income tax expenses	16	<b>318,669,264.72</b>	306,122,888.75
Net profit		<b>1,564,472,774.16</b>	1,357,064,694.09
Classified by business continuity			
Net profit from continuing operations		<b>1,564,472,774.16</b>	1,357,064,694.09
Classified by ownership			
Net profit attributable to shareholders of the parent		<b>1,531,202,403.96</b>	1,308,419,060.49
Minority interests		<b>33,270,370.20</b>	48,645,633.60

	<i>Note IV</i>	<b>2023</b>	2022
Other comprehensive income, net of tax		<b>15,422,431.30</b>	239,202,177.64
Other comprehensive income attributable to shareholders of the parent, net of tax		<b>5,364,568.86</b>	241,415,653.04
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>48,735,206.87</b>	65,142,567.44
Changes in fair value of investments in other equity instruments		<b>(44,055,469.62)</b>	172,370,205.95
		<u>684,831.61</u>	<u>3,902,879.65</u>
Other comprehensive income to be reclassified into profit or loss			
Exchange differences on foreign currency translation		<b>684,831.61</b>	3,902,879.65
		<u>10,057,862.44</u>	<u>(2,213,475.40)</u>
Other comprehensive income attributable to minority shareholders, net of tax		<b>10,057,862.44</b>	(2,213,475.40)
		<u>1,579,895,205.46</u>	<u>1,596,266,871.73</u>
Total comprehensive income		<b>1,579,895,205.46</b>	1,596,266,871.73
Including:			
Total comprehensive income attributable to shareholders of the parent		<b>1,536,566,972.82</b>	1,549,834,713.53
Total comprehensive income attributable to minority shareholders		<b>43,328,232.64</b>	46,432,158.20
Earnings per share			
Basic and diluted earnings per share	<i>17</i>	<b>0.27</b>	0.23

## **NOTES TO FINANCIAL STATEMENTS**

*31 December 2023*

### **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, port tallying and provision of power and electrical engineering services; and 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 28 March 2024. Pursuant to the Articles of Association of the Company, these financial statements will be proposed to the general meeting for consideration and approval.

### **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”). In addition, these financial statements disclose relevant financial information in accordance with the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports.

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

### III. TAXATION

#### 1. Major Categories of Taxes and Respective Tax Rates

	<b>Tax Basis</b>	<b>Tax Rate</b>
Value-added tax (“VAT”)	Output VAT at the applicable tax rate on the sales amount, after deducting deductible input VAT	13%, 6%
City maintenance and construction tax	VAT paid actually	7%
Enterprise income tax	Taxable profit	25%, 16.5%
Property tax	70% of the initial cost of the properties and rental income	1.2%, 12%
Land use tax	Actual area of land used	Unit tax amount prescribed in the tax law
Environmental protection tax	Taxable amount	Applicable taxable amount stipulated by the Environmental Protection Tax Law

**The taxpayer subject to different corporate income tax rates is as follows:**

	<b>Income Tax Rate</b>
Qinhuangdao Port GangSheng (Hong Kong) Co., Limited (秦皇島港港盛(香港)有限公司)	16.5%

#### 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 Mineral Port and Caofeidian Coal Port, subsidiaries of the Company, land use tax will be reduced by 50%. Pursuant to the Announcement on the Extended Implementation of the Preferential Policies on Land Use Tax in respect of Urban and Town Land for Bulk Commodity Storage Facilities of Logistics Companies (《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》) (Announcement of the Ministry of Finance and the State Administration of Taxation, [2023] No. 5), the implementation term for the preferential policies on land use tax in respect of urban and town land for bulk commodity storage facilities of logistics companies shall be extended to 31 December 2027.

##### *VAT*

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Clarification of the VAT Exemption Policy and other Policies for Small-scale VAT Taxpayers (Announcement of the Ministry of Finance and the State Administration of Taxation, [2023] No. 1), the Company and some of its subsidiaries, as the taxpayers of the production service industry, are allowed to deduct their tax payable by adding 5% to the current deductible input tax, from 1 January 2023 to 31 December 2023.

## ***Enterprise income tax***

According to the Implementation Rules of the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) (Order No. 512 of the State Council) and the Circular on the Implementation of the Catalogue of the Key Public Infrastructure Projects Supported by the State and Entitled for Preferential Tax Treatment (《國家稅務總局關於實施國家重點扶持的公共基礎設施項目企業所得稅優惠問題的通知》) (Guo Shui Fa [2009] No. 80), Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port of Cangzhou Mineral Port, a subsidiary of the Group, is eligible for tax preferences for public infrastructure projects under key support of the State. Income derived by Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port of Cangzhou Mineral Port from the investment in, and the operation of, public infrastructure projects under key support from the State, is eligible for a tax exemption from enterprise income tax for the first year to the third year, and a 50% reduction in enterprise income tax for the fourth year to the sixth year, starting from the year in which the project first generates operating income. Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port of Cangzhou Mineral Port first generated its operating income in 2023, and started to be entitled to the tax preferences of enterprise income tax.

According to the relevant tax regulations for small and micro enterprises, from 1 January 2022 to 31 December 2024, for the part of small and low-profit enterprises whose annual taxable income does not exceed RMB3 million, it shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at the tax rate of 20%. Cangzhou Ocean Shipping Tally Co., Ltd. (滄州中理外輪理貨有限公司), Hebei Tangshan Caofeidian Jitong Port Co., Ltd. (河北唐山曹妃甸冀同港口有限公司) and Tangshan Caofeidian Jigang General Port Co., Ltd. (唐山曹妃甸冀港通用港務有限公司), subsidiaries of the Group, are entitled to the above tax preferences.

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

### **1. Cash and Bank Balances**

	<b>2023</b>	2022
Cash on hand	<b>11,334.47</b>	25,508.88
Bank deposits	<b>762,221,357.30</b>	798,433,507.70
Other cash and bank balances	<b>500.00</b>	500.00
Deposits with finance companies	<b>2,075,790,264.80</b>	4,049,298,698.27
Total	<b><u>2,838,023,456.57</u></b>	<u>4,847,758,214.85</u>
Including: Interest receivable on bank deposits	<b><u>4,184,760.83</u></b>	—
Interest due to finance companies	<b><u>16,290,339.48</u></b>	—
Aggregate amounts deposited overseas	<b><u>59,086,093.58</u></b>	<u>59,014,402.57</u>

## 2. Bills Receivable

	2023	2022
Commercial acceptance bills	2,784,400.00	–
Bank acceptance bills	<u>47,181,075.00</u>	<u>91,361,696.00</u>
Total	<u><u>49,965,475.00</u></u>	<u><u>91,361,696.00</u></u>

As at 31 December 2023, the bills receivable pledged by the Group to issue bank acceptance bills was nil.

As at 31 December 2023, the bills receivable which was endorsed but undue as at the balance sheet date are as follows:

	Derecognized	Not derecognized
Bank acceptance bills	<u><u>–</u></u>	<u><u>5,625,541.00</u></u>

## 3. Accounts Receivable

An ageing analysis of the accounts receivable is as follows:

	2023	2022
Within 1 year	71,028,396.67	51,506,942.00
1 to 2 years	3,629,733.00	860,169.46
2 to 3 years	1,924.00	9,728.80
3 to 4 years	–	–
4 to 5 years	–	–
Over 5 years	<u>913,672.63</u>	<u>1,633,960.63</u>
	75,573,726.30	54,010,800.89
Less: Provision for bad debts of accounts receivable	<u>7,755,770.57</u>	<u>7,387,989.12</u>
Total	<u><u>67,817,955.73</u></u>	<u><u>46,622,811.77</u></u>

	Balance		2023 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Individual provision for bad debts	3,252,364.00	4	3,252,364.00	100	–
Provision for bad debts made by portfolio of credit risk characteristics	<u>72,321,362.30</u>	<u>96</u>	<u>4,503,406.57</u>	<u>6</u>	<u>67,817,955.73</u>
<b>Total</b>	<b><u>75,573,726.30</u></b>	<b><u>100</u></b>	<b><u>7,755,770.57</u></b>		<b><u>67,817,955.73</u></b>

  

	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	<u>50,758,436.89</u>	<u>94</u>	<u>4,135,625.12</u>	<u>8</u>	<u>46,622,811.77</u>
<b>Total</b>	<b><u>54,010,800.89</u></b>	<b><u>100</u></b>	<b><u>7,387,989.12</u></b>		<b><u>46,622,811.77</u></b>

Accounts receivable with individual provision for bad debts are as follows:

	2023			Reason for provision	2022	
	Balance	Provision for bad debts	Percentage of provision (%)		Balance	Provision for bad debts
China Ocean Shipping Agency Qinhuangdao Co., Ltd. (中國 秦皇島外輪代理有限公司)	<b>61,460.00</b>	<b>61,460.00</b>	<b>100</b>	Debtor involved in litigation	61,460.00	61,460.00
Penavico QHD Logistics Co., Ltd. (秦皇島外代 物流有限公司)	<b>3,190,904.00</b>	<b>3,190,904.00</b>	<b>100</b>	Debtor involved in litigation	3,190,904.00	3,190,904.00
<b>Total</b>	<b><u>3,252,364.00</u></b>	<b><u>3,252,364.00</u></b>			<b><u>3,252,364.00</u></b>	<b><u>3,252,364.00</u></b>

As at 31 December 2023, the accounts receivable with provision for bad debts made by portfolio are as follows:

	Balance	Provision for impairment	Percentage of provision (%)
Within 1 year	71,028,396.67	3,551,419.84	5
1 to 2 years	377,369.00	37,736.90	10
2 to 3 years	1,924.00	577.20	30
Over 3 years	913,672.63	913,672.63	100
Total	<u>72,321,362.30</u>	<u>4,503,406.57</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
Individual provision for bad debts	3,252,364.00	-	-	-	3,252,364.00
Provision for bad debts made by aging group	4,135,625.12	1,937,044.39	(811,977.55)	(757,285.39)	4,503,406.57
Total	<u>7,387,989.12</u>	<u>1,937,044.39</u>	<u>(811,977.55)</u>	<u>(757,285.39)</u>	<u>7,755,770.57</u>

The Group had accounts receivable of RMB757,285.39 written off in 2023.

As at 31 December 2023, the accounts receivable from the five largest customers were as follows:

	Balance Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
Hebei Xinshenggang International Logistics Co., Ltd. (河北新盛港國際物流有限公司)	28,707,254.39	37.99	1,435,362.72	5
Qinhuangdao Sea Shipping Agency Co., Ltd. (秦皇島之海船務代理有限公司)	4,900,354.00	6.48	245,017.70	5
Tangshan Port International Logistics Co., Ltd. (唐山港國際物流有限公司)	3,617,824.00	4.79	180,891.20	5
Tangshan Caofeidian Shiye Port Co., Ltd. (唐山曹妃甸實業港務有限公司)	3,617,751.37	4.79	195,086.32	5
Penavico QHD Logistics Co., Ltd. (秦皇島外代物流有限公司)	3,190,904.00	4.22	3,190,904.00	100
Total	<u>44,034,087.76</u>	<u>58.27</u>	<u>5,247,261.94</u>	<u>12</u>

#### 4. Inventories

	2023			2022		
	Balance	Provision for impairment	Carrying amount	Balance	Provision for impairment	Carrying amount
Materials	55,563,643.76	7,242,740.48	48,320,903.28	37,498,767.60	7,704,743.48	29,794,024.12
Fuels	1,916,204.65	–	1,916,204.65	1,561,084.99	–	1,561,084.99
Spare parts	106,886,995.23	14,667,218.88	92,219,776.35	107,049,206.96	15,562,073.14	91,487,133.82
Low-cost consumables	3,422,226.26	139,294.84	3,282,931.42	2,586,811.92	149,812.22	2,436,999.70
Total	<u>167,789,069.90</u>	<u>22,049,254.20</u>	<u>145,739,815.70</u>	<u>148,695,871.47</u>	<u>23,416,628.84</u>	<u>125,279,242.63</u>

Change in provision for impairment is as follows:

	Opening balance	Provision for the year	Decrease during the year		Closing balance
			Reversal	Write-off	
Materials	7,704,743.48	361,849.08	–	(823,852.08)	7,242,740.48
Spare parts	15,562,073.14	–	–	(894,854.26)	14,667,218.88
Low-cost consumables	149,812.22	–	–	(10,517.38)	139,294.84
Total	<u>23,416,628.84</u>	<u>361,849.08</u>	<u>–</u>	<u>(1,729,223.72)</u>	<u>22,049,254.20</u>

#### 5. Fixed Assets

	2023	2022
Fixed assets	12,930,781,373.11	11,543,919,367.83
Disposal of fixed assets	<u>4,035,142.42</u>	<u>4,087,790.47</u>
Total	<u>12,934,816,515.53</u>	<u>11,548,007,158.30</u>

## **Fixed Assets**

	<b>Properties and buildings</b>	<b>Terminal facilities</b>	<b>Machinery and equipment</b>	<b>Vessels and transportation equipment</b>	<b>Office and other equipment</b>	<b>Total</b>
<b>Cost</b>						
Opening balance	6,674,941,190.58	8,295,706,592.20	10,513,979,058.91	463,061,714.62	241,891,231.90	26,189,579,788.21
Purchase	–	–	556,407.26	130,795.58	218,179.47	905,382.31
Transferred from construction in progress	510,289,267.25	947,750,734.95	1,149,595,145.37	51,897,600.67	24,120,649.74	2,683,653,397.98
Disposal or obsolescence	(4,099,298.89)	–	(166,616,091.48)	(26,476,899.28)	(13,100,070.38)	(210,292,360.03)
Transferred to construction in progress	(35,755,630.59)	(57,833,226.31)	(541,632.00)	–	–	(94,130,488.90)
Closing balance	<u>7,145,375,528.35</u>	<u>9,185,624,100.84</u>	<u>11,496,972,888.06</u>	<u>488,613,211.59</u>	<u>253,129,990.73</u>	<u>28,569,715,719.57</u>
<b>Accumulated depreciation</b>						
Opening balance	2,668,786,656.11	3,392,387,936.66	7,858,374,578.12	407,778,547.98	188,062,867.01	14,515,390,585.88
Provision	291,952,657.52	339,546,235.11	573,511,451.33	11,705,837.72	17,202,857.66	1,233,919,039.34
Disposal or obsolescence	(2,179,936.23)	–	(154,326,421.34)	(25,547,467.70)	(12,664,246.94)	(194,718,072.21)
Transferred to construction in progress	(14,340,345.88)	(29,077,436.39)	(525,383.04)	–	–	(43,943,165.31)
Closing balance	<u>2,944,219,031.52</u>	<u>3,702,856,735.38</u>	<u>8,277,034,225.07</u>	<u>393,936,918.00</u>	<u>192,601,477.73</u>	<u>15,510,648,387.70</u>
<b>Provision for impairment</b>						
Opening balance	20,552,470.15	34,402,929.19	74,404,073.15	18,623.09	891,738.92	130,269,834.50
Provision	–	–	4,013,704.80	–	–	4,013,704.80
Disposal or obsolescence	–	–	(5,949,310.96)	(531.48)	(47,738.10)	(5,997,580.54)
Closing balance	<u>20,552,470.15</u>	<u>34,402,929.19</u>	<u>72,468,466.99</u>	<u>18,091.61</u>	<u>844,000.82</u>	<u>128,285,958.76</u>
<b>Carrying amount</b>						
End of the year	<u>4,180,604,026.68</u>	<u>5,448,364,436.27</u>	<u>3,147,470,196.00</u>	<u>94,658,201.98</u>	<u>59,684,512.18</u>	<u>12,930,781,373.11</u>
Beginning 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>

As at 31 December 2023, the Group had no fixed assets which were temporarily idle.

Fixed assets leased out under operating leases were as follows:

	<b>Properties and buildings</b>	<b>Terminal facilities</b>	<b>Office and other equipment</b>	<b>Total</b>
<b>Cost</b>				
Opening balance	39,090,919.88	7,905,480.75	47,700.00	47,044,100.63
Transferred to fixed assets during the year	8,243,182.37	–	10,600.00	8,253,782.37
Transferred from fixed assets during the year	<u>(11,013,947.36)</u>	<u>–</u>	<u>(15,900.00)</u>	<u>(11,029,847.36)</u>
Closing balance	<u><u>36,320,154.89</u></u>	<u><u>7,905,480.75</u></u>	<u><u>42,400.00</u></u>	<u><u>44,268,035.64</u></u>
<b>Accumulated depreciation</b>				
Opening balance	5,293,348.24	3,726,546.16	46,269.00	9,066,163.40
Transferred to fixed assets during the year	1,393,482.13	–	10,282.00	1,403,764.13
Provision	653,310.47	355,648.44	–	1,008,958.91
Transferred from fixed assets during the year	<u>(1,546,864.62)</u>	<u>–</u>	<u>(15,423.00)</u>	<u>(1,562,287.62)</u>
Closing balance	<u><u>5,793,276.22</u></u>	<u><u>4,082,194.60</u></u>	<u><u>41,128.00</u></u>	<u><u>9,916,598.82</u></u>
<b>Carrying amount</b>				
End of the year	<u><u>30,526,878.67</u></u>	<u><u>3,823,286.15</u></u>	<u><u>1,272.00</u></u>	<u><u>34,351,436.82</u></u>
Beginning of the year	<u><u>33,797,571.64</u></u>	<u><u>4,178,934.59</u></u>	<u><u>1,431.00</u></u>	<u><u>37,977,937.23</u></u>

As at 31 December 2023, the fixed assets without title certificate are as follows:

	<b>Carrying amount</b>	<b>Reason for not obtaining the title certificate</b>
Properties and buildings	<u><u>8,084,091.11</u></u>	In progress

Due to consecutive years of losses in the oil business, there were signs of impairment. Therefore, an impairment test was conducted on the asset group (“Oil Business Asset Group”) consisting of fixed assets and intangible assets attributable to the oil business. The carrying amounts of fixed assets and intangible assets in the Oil Business Asset Group were RMB152.73 million and RMB22.83 million, respectively. The recoverable amount was determined based on the present value of the estimated future cash flows of the asset group, which amounted to RMB201.15 million. Based on the 5-year financial forecast approved by the management and the expected market development, the revenue growth rates during the forecast period and the stable period were extrapolated. The pre-tax discount rate applicable to future cash flows was 11.14%.

## 6. Construction in Progress

	2023			2022		
Construction in progress	<b>815,220,131.65</b>			<b>2,478,720,446.03</b>		
	2023	Carrying		2022	Carrying	
	Balance	Provision for impairment	amount	Balance	Provision for impairment	amount
Multi-functional Port 1# and 2# Berth Upgrading and Reengineering	388,078,829.63	-	388,078,829.63	-	-	-
Phase 3 Coal Terminal Stacker-reclaimer and 2# Reclaimer Renewal Project	55,546,852.00	-	55,546,852.00	219,811.32	-	219,811.32
Phase 4 Coal Terminal Portal Reclaimer Reengineering Project	61,440,288.26	-	61,440,288.26	46,002,288.26	-	46,002,288.26
Phase 3 Coal Terminal 1# and 3# Reclaimer Renewal Project	51,489,861.57	-	51,489,861.57	212,264.15	-	212,264.15
Phase 5 Coal Terminal Single Unit and Stacking Yard Intelligent Reengineering Project	33,486,389.75	-	33,486,389.75	11,741,182.28	-	11,741,182.28
Phase 6 & 7 of Caofeidian Coal Terminal	15,091,814.70	-	15,091,814.70	18,466,438.16	-	18,466,438.16
Huanghua Port Comprehensive Cargo Port Area Construction Project	9,679,037.17	-	9,679,037.17	23,941,614.11	-	23,941,614.11
Phase 3 Coal Terminal 1#, 2# and 3# Loaders Renewal Project	6,884,470.45	-	6,884,470.45	96,854.71	-	96,854.71
Huanghua Port Bulk Cargo Port Area Metal Ores Terminal Phase 1 (Expansion) Project	-	-	-	2,303,050,713.18	-	2,303,050,713.18
Others	217,939,054.37	24,416,466.25	193,522,588.12	99,405,746.11	24,416,466.25	74,989,279.86
<b>Total</b>	<b>839,636,597.90</b>	<b>24,416,466.25</b>	<b>815,220,131.65</b>	<b>2,503,136,912.28</b>	<b>24,416,466.25</b>	<b>2,478,720,446.03</b>

Movements in significant construction in progress are as follows:

	Budget (RMB'000)	Opening balance	Increase in the year	Transferred from fixed 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 (%)
Multi-functional Port 1# and 2# Berth Upgrading and Reengineering	125,278	-	388,078,829.63	-	-	-	388,078,829.63	Loans from financial institutes and self-owned capital	35
Huanghua Port Bulk Cargo Port Area Metal Ores Terminal Phase I (Expansion) Project	305,086	2,303,050,713.18	5,505,724.34	-	(2,308,536,437.52)	-	-	Fund raised, loans from financial institutes and self-owned capital	100
Other	-	200,086,199.10	660,288,548.54	50,187,323.59	(453,843,170.96)	-	451,557,768.27		
Total		<u>2,503,136,912.28</u>	<u>1,053,873,102.51</u>	<u>50,187,323.59</u>	<u>(2,762,399,608.48)</u>	<u>(5,161,132.00)</u>	<u>839,636,597.90</u>		

Capitalized interest included in construction in progress is 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>
Huanghua Port Bulk Cargo Port Area Metal Ores Terminal Phase 1 (Expansion) Project	100%	<u>581,973,911.81</u>	<u>1,025,698.05</u>	3.64

Provision for impairment of construction in progress:

	<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 amount

#### 7. Short-term Borrowings

	<b>2023</b>	<b>2022</b>
Unsecured borrowings	<b>500,000,000.00</b>	260,000,000.00
Interest payable on short-term borrowings	<u><b>252,083.33</b></u>	<u>270,111.11</u>
	<u><b>500,252,083.33</b></u>	<u>260,270,111.11</u>

As at 31 December 2023, the Group had no overdue borrowings.

#### 8. Accounts Payable

	<b>2023</b>	<b>2022</b>
Accounts payable	<u><b>253,421,149.43</b></u>	<u>259,894,659.77</u>

As at 31 December 2023, an ageing analysis of accounts payable is as follows:

	<b>2023</b>	2022
Within 1 year	<b>210,450,324.92</b>	221,512,097.92
1 to 2 years	<b>22,746,375.74</b>	32,208,486.99
2 to 3 years	<b>19,405,919.47</b>	3,412,105.15
Over 3 years	<b>818,529.30</b>	2,761,969.71
	<hr/>	<hr/>
Total	<b>253,421,149.43</b>	259,894,659.77
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2023, the Group had no significant accounts payable aging more than 1 year.

## 9. Contract Liabilities

	<b>2023</b>	2022
Port handling fees	<b>562,413,448.07</b>	561,933,615.55
Weighing fees	<b>480,797.69</b>	325,359.54
Others	<b>1,585,816.81</b>	1,221,858.68
	<hr/>	<hr/>
Total	<b>564,480,062.57</b>	563,480,833.77
	<hr/> <hr/>	<hr/> <hr/>

The contract liabilities mainly represent the payment received by the Group for providing port operation services to customers. There is no significant change in contract liabilities as at the end of the year as compared to those as at the end of the previous year.

## 10. Taxes Payable

	<b>2023</b>	2022
Environmental protection tax	<b>12,619,702.42</b>	12,498,101.84
Enterprise income tax	<b>5,236,686.50</b>	27,127,134.34
Individual income tax	<b>3,604,309.07</b>	3,369,518.58
Stamp duty	<b>212,256.47</b>	273,793.65
VAT	<b>84,409.49</b>	33,228.10
Others	<b>7,422.49</b>	2,911.87
	<hr/>	<hr/>
Total	<b>21,764,786.44</b>	43,304,688.38
	<hr/> <hr/>	<hr/> <hr/>

## 11. Long-term Borrowings

	2023	2022
Unsecured borrowings	<b>5,608,401,823.65</b>	6,609,767,592.04
Less: Long-term borrowings due within one year	<b>612,520,215.15</b>	660,071,987.54
Total	<b><u>4,995,881,608.50</u></b>	<b><u>5,949,695,604.50</u></b>

As at 31 December 2023, the interest rate of the above borrowings ranged from 2.65% to 3.55% (31 December 2022: 3.55% to 4.00%) per annum.

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

	2023	2022
Within 1 year (including 1 year)	<b>612,520,215.15</b>	660,071,987.54
Within 2 years (including 2 years)	<b>309,824,004.50</b>	605,210,000.00
Within 2 to 5 years (including 5 years)	<b>1,176,214,000.00</b>	2,766,450,636.00
Over 5 years	<b>3,509,843,604.00</b>	2,578,034,968.50
Total	<b><u>5,608,401,823.65</u></b>	<b><u>6,609,767,592.04</u></b>

## 12. Operating Revenue and Cost

	2023		2022	
	Revenue	Cost	Revenue	Cost
Principal operations	<b>7,035,734,499.35</b>	<b>4,404,980,404.73</b>	6,913,191,222.91	4,264,189,398.61
Other operations	<b>19,149,335.01</b>	<b>8,579,005.80</b>	6,229,811.01	2,992,092.22
Total	<b><u>7,054,883,834.36</u></b>	<b><u>4,413,559,410.53</u></b>	<b><u>6,919,421,033.92</u></b>	<b><u>4,267,181,490.83</u></b>

The breakdown of operating revenue is as follows:

	2023	2022
Types of service		
Service in relation to coal and relevant products	<b>4,860,509,886.00</b>	4,878,324,042.01
Service in relation to metal ore and relevant products	<b>1,326,984,491.21</b>	1,246,072,324.52
Service in relation to general and other cargos	<b>631,446,404.93</b>	572,239,016.63
Container service	<b>93,324,303.09</b>	85,128,193.35
Service in relation to liquefied cargos	<b>43,608,962.15</b>	45,951,734.67
Others	<b>99,009,786.98</b>	91,705,722.74
Total	<b><u>7,054,883,834.36</u></b>	<b><u>6,919,421,033.92</u></b>
Places of business		
Qinhuangdao	<b>4,310,106,901.84</b>	4,315,797,813.02
Others	<b>2,744,776,932.52</b>	2,603,623,220.90
Total	<b><u>7,054,883,834.36</u></b>	<b><u>6,919,421,033.92</u></b>

The breakdown of operating costs is as follows:

	2023
Types of service	
Service in relation to coal and relevant products	<b>2,674,852,807.32</b>
Service in relation to metal ore and relevant products	<b>915,332,881.82</b>
Service in relation to general and other cargos	<b>597,228,407.69</b>
Container service	<b>98,610,695.95</b>
Service in relation to liquefied cargos	<b>57,027,111.25</b>
Others	<b>70,507,506.50</b>
Total	<b><u>4,413,559,410.53</u></b>
Places of business	
Qinhuangdao	<b>2,520,153,961.99</b>
Others	<b>1,893,405,448.54</b>
Total	<b><u>4,413,559,410.53</u></b>

The Group's revenue from contracts with customers mainly refers to the revenue generated from the provision of port operation services to customers and the Group confirms the performance obligations are fulfilled and recognizes the revenue when services are finished.

In 2023, the revenue included in the opening carrying amount of contract liabilities recognized by the Group was RMB515,154,192.01 (2022: RMB648,068,191.25).

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

	<b>2023</b>	2022
Within 1 year	<b>564,480,062.57</b>	518,200,188.59
Over 1 year	–	45,280,645.18
Total	<b><u>564,480,062.57</u></b>	<b><u>563,480,833.77</u></b>

### 13. Financial Cost

	<b>2023</b>	2022
Interest expenses	<b>237,332,426.74</b>	300,515,323.58
Less: Interest income	<b>130,974,478.65</b>	93,696,682.15
Less: Capitalized interest	<b>1,025,698.05</b>	66,156,599.66
Foreign exchange gain or loss	<b>140,312.65</b>	(859,061.34)
Others	<b>181,012.97</b>	187,236.51
Total	<b><u>105,653,575.66</u></b>	<b><u>139,990,216.94</u></b>

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

### 14. Investment Income

	<b>2023</b>	2022
Long-term equity investment income accounted for under the equity method	<b>275,501,884.52</b>	223,039,392.85
Dividend income on other equity instrument investments held during the holding period	<b>36,000,000.00</b>	12,195,519.76
Total	<b><u>311,501,884.52</u></b>	<b><u>235,234,912.61</u></b>

## 15. Non-operating Income

	2023	2022	Included in non-recurring profit and loss in 2023
Payables waived	<b>774,092.73</b>	2,055,388.10	774,092.73
Gains from spoilage and obsolescence of non-current assets	<b>6,746,621.67</b>	877,271.31	6,746,621.67
Government subsidy	–	300,000.00	–
Others	<b>1,413,289.31</b>	2,055,232.14	1,413,289.31
Total	<b><u>8,934,003.71</u></b>	<u>5,287,891.55</u>	<u>8,934,003.71</u>

## 16. Income Tax Expense

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

	2023	2022
Total profit	<b>1,883,142,038.88</b>	1,663,187,582.84
Income tax expenses calculated at the statutory tax rate	<b>470,785,509.72</b>	415,796,895.71
Effect of different tax rates of certain subsidiaries	<b>(52,209,115.61)</b>	(280,483.58)
Effect of adjustments to income tax of previous periods	<b>(1,740,198.29)</b>	(7,287,305.97)
Effect of non-taxable income	<b>(9,000,000.00)</b>	(3,048,879.94)
Share of profits and losses of joint ventures and associates	<b>(68,875,471.13)</b>	(55,759,848.21)
Effect of non-deductible costs, expenses and losses	<b>12,383,782.20</b>	14,848,468.35
Effect of utilization of deductible losses on deferred income tax assets not recognized in previous period	<b>(4,690,737.78)</b>	(11,414,746.05)
Effect of recognition of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the previous period	<b>(15,396,625.10)</b>	(69,367,159.12)
Effect of deductible temporary differences or deductible losses on deferred tax assets not recognized in the current period	<b>5,251,885.94</b>	19,338,504.97
Effect of additional deduction of research and development costs	<b>(4,534,409.52)</b>	–
Others	<b>(13,305,355.71)</b>	3,297,442.59
Income tax expenses at the Group's effective rate	<b><u>318,669,264.72</u></b>	<u>306,122,888.75</u>

## 17. Earnings per Share

	<b>2023</b>	2022
	<b>RMB/Share</b>	RMB/Share
Basic and diluted earnings per share from continuing operations	<b><u>0.27</u></b>	<u>0.23</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:

	<b>2023</b>	2022
<b>Earnings</b>		
Net profit for the period attributable to ordinary shareholders of the Company from continuing operations	<b><u>1,531,202,403.96</u></b>	<u>1,308,419,060.49</u>
<b>Shares</b>		
Weighted average number of ordinary shares in issue of the Company	<b><u>5,587,412,000.00</u></b>	<u>5,587,412,000.00</u>

The Company had no dilutive potential ordinary shares in issue for the year 2023 (2022: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. Overview

#### 1. Overall Situation

In 2023, China's economy witnessed the momentum of recovery. China's GDP amounted to RMB126,058.2 billion for the year, representing a year-on-year increase of 5.2% if calculated at constant prices. In terms of industries, the added value of the primary industry was RMB8,975.5 billion, up by 4.1% over that of the previous year; that of the secondary industry was RMB48,258.9 billion, up by 4.7%; and that of the tertiary industry was RMB68,823.8 billion, up by 5.8%.

#### 2. Overview of Port Industry in the PRC

- (1) In terms of the coal business, in 2023, as the advanced coal production capacity was steadily and orderly released, the output of raw coal hit a record high. The output of raw coal of industrial enterprises above designated size was 4.66 billion tonnes, representing a year-on-year increase of 2.9%. 470 million tonnes of coal were imported in 2023, representing a year-on-year increase of 61.8%. In 2023, the industrial power generation above designated size reached 8.9 trillion kWh, representing a year-on-year increase of 5.2%, of which thermal power generation was 6.2 trillion kWh, representing a year-on-year increase of 6.1%, and the power generation from clean energy such as hydropower, nuclear power, wind power and solar energy was 270 million kWh, representing a year-on-year increase of 3.1%. In 2023, major port companies achieved a total coal Throughput of 1,343,262,800 tonnes, representing a year-on-year increase of 4.9%.
- (2) In terms of the iron ore business, the production volume of iron ore in China amounted to 990 million tonnes in 2023, representing a year-on-year increase of 7.1%. China's imports of iron ore amounted to 1,180 million tonnes, representing a year-on-year increase of 6.6%. In 2023, the total production volume of crude steel in China amounted to 1,019 million tonnes, being flat; the production volume of pig iron amounted to 871 million tonnes, representing a year-on-year increase of 0.7%; and the production volume of steel amounted to 1,363 million tonnes, representing a year-on-year increase of 5.2%. In 2023, major port companies achieved a total iron ore Throughput of 1,648 million tonnes, representing a year-on-year increase of 4.7%, of which the total iron ore Throughput of foreign trade was 1,117 million tonnes, representing a year-on-year increase of 4.0%.
- (3) In terms of the crude oil business, the output of crude oil maintained stable at over 200 million tonnes for two consecutive years. The output of crude oil of industrial enterprises above designated size in 2023 was 208.91 million tonnes, representing a year-on-year increase of 2.0%. A total of 563.99 million tonnes of crude oil were imported, representing a year-on-year increase of 11.0%. The processing volume of crude oil of industrial enterprises above designated size was 734.78 million tonnes, representing a year-on-year increase of 9.3%. In 2023, major port companies achieved a total crude oil Throughput of 458,677,900 tonnes, representing a year-on-year increase of 5.4%, of which the total crude oil Throughput of foreign trade was 363,340,600 tonnes, representing a year-on-year increase of 5.2%.

## II. RESULTS OF OPERATION AND FINANCIAL PERFORMANCE

### 1. Operating Revenue

The operating revenue of the Company amounted to RMB7,054.8838 million for the Year, representing a year-on-year increase of 1.96%, which was mainly due to the increase in the Throughput of metal ore, metal ore related products, and other General Cargos of the Company during the Year.

### 2. Operating Costs

The operating costs of the Company amounted to RMB4,413.5594 million for the Year, representing a year-on-year increase of 3.43%, which was primarily attributable to the increase in cost resulting from the construction of green ports by QHD Port.

### 3. Gross Profit Margin

The gross profit of the Company for the Year amounted to RMB2,641.3244 million, representing a year-on-year decrease of 0.41%. The gross profit margin of the Company for the Year was 37.44%, representing a decrease of 0.89 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 391.95 million tonnes, representing an increase of 8.12 million tonnes or 2.12%, as compared with the Throughput of 383.83 million tonnes in the Corresponding Period of 2022.

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

	2023		2022			
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total Throughput (%)	Increase/ (Decrease) (million tonnes)	Increase/ (Decrease) (%)
Qinhuangdao Port	184.60	47.10	186.77	48.66	(2.17)	(1.16)
Caofeidian Port	122.15	31.16	115.48	30.09	6.67	5.78
Huanghua Port	85.20	21.74	81.58	21.25	3.62	4.44
Total	<u>391.95</u>	<u>100.00</u>	<u>383.83</u>	<u>100.00</u>	<u>8.12</u>	<u>2.12</u>

During the Reporting Period, the Company achieved a cargo Throughput of 184.60 million tonnes in Qinhuangdao Port, representing a decrease of 2.17 million tonnes or 1.16% from 186.77 million tonnes for the Corresponding Period of 2022, which was mainly due to the year-on-year decrease in General Cargos in Qinhuangdao Port, causing a decrease in the overall Throughput.

The Company achieved a cargo Throughput of 122.15 million tonnes in Caofeidian Port, representing an increase of 6.67 million tonnes or 5.78% from 115.48 million tonnes for the Corresponding Period of 2022, which was mainly attributed to the significant increase in demand for steel exports during the Year, leading to the significant year-on-year increase in iron ore imports.

The Company achieved a cargo Throughput of 85.20 million tonnes in Huanghua Port, representing an increase of 3.62 million tonnes or 4.44% from 81.58 million tonnes for the Corresponding Period of 2022. The increase was mainly due to the significant improvement of port handling capacity after the phase 1 (expansion) of metal ores Terminal project was put into operation. Cangzhou Mineral Port capitalized on the recovery of the international steel market to strengthen market expansion and refine production organization, thus achieving a substantial increase in Throughput.

The cargo Throughput of each type of cargos the Company handled is set out below:

	2023		2022		Increase/ (Decrease) (million tonnes)	Increase/ (Decrease) (%)
	Throughput (million tonnes)	Percentage of total Throughput (%)	Throughput (million tonnes)	Percentage of total Throughput (%)		
Coal	216.88	55.33	223.48	58.22	(6.60)	(2.95)
Metal ore	132.18	33.72	117.20	30.54	14.98	12.78
Oil and liquefied chemicals	1.99	0.51	1.39	0.36	0.60	43.17
Container	14.33	3.66	16.21	4.22	(1.88)	(11.60)
General and other cargos	26.57	6.78	25.55	6.66	1.02	3.99
Total	<b>391.95</b>	<b>100.00</b>	<b>383.83</b>	<b>100.00</b>	<b>4.84</b>	<b>2.12</b>

(1) *Coal handling services*

During the Reporting Period, the Company achieved a coal Throughput of 216.88 million tonnes, representing a decrease of 6.60 million tonnes or 2.95% from 223.48 million tonnes for the Corresponding Period of 2022. Such decrease was mainly because although the domestic economic recovery led to an increase in coal demand, the import coal, in the context of relaxation of policies thereon, relying on its price advantage, continued to squeeze the market share of domestic coal, which resulted in a year-on-year decline in the coal Throughput.

(2) *Metal ore handling services*

During the Reporting Period, the Company achieved a metal ores Throughput of 132.18 million tonnes, representing an increase of 14.98 million tonnes or 12.78% from 117.20 million tonnes for the Corresponding Period of 2022. Such increase was mainly due to the significant increase in demand for steel exports during the Year, coupled with the removal of the steel production caps by the PRC government, leading to strong demand for iron ores and a notable increase in Throughput.

(3) *Oil and liquefied chemicals handling services*

During the Reporting Period, the Company achieved an oil and liquefied chemicals Throughput of 1.99 million tonnes, representing an increase of 0.60 million tonne or 0.60% from 1.39 million tonnes for the Corresponding Period of 2022. Such increase was mainly due to the strong demand in the refined oil market, particularly the significant growth of diesel and fuel oil businesses, a rebound in the shipment of asphalt cargos due to market recovery, and the successful launch of a new marine transportation service for gasoline sourced from CNPC southward.

(4) *Container handling services*

During the Reporting Period, the Company achieved a total container Throughput of 1,095,365 TEUs, equivalent to a Throughput of 14.33 million tonnes, representing a decrease in the number of containers handled and Throughput of 504,060 TEUs (i.e. 31.52%) as compared with the number of containers handled and Throughput of 1,599,425 TEUs and 16.21 million tonnes for the Corresponding Period of 2022, respectively. The decrease was mainly due to the recovery of the foreign trade export market short of expectations, leading to a year-on-year drop in container Throughput.

(5) *General Cargos handling services*

During the Reporting Period, the Company achieved a Throughput of general and other cargos of 26.57 million tonnes, representing an increase of 1.02 million tonnes or 3.99% from 25.55 million tonnes for the Corresponding Period of 2022. The increase was mainly due to the Company's vigorous efforts in expanding the handling of bauxite and other cargo types in Huanghua Port in Cangzhou City, resulting in a substantial increase in Throughput.

(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 2023, the operating revenue of ancillary port services and value-added services of the Company amounted to RMB240.0014 million, representing an increase of RMB8.1146 million or 3.5% from RMB231.8868 million for the Corresponding Period of 2022.

## **5. Tax and Surcharges**

During the Year, the tax and surcharges of the Company amounted to RMB135.7253 million, representing a year-on-year decrease of 0.23%, remaining flat as compared to the previous year.

## **6. Financial Costs**

The financial costs of the Company amounted to RMB105.6536 million for the Year, representing a year-on-year decrease of 24.53%, which was mainly attributable to the substantial decrease in interest rate of loans negotiated with major lending banks and the decreased bank borrowings.

## **7. Impairment Losses of Credit**

The impairment losses of credit of the Company amounted to RMB-3.8597 million for the Year, representing a year-on-year decrease of 123.59%, which was mainly attributable to the decrease in those of our subsidiary, Cangzhou Mineral Port.

## **8. Impairment Losses of Assets**

The impairment losses of assets of the Company amounted to RMB4.3756 million for the Year, representing a year-on-year decrease of 88.10%, which was mainly due to the decrease in the provision for impairment loss on fix assets.

## **9. Other Income**

During the Year, other income of the Company amounted to RMB64.1046 million, representing a year-on-year decrease of 23.49%, which was mainly attributable to the change in the policy related to additional deduction of VATs.

## **10. Investment Income**

During the Year, the investment income of the Company amounted to RMB311.5019 million, representing a year-on-year increase of 32.42%, which was mainly attributable to the increase in net profits of associates of the Company.

## **11. Net Non-operating Revenue and Expenses**

During the Year, the net non-operating revenue and expenses of the Company amounted to RMB4.2072 million, representing a year-on-year increase of 404.52%, which was mainly attributable to the increase in gains on disposal of non-current assets.

## **12. Income Tax Expense**

The income tax expense of the Company increased by RMB12.5464 million to RMB318.6693 million for the Year from RMB306.1229 million last year, and the effective income tax rate of the Company decreased to 16.92% for the Year from 18.41% last year, mainly because that Cangzhou Mineral Port Phase 1 (expansion) is entitled to a preferential income tax treatment of a 3-year exemption followed by a 3-year 50% reduction.

## **13. Net Profit**

The net profit of the Company for the Year amounted to RMB1,564.4728 million, representing a year-on-year increase of 15.28%, of which net profit attributable to owners of the parent company amounted to RMB1,531.2024 million, representing a year-on-year increase of 17.03%. Net profit margin of the Company was 22.18%, representing a year-on-year increase of 2.57 percentage points.

## **14. Donation**

The charity contributions and other donations of the Company made during the Year amounted to RMB696,000.

## **15. Retained Profits at the end of the Year**

As at 31 December 2023, the retained profits at the end of the Year available for distribution to Shareholders of the Company amounted to RMB5,075.1199 million.

## **16. Cash Flows**

During the Year, the net cash flows generated from operating activities of the Company amounted to RMB2,933.7991 million, representing a year-on-year decrease of 1.66%, which basically remained flat as compared to that of the corresponding period last year.

During the Year, the net cash flows generated from investing activities of the Company amounted to RMB-2,739.4643 million, representing a year-on-year decrease of 489.54%, mainly due to the increase in net investment in term deposits over 3 months.

During the Year, the net cash flows generated from financing activities of the Company amounted to RMB-1,411.6392 million, representing a year-on-year decrease of 29.83%, mainly due to the increase in the repayment of borrowings.

## **17. 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).

## **18. Bank Loans and Other Borrowings**

As at 31 December 2023, the details of the Company's bank loans and other borrowings are set out in Note IV. 7 and 11 to the financial statements of this announcement.

## **19. Pledge of Assets and Contingent Liabilities**

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

## **20. Management of Working Capital**

	<b>31 December 2023</b>	31 December 2022
Current ratio	<b>1.11</b>	1.70
Quick ratio	<b>1.01</b>	1.63
Turnover days of trade receivables	<b>2.96</b>	2.36
Turnover days of trade payables	<b>21.24</b>	21.32

As at 31 December 2023, the Company's current ratio and quick ratio were 1.11 and 1.01, respectively, representing a slight decrease as compared with the current ratio of 1.70 and quick ratio of 1.63 as at 31 December 2022. The turnover days of trade receivables for the year 2023 were 2.96 days and the turnover days of trade payables were 21.24 days, representing an increase of 0.60 day as compared with 2.36 days in 2022 and a decrease of 0.08 day as compared with 21.32 days in 2022, respectively. All indicators above are within the appropriate range.

## **21. Overview of Major Investment**

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

### III. FUTURE PROSPECTS

In the future, the Company will be guided by Xi Jinping's socialist ideology with Chinese characteristics in the new era and the spirit of the 20th National Congress of the Communist Party of China, firmly establish new development concepts, thoroughly implement the directions of building a world-class port by the state, comprehensively grasp the strategic deployment and profound connotation of the construction of a Chinese-style modern Hebei scene, and take Hebei Port Group as a guidance. The Group will adhere to the principle of consolidating and improving the competitive advantages of dry Bulk Cargo ports, enhancing the supply chain service ability and promoting the comprehensive development level of ports, and adhere to the overall development idea of "resource planning, technology empowerment and external expansion", to strive to build a world-class dry bulk port enterprise with industry leadership, complete functions, intelligence, green, safety and efficiency, and powerful safeguard.

In 2024, the Company's prospects for various business are as follows:

#### ***Coal Business***

In 2024, the Company will deepen its cooperation in the railway authorities, and maritime sectors and with customers, to give full play to the efficiency of the reconsideration office, enhance the information sharing and coordination capability, realize the effective connection of vehicles, ships and cargos and the efficient operation of the whole logistics chain, continuously improve the efficiency of port turnover and further optimize the supply structure of cargo source. The Company will develop customers along the Jungar-Shuozhou Railway and Datong-Jungar Railway, acquire new customers while maintaining the relationship with its existing customers, and strive to increase its market share.

#### ***Metal Ore Business***

The Company will continue to tap the potential of customers in Shanxi Province and Northwest China, speed up the construction of corridors in the Hinterland of Shanxi Province and Handan-Xingtai, enhance the evacuation of cargos from port, promote the construction of new energy transportation corridors and comprehensive smart ports, and continue to promote the water-to-water business between relevant ports.

#### ***Container Business***

The Company will actively secure customers of cargos such as steel, sand and gravel while maintaining the existing operation volume of soybean, barley, slag powder and other cargos, and strive to achieve the growth of the total cargos. The Company will also actively expand the storage capacity of grain for foreign trade, and constantly introduce new technologies to improve the grain loading and unloading efficiency.

## **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 planned 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\$2.3839 million mainly for working capital and general corporate purposes. As at 31 December 2023, HK\$3,847.5333 million of the proceeds from H Shares have been used by the Company and HK\$11.7554 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\$12.5986 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\$11.7554 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 important event after the Reporting Period.

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

For the twelve months ended 31 December 2023, the Company did not purchase, 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.

Save as disclosed below, the Company has complied with the Listing Rules of the Stock Exchange and the Corporate Governance Code during the Year.

As disclosed in the announcement of the Company dated 7 February 2023, upon the resignation of Mr. MA Xiping as an authorized representative of the Company, the Company had one authorized representative, resulting in the number of authorized representative falling below the quorum under Rule 3.05 of the Listing Rules. While the Company endeavoured to identify suitable candidates, the Board appointed Mr. TIAN Hongwei, one of the joint company secretaries, and Mr. GAO Feng, an executive Director, as the authorized representatives under Rule 3.05 of the Listing Rules on 24 November 2023, and the Company has thereafter re-complied with the requirements under Rule 3.05 of the Listing Rules.

The Board will continue to review and improve its corporate governance system in the future to ensure compliance with the Listing Rules of the Stock Exchange and 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. Upon specific enquiries by the Company, all the Directors and supervisors 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 2023: on the basis of total share capital of 5,587,412,000 shares as at 31 December 2023, the Company proposes to pay cash dividend of RMB0.83 (tax inclusive) for every 10 shares to all shareholders, with a total cash dividend amounting to RMB463,755,196.00.

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, which became effective from 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.

Further details on the profit distribution plan will be published by the Company as and when appropriate.

The Company's H Share registrar, Computershare Hong Kong Investor Services Limited, is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

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

The audit committee of the Board of the Company has reviewed the annual results for the Year and the financial statements for the year ended 31 December 2023 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 2023 annual report containing all information about the Company set out in this preliminary results announcement for the year ended 31 December 2023 will be published on the websites of the Stock Exchange and the Company in due course, and the printing copies thereof will be dispatched to the Shareholders upon their requests.

## 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.* (滄州黃驛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 C1 to the Listing Rules of the Stock Exchange
“Corresponding Period of 2022”	the twelve months ended 31 December 2022
“Director(s)”	the director(s) of the Company
“General Cargo(s)”	a general terms for cargos of various varieties, nature and packaging forms
“Hebei 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
“Hinterland”	Hinterland connected with the port by means of transportation, a territory scope in the port where cargos are generated from or cargos to be transshipped through the port are consumed

“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 C3 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 2023
“RMB”	Renminbi, unless otherwise specified
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terminal”	designated for mooring vessels, loading and unloading cargos and boarding travelers
“TEU(s)”	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 cargos are transshipped, 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  
28 March 2024

*As at the date of this announcement, the executive Directors of the Company are ZHANG Xiaoqiang, NIE Yuzhong and GAO Feng; 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.*