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(a sino-foreign joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 2880)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2024

The board of directors (the “**Board**”) of Liaoning Port Co., Ltd.* (the “**Company**”) is pleased to announce the unaudited financial results of the Company and its subsidiaries (the Company and its subsidiaries, collectively referred to as the “**Group**”) prepared pursuant to China Accounting Standards for Business Enterprises for the six months ended 30 June 2024.

OPERATING RESULTS

The results for the six months ended 30 June 2024, which have been reviewed by the Group's auditors and the Company's audit committee, are as follows:

CONSOLIDATED BALANCE SHEET

FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

(All amounts in RMB unless otherwise stated; this applies to the below section)

ASSETS	30 June 2024 Consolidated	31 December 2023 Consolidated
Current assets		
Cash at bank and on hand	4,431,860,026.55	5,228,415,449.28
Notes receivable	156,805,401.61	310,015,462.53
Accounts receivable	3,488,026,777.20	3,304,178,653.31
Receivables financing	300,626,032.09	244,381,797.52
Other receivables	673,122,454.84	470,919,335.20
Including: Interest receivable	3,875,279.40	3,500,160.05
Dividends receivable	158,385,139.31	135,422,064.18
Inventories	131,321,079.94	133,306,714.38
Advances to suppliers	86,041,211.27	64,467,545.03
Non-current assets due within one year	13,200,000.00	13,200,000.00
Other current assets	293,301,948.88	347,699,193.06
Total current assets	9,574,304,932.38	10,116,584,150.31

ASSETS	30 June 2024 Consolidated	31 December 2023 Consolidated
Non-current assets		
Long-term equity investments	3,407,930,040.88	3,530,415,710.93
Investments in other equity instruments	193,648,591.91	171,327,899.72
Investment properties	185,075,564.76	191,466,945.47
Fixed assets	28,900,151,338.34	29,754,229,616.57
Construction in progress	1,830,960,462.78	1,811,375,985.83
Right-of-use assets	4,671,310,443.54	4,743,745,845.35
Intangible assets	5,263,293,002.73	5,350,090,830.48
Goodwill	225,929,504.67	225,929,504.67
Long-term prepaid expenses	110,740,987.18	74,095,620.53
Development expenditure	–	–
Deferred income tax assets	343,506,387.13	334,014,506.22
Other non-current assets	35,248,460.19	49,663,112.76
Total non-current assets	45,167,794,784.11	46,236,355,578.53
Total assets	54,742,099,716.49	56,352,939,728.84

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2024 Consolidated	31 December 2023 Consolidated
Current liabilities		
Short-term borrowings	600,391,666.67	1,000,718,055.55
Notes payable	–	–
Accounts payable	257,185,199.88	322,512,777.37
Advances from customers	1,474,227.38	3,340,244.41
Contract liabilities	194,163,246.68	219,678,903.96
Employee benefits payable	174,836,269.98	365,477,587.55
Taxes payable	92,183,625.46	163,783,519.31
Other payables	1,030,344,464.67	715,251,442.84
Non-current liabilities due within one year	2,268,171,300.21	2,378,384,323.74
Other current liabilities	8,703,239.35	12,042,348.71
Total current liabilities	4,627,453,240.28	5,181,189,203.44
Non-current liabilities		
Long-term borrowings	481,000,000.00	566,000,000.00
Bonds payable	998,264,990.08	1,997,206,461.11
Lease liabilities	4,930,378,927.13	4,966,735,156.50
Long-term payables	17,500,000.00	17,500,000.00
Provisions	154,148,538.56	160,358,538.56
Deferred income	497,016,185.99	520,881,481.69
Deferred income tax liabilities	154,335,251.07	157,140,810.64
Other non-current liabilities	56,737,436.20	56,737,436.20
Total non-current liabilities	7,289,381,329.03	8,442,559,884.70
Total liabilities	11,916,834,569.31	13,623,749,088.14

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2024 Consolidated	31 December 2023 Consolidated
Shareholders' equity		
Share capital	23,987,065,816.00	23,987,065,816.00
Capital reserve	9,014,512,569.80	9,012,945,301.26
Other comprehensive income	103,762,382.80	86,548,575.40
Specific reserve	211,608,776.31	180,604,889.52
Surplus reserve	1,599,751,522.71	1,599,751,522.71
Undistributed profits	4,730,232,346.87	4,734,941,958.54
Total equity attributable to shareholders of the parent company	39,646,933,414.49	39,601,858,063.43
Minority interests	3,178,331,732.69	3,127,332,577.27
Total shareholders' equity	42,825,265,147.18	42,729,190,640.70
Total liabilities and shareholders' equity	54,742,099,716.49	56,352,939,728.84

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)
(All amounts in RMB unless otherwise stated)

Item		For the six months ended 30 June 2024	For the six months ended 30 June 2023
		Consolidated	Consolidated
I. Revenue		5,373,882,294.43	5,691,120,324.37
Less:	Cost of sales	4,136,210,127.54	4,044,228,809.04
	Taxes and surcharges	61,424,947.41	66,770,885.87
	Selling expenses	705,364.00	–
	Administrative expenses	356,164,073.44	366,615,563.38
	Research and development expenses	8,756,174.26	19,917,305.81
	Financial expenses	183,669,463.70	229,927,820.94
	Including: Interest expenses	222,131,998.56	266,826,702.31
	Interest income	37,221,396.23	38,084,937.08
Add:	Other income	114,586,039.94	58,980,095.36
	Investment income	-5,278,069.66	27,279,164.47
	Including: Investment income from associates and joint ventures	-15,753,917.08	25,560,206.57
	Credit impairment loss	13,457,870.77	-81,024,652.25
	Gains on disposals of assets	46,557.63	–
II. Operating profit		749,764,542.76	968,894,546.91
Add:	Non-operating income	5,184,076.22	7,023,064.41
Less:	Non-operating expenses	1,448,081.64	501,248.25

Item		For the six months ended 30 June 2024	For the six months ended 30 June 2023
		Consolidated	Consolidated
III. Total profit		753,500,537.34	975,416,363.07
Less:	Income tax expenses	211,285,591.08	254,064,898.81
IV. Net profit		542,214,946.26	721,351,464.26
Including: Net profit from continuing operations		542,214,946.26	721,351,464.26
Classified by ownership of the equity			
Net profit attributable to shareholders of the parent company		453,443,345.42	629,832,557.95
Gains or losses of minority interests		88,771,600.84	91,518,906.31
V. Earnings per share			
	Basic earnings per share (RMB)	0.02	0.03
	Diluted earnings per share (RMB)	0.02	0.03
VI. Other comprehensive income, net of tax		16,855,855.15	13,590,857.40
	Other comprehensive income, net of tax, attributable to shareholders of the parent company	17,213,807.40	13,977,195.17
	(I) Other comprehensive income that may not be reclassified to profit or loss	17,098,471.40	11,655,109.91
	1. Changes in fair value of investments in other equity instruments	17,098,471.40	11,655,109.91
	(II) Other comprehensive income that will be reclassified to profit or loss	115,336.00	2,322,085.26
	1. Exchange differences on translation of foreign currency financial statements	115,336.00	2,322,085.26
	Other comprehensive income, net of tax, attributable to minority interests	-357,952.25	-386,337.77

Item		For the six months ended 30 June 2024	For the six months ended 30 June 2023
		Consolidated	Consolidated
VII. Total comprehensive income		559,070,801.41	734,942,321.66
Including: Attributable to shareholders of the parent company		470,657,152.82	643,809,753.12
	Attributable to minority interests	88,413,648.59	91,132,568.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB unless otherwise stated)

I. GENERAL INFORMATION

Liaoning Port Co., Ltd. (formerly known as “Dalian Port (PDA) Company Limited” and hereinafter referred to as the “**Company**”) is a joint stock limited liability company incorporated in Liaoning Province, the People’s Republic of China. It was approved by Dazheng [2005] No. 153 of the People’s Government of Dalian City, Liaoning Province, and was jointly established by Dalian Port Group Corporation Limited (“**PDA Group**”), Dalian Rongda Investment Co., Ltd., Dalian Haitai Holdings Co., Ltd., Dalian DETA Holdings Co., Ltd. and Dalian Bonded Zhengtong Co., Ltd. on 16 November 2005. The Company has been approved by the Dalian Administration for Industry and Commerce of Liaoning Province, with the enterprise unified social credit code: 91210200782451606Q. The H shares and RMB ordinary shares (A-share) issued by the Company were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange on 28 April 2006 and 6 December 2010, respectively. The Company is headquartered in Xingang Commercial Building, Dayao Bay, Dalian Free Trade Zone, Liaoning Province.

In order to promote the integration of the ports in Liaoning, upon the gratuitous transfer of the equity interests held by Dalian SASAC in PDA Group to Liaoning North East Asia Gang Hang Development Co., Ltd. (遼寧東北亞港航發展有限公司) (renamed as “Liaoning Port Group Limited”, hereinafter referred to as “**Liaoning Port Group**”) in February 2018, the de facto controller of the Company was changed from Dalian SASAC to Liaoning SASAC. On 30 September 2019, the de facto controller of Liaoning Port Group was changed from Liaoning SASAC to China Merchants Group Limited (hereinafter referred to as “**China Merchants Group**”). Therefore, the ultimate de facto controller of the Company was changed to China Merchants Group.

As considered and approved at the 2020 second extraordinary general meeting of the Company convened on 25 September 2020, the 2020 first A Shareholders class meeting, the 2020 first H Shareholders class meeting, and approved by the “Reply on Approval of the Absorption and Merger of Dalian Port (PDA) Company Limited with Yingkou Port Liability Co., Ltd. and Fundraising” (Zheng Jian Xu Ke [2020] No. 3690) issued by China Securities Regulatory Commission, the Company completed the absorption and merger through share swap on 4 February 2021. On 4 February 2021, upon the completion of such absorption and merger through share swap, the total share capital of the Company increased from 12,894,535,999 to 22,623,429,453, in which Yingkou Port Group Corporation Limited (hereinafter referred to as “**Yingkou Port Group**”) has 30.57% equity interests. On 9 February 2021, the 9,728,893,454 A shares newly issued to the original shareholders of Yingkou Port involved in this merger by share swap were listed for trading. In accordance with the Reply by Zheng Jian Xu Ke [2020] No. 3690 to the Fundraising of the Company, the Company issued 1,363,636,363 RMB ordinary shares (A shares) to eight specific investors including Anshan Iron & Steel Group Co., Ltd. on 17 November 2021. Total share capital of the Company increased from 22,623,429,453 to 23,987,065,816, in which Yingkou Port Group has 28.83% equity interests.

According to the “Agreement in relation to the Voting Right Entrustment of Liaoning Port Co., Ltd. between Dalian Port Group Corporation Limited and Yingkou Port Group Corporation Limited” entered into by PDA Group and Yingkou Port Group on 29 March 2021, PDA Group agreed to fully entrust the exercise of shareholders’ rights of its equity interests in the Company, other than right to earnings, right of disposition (including share pledge) and share options, to Yingkou Port Group, and the parent company of the Company was changed from PDA Group to Yingkou Port Group.

The principal operating activities of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) include the provision of terminal business and logistics services such as international and domestic cargo loading and discharging, transportation, transshipment, storage, etc.; providing facilities and services for passenger waiting, embarking and disembarking; tallying and tugging services for vessels sailing on international and domestic lines; towage; port logistics and port information technology consultation services; engaged in crude oil storage in port area (operating with the permit); refined oil products storage (restricted to those applying for bonded qualification and those at port storage facilities), etc.

The Group’s parent and ultimate parent companies are Yingkou Port Group and China Merchants Group, respectively, both of which were established in the PRC.

II. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standards” promulgated by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant regulations subsequently announced and revised (collectively “Accounting Standards for Business Enterprises” or “ASBEs”). In addition, the financial statements disclose relevant financial information in accordance with the “Regulations on Information Disclosure and Compilation of Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting”.

The financial statements are presented on a going concern basis.

III. TAXES

1. Major categories of taxes and respective tax rates

Value-added tax—Output VAT of the Group’s revenues from port handling, sales of goods, transport income, interest income from related party borrowings, project construction and leasing of real estate is calculated at a tax rate of 6%, 13%, 9%, 6%, 9% and 5%, respectively, which is levied after deducting deductible input VAT for the current period.

City maintenance and construction tax—It is levied at 7% on the turnover taxes paid.

Educational surcharge—It is levied at 5% on the turnover taxes paid.

Property tax—It is calculated at a tax rate of 1.2% based on 70% of costs of properties; or it is calculated at a tax rate of 12% based on rental income.

Corporate income tax—It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group which enjoy tax preferences.

2. Tax preference

Property tax and land use tax

According to the “Tentative Regulations of the People’s Republic of China on Urban Land Use Tax” and the “Regulations on Land Use Tax Exemption of Port Land of Transport Department” (Guo Shui Di [1989] No. 123), certain land used for dock is exempted from land use tax. Accordingly, the lands held by the Group used for dock are exempted from land use tax.

According to the “Tentative Regulations of the People’s Republic of China on Urban Land Use Tax”, the land reclaimed from hill excavating and offshore filling and the reclaimed waste land will be exempted from land use tax for 5 to 10 years starting from the month of use. Accordingly, all lands reclaimed from offshore filling held by the Group were exempted from land use tax for the period.

According to the “Tentative Regulations of the People’s Republic of China on Urban Land Use Tax” and the “Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of the Preferential Policies for Urban Land Use Tax Regarding the Land Used by Logistics Enterprises for Bulk Commodity Storage Facilities” (Cai Shui [2023] No. 5), from 1 January 2023 to 31 December 2027, the urban land use tax on the lands for bulk commodity storage facilities owned by the logistics enterprises (including for self-use and lease purpose) shall be calculated based on 50% of the applicable tax for the relevant grade of the land. Accordingly, the land use tax on the lands for bulk commodity storage facilities held by the Group is calculated at half of the relevant tax rate.

Corporate income tax

Dalian Jifa South Coast International Logistics Co., Ltd., Yingkou Gangxin Technology Co., Ltd. and Dalian Port Logistics Technology Co., Ltd., the subsidiaries of the Group, have obtained in 2021, the “Certificate of High and New Technological Enterprise” (Certificate No. GR202121200628, GR202121002022, GR202121200468, respectively); Dalian Port Logistics Network Co., Ltd., a subsidiary of the Group, has obtained in 2023, the “Certificate of High and New Technological Enterprise” (Certificate No. GR202321200350), and the term of validity of the certificate is three years. Under Article 28 of the “Corporate Income Tax Law of the People’s Republic of China”, for the current period, the income tax rate applicable to these companies is 15%.

Dalian Ocean Shipping Tally Co., Ltd., a subsidiary of the Group, has obtained on 20 September 2022, the “Certificate of Advanced Technology Service Enterprise” (Certificate No. 20222102420047). Under the “Notice on Promoting Nationwide the Enterprise Income Tax Policies for Advanced Technology Service Enterprises” (Cai Shui [2017] No. 79), the “Notice on Promoting Nationwide the Enterprise Income Tax Policies for Advanced Technology Service Enterprises in Pilot Areas for the Innovation and Development of Trade in Services” (Cai Shui [2018] No. 44) and “Measures for the Recognition and Administration of Advanced Technology Service Enterprises in Dalian (Revised)” (Da Ke Gao Fa [2018] No. 151) jointly issued by the Ministry of Finance, the State Administration of Taxation, Ministry of Commerce, Ministry of Science and Technology and National Development and Reform Commission, for the current period, the income tax rate applicable to the company is 15%.

Pursuant to the “Announcement on Further Supporting the Development of Relevant Tax and Fee Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households” issued by the Ministry of Finance and the State Administration of Taxation (Announcement of the Ministry of Finance and the State Administration of Taxation [2023] No. 12), the taxable income of a small low-profit enterprise shall be calculated at a reduced rate of 25% and be subject to corporate income tax at 20% tax rate, which will be extended to 31 December 2027. The above preferred tax policies were applicable to several subsidiaries of the Group, namely Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd., Dalian Port Haiheng Ship Management Co., Ltd., Dalian Zhuanghe Gangxing Investment Co., Ltd., Dalian Dilangsirui Tourism Development Co., Ltd., Dalian Changxing Island Economic Zone Wanpeng Port Construction Supervision & Consultation Co., Ltd., Inner Mongolia Lugang Bonded Logistics Park Co., Ltd., Caofeidian Port Container Logistics Co., Ltd., Qinhuangdao Jigang Shipping Agency Co., Ltd., Dalian Portsoft Technology Co., Ltd. and Shipping Digital Technology (Liaoning) Co., Ltd.* (招商港航數字科技(遼寧)有限公司) for the current period.

Pursuant to the “Announcement on Further Improving the Policy on Pre-tax Additional Deduction of Research and Development Expenses” issued by the Ministry of Finance and the State Administration of Taxation (Announcement of the Ministry of Finance and the State Administration of Taxation [2023] No. 7), which stipulates that, for the R&D expenses actually incurred in the R&D activities of enterprises, if they are not accounted for as intangible assets and included in the profit or loss of the current period, they shall be deducted on an actual basis as required, and shall be additionally deducted before tax at 100% of the actual amount incurred since 1 January 2023; or be amortized before tax at 200% of the cost of intangible assets since 1 January 2023 if they are accounted for as intangible assets. The above preferred tax policies were applicable to Dalian Jifa South Coast International Logistics Co., Ltd., Dalian Container Terminal Co., Ltd., Dalian Port Logistics Network Co., Ltd., and Dalian Port Logistics Technology Co., Ltd. for the current period.

“Six Taxes and Two Fees” Reduction Policy

Pursuant to the “Announcement on Further Supporting the Development of Relevant Tax and Fee Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households” issued by the Ministry of Finance and the State Administration of Taxation (Announcement of the Ministry of Finance and the State Administration of Taxation [2023] No. 12), from 1 January 2023 to 31 December 2027, small-scale value-added tax taxpayers, small low-profit enterprises and individual industrial and commercial households are entitled to a 50% reduction of resource tax (excluding water resource tax), city maintenance and construction tax, property tax, urban land use tax, stamp tax (excluding securities trading stamp tax), farmland occupation tax, educational surcharge, and local educational surcharge. The above preferred tax policies were applicable for several subsidiaries of the Group, namely Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd., Dalian Port Haiheng Ship Management Co., Ltd., Dalian Zhuanghe Gangxing Investment Co., Ltd., Dalian Changxing Island Economic Zone Wanpeng Port Construction Supervision & Consultation Co., Ltd., Inner Mongolia Lugang Bonded Logistics Park Co., Ltd., Caofeidian Port Container Logistics Co., Ltd., Qinhuangdao Jigang Shipping Agency Co., Ltd., Dalian Portsoft Technology Co., Ltd., China Merchants Port and Shipping Digital Technology (Liaoning) Co., Ltd. and Dalian Ocean Shipping Tally Co., Ltd. for the current period.

IV. EXPLANATORY NOTES FOR MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

1. Notes receivable

Item	30 June 2024 (unaudited)	31 December 2023
Bank acceptance notes	156,805,401.61	310,015,462.53
Total	156,805,401.61	310,015,462.53

Note: The Group believes that the credit rating of the acceptor of bank acceptance notes it held is relatively high and there is no significant credit risk, and hence no credit loss provision has been made.

The Group's notes receivable which have been endorsed or discounted but not mature yet as at the balance sheet date are as follows:

Item	30 June 2024 (unaudited)		31 December 2023	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	14,007,334.08	–	23,592,685.15	1,400,000.00

As at 30 June 2024, the Group had no pledged notes receivable.

As at 30 June 2024, there were no discounted notes or notes that were recognised as accounts receivable due to the drawer's disability to perform.

2. Accounts receivable

The aging analysis of accounts receivable based on the recording date is as follows:

Item	30 June 2024 (unaudited)	31 December 2023
Within 1 year (including 1 year)	1,080,356,195.41	1,177,666,220.46
1 to 2 years (including 2 years)	659,587,368.88	643,618,983.69
2 to 3 years (including 3 years)	607,541,912.48	611,354,293.58
Over 3 years	1,803,113,250.19	1,503,403,544.36
Subtotal	4,150,598,726.96	3,936,043,042.09
Less: Provision for bad debts of accounts receivable	662,571,949.76	631,864,388.78
Total	3,488,026,777.20	3,304,178,653.31

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

Item	Balance as at the beginning of the period/year	Provision for the period/year	Other changes	Reversal during the period/year	Write-off during the period/year	Balance as at the end of the period/ year
30 June 2024 (unaudited)	631,864,388.78	30,707,560.98	-	-	-	662,571,949.76
31 December 2023	458,880,041.04	167,901,081.34	8,149,633.27	-2,800,000.00	-266,366.87	631,864,388.78

As at 30 June 2024, details of accounts receivable of which provision for bad debts is made according to its credit risk rating are as follows (unaudited):

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
A	677,956,362.98	0.00%-0.10%	74,321.72
B	136,916,494.04	0.10%-0.30%	154,788.84
C	3,248,431,414.00	0.30%-50.00%	576,356,934.73
D	87,294,455.94	50.00%-100.00%	85,985,904.47
Total	4,150,598,726.96		662,571,949.76

As at 31 December 2023, details of accounts receivable of which provision for bad debts is made according to its credit risk rating are as follows:

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
A	514,267,001.51	0.00%-0.10%	55,938.88
B	85,291,671.90	0.10%-0.30%	91,322.93
C	3,241,897,316.32	0.30%-50.00%	539,579,201.34
D	94,587,052.36	50.00%-100.00%	92,137,925.63
Total	3,936,043,042.09		631,864,388.78

The top five balances by the amounts of accounts receivable as at 30 June 2024 were summarised as below (unaudited):

Item	Balance	Provision for bad debts	Percentage of total accounts receivable (%)
Total balances of accounts receivable of the top five	3,403,017,556.47	572,878,531.90	81.99

3. Receivables financing

Category	30 June 2024 (unaudited)	31 December 2023
Bank acceptance notes measured at fair value	300,626,032.09	244,381,797.52
Total	300,626,032.09	244,381,797.52

The Group's receivables financing which have been endorsed or discounted but not mature yet as at the balance sheet date are as follows:

Item	30 June 2024 (unaudited)		31 December 2023	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	10,607,105.34	–	44,579,136.38	–

As at 30 June 2024, the Group had no receivables financing pledged (31 December 2023: Nil).

4. Other receivables

Item	30 June 2024 (unaudited)	31 December 2023
Interest receivable	3,875,279.40	3,500,160.05
Dividends receivable	158,385,139.31	135,422,064.18
Other receivables	510,862,036.13	331,997,110.97
Total	673,122,454.84	470,919,335.20

(1) Interest receivable

Classification of interest receivable due for collection

Item	30 June 2024 (unaudited)	31 December 2023
Related party borrowings	5,594,605.19	4,842,630.35
Less: Credit loss provision	1,719,325.79	1,342,470.30
Carrying amount	3,875,279.40	3,500,160.05

As at 30 June 2024, the Group had no significant amount of overdue interest (31 December 2023: Nil).

Provision for credit loss of interest receivable (unaudited)

	Stage I	Stage II	Stage III	Total
Credit loss provision	Expected credit loss over the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Opening balance	–	1,342,470.30	–	1,342,470.30
Provision for the period	–	376,855.49	–	376,855.49
Closing balance	–	1,719,325.79	–	1,719,325.79

For the six months ended 30 June 2024, the provision for bad debts amounted to RMB376,855.49 (2023: RMB709,114.22), and no recovery or reversal of bad debt provision was recorded (2023: Nil).

(2) **Dividends receivable**

Investee	30 June 2024 (unaudited)	31 December 2023
Dalian Port Yidu Cold Chain Co., Ltd.	72,317,796.35	72,617,796.35
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23
Dalian Automobile Terminal Co., Ltd.	16,000,000.00	16,000,000.00
Dalian Singamas International Container Co., Ltd.	3,479,188.75	3,479,188.75
Dalian Dagang Container Terminal Co., Ltd.	–	1,112,481.65
VTTI Terminals Dalian Co., Ltd.	–	15,000,000.00
China Merchants International Technology Company Limited	25,735,801.03	25,735,801.03
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	25,711,556.78	–
Dalian United International Shipping Agency Co., Ltd.	13,084,000.00	–
Dalian Port Design and Research Institute Co., Ltd.	580,000.00	–
Total	179,415,882.14	156,452,807.01
Less: Credit loss provision	21,030,742.83	21,030,742.83
Carrying amount	158,385,139.31	135,422,064.18

Material dividends receivable aged over 1 year

Investee	30 June 2024 (unaudited)	31 December 2023	Reasons for unrecovery	Closing balance of credit loss provision
Dalian Port Yidu Cold Chain Co., Ltd.	72,317,796.35	72,617,796.35	Delay of payment	9,385,255.25
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23	Delay of payment	11,253,769.62
Total	94,825,335.58	95,125,335.58		20,639,024.87

Movements in provision for credit losses on dividends receivable (unaudited)

	Stage I	Stage II	Stage III	Total
Provision for credit loss	Expected credit loss over the next 12 months	Expected credit loss over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment occurred)	
Opening balance	9,776,973.21	11,253,769.62	–	21,030,742.83
Provision during the period				
Closing balance	9,776,973.21	11,253,769.62	–	21,030,742.83

For the six months ended 30 June 2024, there was no provision for bad debts (2023: RMB3,464,720.17), and no recovery or reversal of bad debt provision was recorded (2023: Nil).

(3) Other receivables

Other receivables by nature are as follows:

Nature of payment	30 June 2024 (unaudited)	31 December 2023
Government subsidies receivable	302,586,208.81	225,369,954.70
Receivables from income of entrusted management services	95,562,490.35	93,249,985.77
Settlement to be transferred	40,347,563.74	21,234,658.22
Public infrastructure maintenance expenses	27,389,213.48	10,100,888.22
Advances receivable	24,090,052.21	11,903,622.22
Related party borrowings	23,000,000.00	23,000,000.00
Receivables from deposit and security deposit	17,559,489.92	20,299,252.88
Receivables from project payment and guarantee deposit	3,709,346.39	4,721,938.13
Port miscellaneous fees	2,982,411.80	3,605,011.76
Others	51,228,399.29	40,647,226.17
Sub-total	588,455,175.99	454,132,538.07
Less: Provision for credit loss	77,593,139.86	122,135,427.10
Total	510,862,036.13	331,997,110.97

The aging analysis is as follows:

Item	30 June 2024 (unaudited)	31 December 2023
Within 1 year (including 1 year)	295,401,988.12	169,722,205.16
1 to 2 years (including 2 years)	91,570,337.06	83,396,601.14
2 to 3 years (including 3 years)	56,611,168.56	54,180,605.83
Over 3 years	144,871,682.25	146,833,125.94
Sub-total	588,455,175.99	454,132,538.07
Less: Provision for bad debts of other receivables	77,593,139.86	122,135,427.10
Total	510,862,036.13	331,997,110.97

Movements in bad debts provisions for other receivables based on expected credit losses over the next 12 months and the entire duration respectively are as follows:

30 June 2024 (unaudited)

	Stage I	Stage II	Stage III	Total
Credit loss provision	Expected credit loss over the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Opening balance	1,962,787.98	9,582,935.50	110,589,703.62	122,135,427.10
Opening balance for the period				
– Transfer to stage II	-300.00	60,077,300.00	-60,077,000.00	–
– Transfer to stage III	-40.29	-361,895.20	361,935.49	–
– Reverse to stage I	60,000.00	–	-60,000.00	–
Provision during the period	-31,930.64	-51,809,422.14	7,299,065.54	-44,542,287.24
Reversal during the period				
Closing balance	1,990,517.05	17,488,918.16	58,113,704.65	77,593,139.86

For the six months ended 30 June 2024, the provision for bad debts amounted to RMB-44,542,287.24 (2023: RMB41,973,828.00). There was no reversal of bad debt provision (2023: RMB160,600.73), no reclassification of bad debt provision (2023: RMB8,149,633.27), and no provision for bad debts written off (2023: nil).

As at 30 June 2024, a summary of the top five other receivables were as follows (unaudited):

Item	Closing balance	Provision for bad debts	Percentage of total other receivables (%)
Total balances of top five other receivables	455,428,868.87	11,019,004.55	77.39

5. Inventories

Item	30 June 2024 (unaudited)			31 December 2023		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	91,906,553.05	1,444,631.23	90,461,921.82	96,517,984.51	1,444,631.23	95,073,353.28
Merchandise inventories (finished goods)	15,933,936.67	2,697,873.64	13,236,063.03	17,175,511.99	2,697,873.64	14,477,638.35
Turnover materials	17,968,759.71	18,014.10	17,950,745.61	17,359,002.25	18,014.10	17,340,988.15
Contract performance cost	9,672,349.48	-	9,672,349.48	6,414,734.60	-	6,414,734.60
Others	704,301.07	704,301.07	-	704,301.07	704,301.07	-
Total	136,185,899.98	4,864,820.04	131,321,079.94	138,171,534.42	4,864,820.04	133,306,714.38

The movements in provision for impairment of inventories are as follows:

Item	31 December 2023	Increase in the current period		Decrease in the current period		30 June 2024 (unaudited)
		Provision	Others	Reversal or write-off	Others	
Raw materials	1,444,631.23	-	-	-	-	1,444,631.23
Merchandise inventories (finished goods)	2,697,873.64	-	-	-	-	2,697,873.64
Turnover materials	18,014.10	-	-	-	-	18,014.10
Others	704,301.07	-	-	-	-	704,301.07
Total	4,864,820.04	-	-	-	-	4,864,820.04

For the contract performance cost, the amortisation amount of RMB7,901,245.60 (2023: RMB81,856,037.18) was recognized during the period.

6. Investments in other equity instruments

For the six months ended 30 June 2024 (unaudited):

Item	Changes in fair value accumulated in other comprehensive income	30 June 2024 (unaudited)	31 December 2023	Dividend income	Reason for being designated as investments in other equity instruments
Jinzhou New Age Container Terminal Co., Ltd.	74,395,079.83	127,238,713.83	102,547,278.58	8,706,637.67	Non-trading equity instrument and will not be sold in foreseeable future
Qinhuangdao Port Xingangwan Container Terminal Co., Ltd.	-15,159,118.85	44,840,881.15	44,419,462.48	-	
Dalian Port Design and Research Institute Co., Ltd.	3,017,272.76	3,651,872.76	5,560,951.44	580,000.00	
Korea Da-In Ferry Co., Ltd.	7,763,049.93	9,663,107.43	11,133,001.93	-	
Dalian Xin Beiliang Co., Ltd.	-7,930,383.26	8,254,016.74	7,667,205.29	-	
Total	62,085,900.41	193,648,591.91	171,327,899.72	9,286,637.67	

7. Accounts payable

Nature	30 June 2024 (unaudited)	31 December 2023
Vessel leasing fees and ocean freight	162,043,791.97	140,217,548.71
Payment for purchase of goods	11,050,012.59	9,314,591.54
Payment for purchase of auxiliary materials	84,091,395.32	172,980,637.12
Total	257,185,199.88	322,512,777.37

The aging analysis of accounts payable based on the recording date is as follows:

Aging	30 June 2024 (unaudited)	31 December 2023
Within 1 year (including 1 year)	223,834,013.23	286,724,364.82
1 to 2 years (including 2 years)	6,677,010.44	9,403,164.90
2 to 3 years (including 3 years)	895,020.25	1,841,768.28
Over 3 years	25,779,155.96	24,543,479.37
Total	257,185,199.88	322,512,777.37

As at 30 June 2024, major accounts payable with aging over one year are as follows:

Name of entity	Amounts payable	Reasons for non-repayment
Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司)	8,000,000.00	The condition for payment is unsatisfied
Yingkou Lianfeng Logistics Co., Ltd. (營口聯豐物流有限公司)	6,822,092.44	The condition for payment is unsatisfied
Total	14,822,092.44	

8. Contract liabilities

Item	30 June 2024 (unaudited)	31 December 2023
Port miscellaneous fees	179,752,579.38	192,412,972.66
Freight	4,428,485.84	2,831,972.40
Others	9,982,181.46	24,433,958.90
Total	194,163,246.68	219,678,903.96

Revenue recognized in the current period and included in the opening carrying amount of contract liabilities:

Revenue recognized in the current period and included in the opening carrying amount of contract liabilities amounted to RMB186,767,570.23, including port miscellaneous fees of RMB170,513,975.82, freight of RMB1,744,658.81, and contract income of RMB14,508,935.60 related to other contracts.

Qualitative and quantitative analysis on relevant contract liabilities:

Contract liabilities mainly represent payments received by the Group for providing port operating services to customers. The payment shall be collected in accordance with the payment time agreed in the contract. The Group recognizes contract revenue based on the progress of performance, and contract liabilities will be recognized as revenue after the Group has fulfilled its performance obligations. The decrease of RMB25,515,657.28 in contract liabilities at the end of the period was mainly due to the decrease in bulk and general cargo terminal and relevant logistics services segments, resulting in the decrease in the amount received in advance from some customers at the end of the period.

9. Other payables

Item	30 June 2024 (unaudited)	31 December 2023
Interest payable		
Dividends payable	534,213,865.92	187,078,249.46
Yingkou Port Group Corporation Limited	132,099,133.73	–
Dalian Port Group Corporation Limited	115,219,244.19	–
China Merchants International Technology Company Limited	54,486,470.51	54,486,470.51
Team Able International Limited	51,851,457.60	–
Broadford Global Limited	16,356,221.88	–
Pangang Group Co., Ltd. (攀鋼集團有限公司)	13,372,679.77	–
Dalian City Construction Investment Group Co., Ltd.	11,648,655.69	11,648,655.69
Anshan Iron & Steel Group Co., Ltd.	8,570,194.79	–
Dalian Bonded Zhengtong Co., Ltd.	5,779,554.22	5,779,554.22
United States Sankyo Holdings Limited	2,036,793.56	2,036,793.56
NYK Bulk & Projects Carriers Ltd.	1,629,434.85	1,629,434.85
No.1 Engineering Company Ltd. of CCCC First Harbor Engineering Company Ltd.	1,560,826.75	–
Liaoning Gangwan Industry and Finance Investment Group Co., Ltd. (遼寧港灣產融投資集團有限公司)	1,285,613.17	–
Dalian Rongyuan Asset Management Company Limited (大連市融源資產管理有限責任公司)	752,696.62	–
China Ocean Shipping Tally Co., Ltd.	480,000.00	480,000.00
Other holders of H shares	117,084,888.59	–
Singapore Dalian Port Investment Pte. Ltd.	–	55,669,254.71
China Shipping Terminal Development Co., Ltd.	–	23,530,965.74
Nippon Yusen Kabushiki Kaisha	–	14,666,707.48
COSCO SHIPPING Ports (Dalian) Limited	–	9,313,894.54
COSCO SHIPPING Ports Development Co., Ltd.	–	7,836,518.16

Item	30 June 2024 (unaudited)	31 December 2023
Other payables	496,130,598.75	528,173,193.38
Project payment and guarantee deposit	211,703,434.67	256,274,609.09
Land compensation payment	7,500,000.00	7,500,000.00
Deposit and security deposit	113,016,698.62	113,318,513.93
Freight	4,168,100.00	5,777,909.38
Others	159,742,365.46	145,302,160.98
Total	1,030,344,464.67	715,251,442.84

Aging analysis of other payables

Aging	30 June 2024 (unaudited)		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	299,839,125.70	60.43	336,914,057.75	63.79
1 to 2 years (including 2 years)	25,907,076.45	5.22	41,266,020.85	7.81
2 to 3 years (including 3 years)	16,554,802.47	3.34	22,677,402.16	4.29
Over 3 years	153,829,594.13	31.01	127,315,712.62	24.11
Total	496,130,598.75	100.00	528,173,193.38	100.00

As at 30 June 2024, major other payables of the Group with aging over one year are as follows:

Name of entity	Amount	Reasons for non-repayment
Ocean Harvest Container Co., Ltd.	49,972,798.66	The condition for payment is unsatisfied
Muling Economic Development District Infrastructure Construction and Investment Co., Ltd.* (穆棧經濟開發區基礎設施建設投資有限公司)	14,006,954.00	The condition for payment is unsatisfied
Dalian Beiliang Enterprise Group Co., Ltd.	7,500,000.00	The condition for payment is unsatisfied
Dalian Harbour Engineering Co., Ltd.	7,411,944.45	The condition for payment is unsatisfied
China Railway Port and Channel Engineering Group Co., Ltd. (中鐵港航局集團有限公司)	5,950,535.00	The condition for payment is unsatisfied
Total	84,842,232.11	

10. Revenue and cost of sales

Revenue is as follows:

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Revenue from principal operations	5,141,776,803.89	5,499,916,193.95
Revenue from other operations	232,105,490.54	191,204,130.42
Total	5,373,882,294.43	5,691,120,324.37

Cost of sales is as follows:

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Cost of principal operations	3,855,722,086.36	3,893,670,108.26
Cost of other operations	280,488,041.18	150,558,700.78
Total	4,136,210,127.54	4,044,228,809.04

The breakdown of the revenue is as follows:

For the six months ended 30 June 2024 (unaudited)

Principal business segment	Commodity	Labour or other services	Others	Total
Container terminal and related logistics services	1,017,577.02	1,896,717,657.90	46,508,691.24	1,944,243,926.16
Oil/liquefied chemicals terminal and related logistics services	16,700,072.27	485,120,422.30	16,115,526.75	517,936,021.32
Bulk and general cargo terminal and related logistics services	99,894.49	1,771,218,712.08	7,920,876.35	1,779,239,482.92
Bulk grain terminal and related logistics services	1,979.86	349,209,758.68	7,124,466.23	356,336,204.77
Passenger and roll-on/roll-off terminal and related logistics services	2,582,966.93	88,582,117.59	5,579,413.17	96,744,497.69
Port value-added and ancillary services	53,937,965.28	442,690,614.04	47,274,375.88	543,902,955.20
Automobile terminal and related logistics services	–	25,825,774.46	2,090,270.85	27,916,045.31
Others	–	24,971,234.34	82,591,926.72	107,563,161.06
Total	74,340,455.85	5,084,336,291.39	215,205,547.19	5,373,882,294.43

Reporting segment	Commodity	Labour or other services	Others	Total
Point in time of revenue recognition				
Recognised at a certain point in time				
Revenue from sales of goods	74,340,455.85	–	–	74,340,455.85
Recognised over a certain period				
Revenue from logistics services	–	439,617,736.67	–	439,617,736.67
Revenue from project construction and inspection services	–	31,578,804.71	–	31,578,804.71
Revenue from transportation	–	643,048,031.69	–	643,048,031.69
Revenue from port operation services	–	3,759,260,338.58	–	3,759,260,338.58
Revenue from port management services	–	151,410,073.95	–	151,410,073.95
Revenue from tallying services	–	27,452,883.62	–	27,452,883.62
Revenue from information services	–	28,561,906.20		28,561,906.20
Others	–	3,406,515.97	95,256,768.64	98,663,284.61
Others				
Revenue from leasing services	–	–	119,948,778.55	119,948,778.55
Total	74,340,455.85	5,084,336,291.39	215,205,547.19	5,373,882,294.43

For the six months ended 30 June 2023 (unaudited)

Principal business segment	Commodity	Labour or other services	Others	Total
Container terminal and related logistics services	2,593,768.25	1,764,496,538.31	48,793,299.35	1,815,883,605.91
Oil/liquefied chemicals terminal and related logistics services	13,854,302.48	771,640,269.38	16,164,522.56	801,659,094.42
Bulk and general cargo terminal and related logistics services	102,467.89	2,016,365,170.56	4,623,913.12	2,021,091,551.57
Bulk grain terminal and related logistics services	–	305,127,691.48	5,110,465.76	310,238,157.24
Passenger and roll-on/roll-off terminal and related logistics services	1,413,373.64	87,497,984.43	5,444,507.59	94,355,865.66
Port value-added and ancillary services	50,075,094.11	451,534,004.73	52,191,021.68	553,800,120.52
Automobile terminal and related logistics services	–	22,269,038.58	1,550,672.51	23,819,711.09
Others	–	23,568,450.36	46,703,767.60	70,272,217.96
Total	68,039,006.37	5,442,499,147.83	180,582,170.17	5,691,120,324.37

Reporting segment	Commodity	Labour or other services	Others	Total
Point in time of revenue recognition				
Recognised at a certain point in time				
Revenue from sales of goods	68,039,006.37	–	–	68,039,006.37
Recognised over a certain period				
Revenue from logistics services	–	287,616,477.47	–	287,616,477.47
Revenue from project construction and inspection services	–	38,335,168.01	–	38,335,168.01
Revenue from transportation	–	653,414,317.77	–	653,414,317.77
Revenue from port operation services	–	4,235,978,594.10	–	4,235,978,594.10
Revenue from port management services	–	160,057,721.48	–	160,057,721.48
Revenue from tallying services	–	27,969,131.15	–	27,969,131.15
Revenue from information services	–	39,127,737.85	–	39,127,737.85
Others	–	–	69,737,397.26	69,737,397.26
Others				
Revenue from leasing services	–	–	110,844,772.91	110,844,772.91
Total	68,039,006.37	5,442,499,147.83	180,582,170.17	5,691,120,324.37

The transaction price allocated to the unfulfilled (or partially unfulfilled) performance obligations at the end of the period/year and the estimated time for recognition as revenue are:

Item	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
30 June 2024 (unaudited)	222,674,674.88	125,650,438.97	35,898,098.11	7,542,322.47	391,765,534.43
31 December 2023	323,905,993.95	53,328,940.42	21,399,375.47	2,185,613.22	400,819,923.06

11. Administrative expenses

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Employee benefits	273,894,482.70	285,695,117.52
Labour cost	11,017,694.02	11,004,625.47
Depreciation and amortisation	16,619,641.58	16,922,534.41
Business entertainment expense	7,575,682.98	7,604,697.24
Office charges	2,118,765.52	2,594,710.97
Agency engagement expenses	4,838,741.25	4,546,288.44
Including: Audit fee	157,055.26	471,369.02
Property insurance premium	4,258,349.12	2,919,066.98
Water, power and other energy consumption cost	857,394.28	792,937.28
Telephone charges and internet access charges	481,068.28	821,828.61
Vehicle expenses	6,426,269.04	6,501,558.86
Others	28,075,984.67	27,212,197.60
Total	356,164,073.44	366,615,563.38

12. Financial expenses

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Interest expenses	222,131,998.56	266,826,702.31
Including: Bank and other borrowings	24,482,598.67	19,582,586.04
Interest of bonds	66,624,874.79	115,148,500.66
Interest expenses of lease liabilities	131,024,525.10	132,095,615.61
Less: Interest income	37,221,396.23	38,084,937.08
Net exchange loss (net gain is presented by “-”)	-1,642,384.70	745,092.07
Others	401,246.07	440,963.64
Total	183,669,463.70	229,927,820.94

The breakdown of interest income is as follows:

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Cash at bank and on hand	37,221,396.23	38,084,937.08

13. Credit impairment losses

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Impairment losses on accounts receivable	-30,707,560.98	-49,063,906.95
Impairment losses on other receivables	44,165,431.75	-31,960,745.30
Total	13,457,870.77	-81,024,652.25

14. Other income

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Government subsidies related to daily activities	111,850,751.12	45,171,107.51
Refund of commission for paying individual income tax	1,031,949.87	695,127.62
Additional deduction of VAT	234,935.37	13,113,860.23
Refund of property tax, land use tax	1,468,403.58	–
Total	114,586,039.94	58,980,095.36

Government subsidies related to daily activities are as follows:

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)	Related to assets/income
Relocation compensation	11,918,389.74	12,605,973.30	Related to assets
Production safety	635,989.28	635,989.28	Related to assets
Energy conservation and emission reduction special fund	469,697.92	591,713.35	Related to assets
Equipment reconstruction subsidies	4,569,876.94	4,455,804.46	Related to assets
Sea-rail combined transport subsidies	682,261.38	682,261.38	Related to assets
Transportation hub passenger terminal project	5,151,669.30	5,820,662.76	Related to assets
Others related to assets	291,555.30	396,284.79	Related to assets
Operation subsidies	87,075,105.52	19,345,745.13	Related to income
Stable position subsidies	1,054,679.58	112,247.90	Related to income
Container subsidies	–	78,260.00	Related to income
Others related to income	1,526.16	446,165.16	Related to income
Total	111,850,751.12	45,171,107.51	

15. Investment income

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Investment income from long-term equity investments under the equity method	-15,753,917.08	25,560,206.57
Investment income from disposal of subsidiaries	–	–
Investment income from disposal of long-term equity investments	–	–
Dividend income from investments on hand in other equity instruments	9,286,637.67	533,600.00
Investment income from disposal of held-for-trading financial assets	–	–
Others	1,189,209.75	1,185,357.90
Total	-5,278,069.66	27,279,164.47

There were no major restrictions on the repatriation of investment income.

16. Income tax expenses

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Current income tax expense	229,163,204.60	310,844,328.68
Deferred income tax expense	-17,877,613.52	-56,779,429.87
Total	211,285,591.08	254,064,898.81

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

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Total profit	753,500,537.34	975,416,363.07
Income tax at the applicable tax rates	188,375,134.35	243,854,090.77
Effect of different tax rates applicable to some subsidiaries	-2,794,415.33	-2,518,479.75
Adjustments on the current income tax of previous periods	3,368,510.18	2,053,457.53
Non-taxable income	-1,539,135.10	-9,811,267.39
Non-deductible expenses	3,708,206.12	3,465,198.20
Utilizing deductible losses from previous years	-1,769,628.02	-4,785,543.61
Effect of unrecognised deductible temporary differences and deductible losses	21,936,918.88	21,988,220.92
Others	-	-180,777.86
Income tax expenses	211,285,591.08	254,064,898.81

17. Earnings per share (“EPS”)

The basic EPS is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Net profit for the period attributable to ordinary shareholders of the parent company	453,443,345.42	629,832,557.95
Weighted average number of ordinary shares in issue of the Company	23,987,065,816.00	23,987,065,816.00
Basic earnings per share	0.02	0.03

As at 30 June 2024 and 30 June 2023, there were no potentially dilutive ordinary shares in issue of the Company.

18. Segment information

Operating segments

For management purposes, the Group is organised into business units based on its products and services and has seven reportable segments as follows:

- (1) Oil/liquefied chemicals terminal and related logistics services, specifically loading and discharging, storage and transshipment of oil products and liquefied chemicals, port management services;
- (2) Container terminal and related logistics services, specifically loading and discharging, storage and transshipment of containers, leasing of terminals and various container logistics services and sales of properties;
- (3) Bulk and general cargo terminal and related logistics services, specifically loading and discharging of ore, general cargo and provision of related logistics services;
- (4) Bulk grain terminal and related logistics services, specifically loading and discharging of grains and provision of related logistics services;
- (5) Passenger and roll-on/roll-off terminal and related logistics services, specifically passenger transportation, general cargo roll-on and roll-off shipping and provision of related logistics services;
- (6) Port value-added and ancillary services, specifically tallying, tugging, transportation, power supply, information technology and construction services.
- (7) Automobile terminal and related logistics services, specifically loading and discharging of automobiles and provision of related logistics services.

Management monitors the results of each of the Group's business units separately for the purpose of decision-making on resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted total profit. The adjusted total profit is measured consistently with the Group's total profit except for certain revenue and expenses attributable to headquarters. Segment assets and liabilities exclude certain assets and liabilities attributable to headquarters of the Company as they are centrally managed by the Group.

The Group takes the above reportable segments as the basis to report its segment information and no operating segments have been aggregated to form the above reportable segments.

Inter-segment revenue is eliminated on consolidation. Inter-segment sales and purchases are conducted in accordance with the terms mutually agreed between the parties to the transactions.

The segment information for the six months ended 30 June 2024 is as follows (unaudited):

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-on/roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics services	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue										
Revenue from external customers	517,936	1,944,244	1,779,239	356,336	96,744	543,903	27,916	107,563	-	5,373,881
Inter-segment revenue	1,137	1,683	781	1,999	-	565,637	-	88,326	-659,563	-
Total revenue of segment	519,073	1,945,927	1,780,020	358,335	96,744	1,109,540	27,916	195,889	-659,563	5,373,881
Cost of sales	500,061	1,418,299	1,315,098	283,794	77,413	363,402	22,064	156,078	-	4,136,209
Taxes and surcharges	10,560	10,173	10,006	1,582	1,769	2,468	1,432	23,434	-	61,424
Selling expenses	-	-	-	-	-	-	-	705	-	705
Administrative expenses	22,100	83,575	40,476	17,387	14,467	71,466	7,105	99,589	-	356,165
Research and development expenses	-	-	-	-	-	8,756	-	-	-	8,756
Financial expenses	35,977	7,597	53,759	688	-605	2,146	-1,089	85,196	-	183,669
Asset impairment losses	-	-	-	-	-	-	-	-	-	-
Credit impairment losses	-28,865	-6,483	-43	-3	-443	-175	-	49,469	-	13,457
Investment income	38,908	27,674	-80,649	1,237	-3,260	4,852	5,247	712	-	-5,279
Including: Investment income from associates and joint ventures	38,908	18,490	-80,649	1,237	-3,260	4,272	5,247	-	-	-15,755
Gains on disposals of assets	-	-12	-	-	-	-	56	3	-	47
Other income	12,752	88,016	121	56	5,481	1,002	1,484	5,674	-	114,586
Operating profit	-27,967	533,795	279,329	54,175	5,478	101,344	5,191	-201,581	-	749,764
Non-operating income	19	3,080	544	342	130	1,069	-	-	-	5,184
Non-operating expenses	34	573	595	29	-	-219	22	414	-	1,448

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-on/roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics services	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total profit	-27,982	536,302	279,278	54,488	5,608	102,632	5,169	-201,995	-	753,500
Income tax	-19,925	139,075	102,874	13,437	2,144	25,386	25	-51,730	-	211,286
Net profit	-8,059	397,227	176,405	41,052	3,466	77,245	5,144	-150,265	-	542,215
Total assets	10,317,242	12,901,466	12,188,041	2,803,919	1,422,068	3,165,602	862,213	14,088,038	-3,006,489	54,742,100
Total liabilities	1,551,373	2,946,778	1,230,949	246,908	228,201	480,271	8,069	8,230,775	-3,006,489	11,916,835
Supplementary information										
Depreciation and amortization expenses	64,053	318,756	150,344	39,181	9,389	82,404	6,537	459,541	-	1,130,205
Long-term equity investments in associates and joint ventures	1,430,058	871,031	29,653	250,757	287,900	214,091	324,440	-	-	3,407,930
Capital expenditures (i)	2,881	4,082	524	4,247	-14	3,130	-	100,484	-	115,334

(i) Capital expenditures include the capital expenditures of fixed assets, construction in progress, intangible assets, long-term prepaid expenses and investment properties.

The segment information for the six months ended 30 June 2023 is as follows (unaudited):

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-on/roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics services	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue										
Revenue from external customers	801,659	1,815,884	2,021,091	310,238	94,356	553,799	23,820	70,273	-	5,691,120
Inter-segment revenue	2,343	14,990	89,618	2,533	-	497,125	48	133,044	-739,701	-
Total revenue of segment	804,002	1,830,874	2,110,709	312,771	94,356	1,050,924	23,868	203,317	-739,701	5,691,120
Cost of sales	516,933	1,213,162	1,460,333	247,382	78,376	428,872	21,063	78,108	-	4,044,229
Taxes and surcharges	10,767	10,211	21,783	1,589	1,770	2,211	1,260	17,180	-	66,771
Selling expenses	-	-	-	-	-	-	-	-	-	-
Administrative expenses	24,157	86,250	48,109	19,022	13,960	72,097	6,488	96,533	-	366,616
Research and development expenses	-	52	-	-	-	19,834	-	31	-	19,917
Financial expenses	37,262	12,775	55,100	925	-301	3,633	-1,279	121,813	-	229,928
Asset impairment losses	-	-	-	-	-	-	-	-	-	-
Credit impairment losses	-45,069	1,698	-171	-2	58	-4,965	-	-32,574	-	-81,025
Investment income	25,618	14,456	-8,182	-13,456	-7,768	7,983	8,628	-	-	27,279
Including: Investment income from associates and joint ventures	24,907	13,982	-8,182	-13,456	-7,768	7,449	8,628	-	-	25,560
Gains on disposals of assets						-			-	-
Other income	14,334	22,812	1,230	148	6,334	2,334	344	11,444	-	58,980
Operating profit	207,423	532,400	428,643	28,010	-825	32,506	5,260	-264,522	-	968,895
Non-operating income	54	1,188	4,730	849	9	193	-	-	-	7,023
Non-operating expenses	45	148	2	12	-	75	-	219	-	501

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-on/roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics services	Others	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total profit	207,432	533,440	433,371	28,847	-816	32,623	5,260	-264,741	-	975,416
Income tax	46,266	138,427	115,773	10,815	1,140	4,082	567	-63,005	-	254,065
Net profit	161,166	395,013	317,598	18,032	-1,956	28,541	4,693	-201,736	-	721,351
Total assets	10,194,181	12,926,452	18,694,071	2,629,655	1,432,243	3,501,730	865,289	10,784,323	-3,182,653	57,845,291
Total liabilities	1,948,531	3,391,058	3,427,398	252,724	237,494	613,744	8,872	8,990,825	-3,182,653	15,687,993
Supplementary information										
Depreciation and amortization expenses	173,094	258,084	369,986	69,709	26,456	133,300	6,938	82,055	-	1,119,622
Long-term equity investments in associates and joint ventures	1,455,622	981,807	119,884	256,907	289,374	232,968	318,553	-	-	3,655,115
Capital expenditures (i)	425	47,551	2,410	5,282	2,746	6,087	34	114,974	-	179,509

19. Events after the balance sheet date

1. *Repurchasing shares through centralized price bidding*

Pursuant to the consideration and approval of the “Proposal on the Share Repurchase through Centralized Price Bidding of the Company” at the 2024 fifth extraordinary meeting of the seventh session of the Board of Directors of the Company held on 3 July 2024, the Company proposed to repurchase the Company’s shares through centralized price bidding, and the shares repurchased will be cancelled and the registered capital of the Company will be reduced. In accordance with the “Rules on Share Repurchases by Listed Companies”, the “Self-Regulatory Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases”, the “Articles of Association of the Company and other relevant regulations”, the Company held the 2024 first extraordinary general meeting on 1 August 2024, at which the “Proposal on the Share Repurchase through Centralized Price Bidding of Liaoning Port Co., Ltd.” was considered and approved. The total amount of funds for the repurchase shall be not less than RMB100 million (inclusive) and not more than RMB120 million (inclusive). Calculated based on the upper limit of the repurchase price of RMB1.99 per share, the number of shares to be repurchased by the Company will be approximately 50,251,300 to 60,301,500 shares, accounting for approximately 0.21% to 0.25% of the current total share capital of the Company. The final number of the repurchase and its proportion to the total share capital of the Company shall be subject to the actual repurchase of the Company.

As of 15 August 2024, the Company has repurchased 6,147,000 A shares for the first time by means of centralized price bidding through the trading system of the Shanghai Stock Exchange, accounting for 0.0256% of the current total share capital of the Company. The highest price for the repurchase was RMB1.26 per share, the lowest price for the repurchase was RMB1.25 per share, and the total amount paid for the repurchase was RMB7,733,750 (exclusive of transaction cost).

2. *Entering into entrustment agreements with Dalian Port Group Corporation Limited*

In accordance with the 2024 seventh extraordinary meeting of the seventh session of the Board of Directors of the Company convened on 26 August 2024, the “Proposal on Entering into Dalian Changxing Island Port Investment Development Co., Ltd. Entrustment Agreements and Related Transactions with Dalian Port Group Corporation Limited” and the “Proposal on Entering into Dalian Changxing Island Port Co., Ltd. Entrustment Agreements and Related Transactions with Dalian Port Group Corporation Limited” were considered and approved. The above two proposals are subject to further submission for consideration at the general meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

In the first half of 2024, the global macro-economy experienced multiple challenges such as slowing growth, inflationary pressures and weak investment. The overall performance of the domestic economy continued to recover gradually. However, China's M1 has fallen sharply since May 2024, combined with insufficient consumer spending and business investment. Macroeconomic data has yet to find support in the perceptions and experiences of enterprises and individuals in economic and social activities. There still exist many difficulties and challenges in sustaining economic recovery.

In the first half of the year, cargo throughput handled by all ports in China amounted to 8.56 billion tonnes, a year-on-year increase of 4.6%. In particular, cargo throughput handled at coastal ports in China was 5.56 billion tonnes, a year-on-year increase of 4.4%. (Statistics from the “Ministry of Transport”)

During the reporting period, the Group was principally engaged in the following businesses: oil/liquefied chemicals terminal and related logistics services (Oil Segment); container terminal and related logistics services (Container Segment); automobile terminal and related logistics services (Automobile Segment); bulk and general cargo terminal and related logistics services (Bulk and General Cargo Segment); bulk grain terminal and related logistics services (Bulk Grain Segment); passenger and roll-on/roll-off terminal and related logistics services (Passenger and Ro-Ro Segment) and port value-added and ancillary services (Value-added Services Segment).

In the first half of 2024, general information on the macro-economy and industries relevant to the Group’s principal business is set out as follows:

Oil Segment: The operating rate of refineries in Northeast China was about 76% in the first half of 2024; at the same time, with the rapid increase in the penetration rate of new energy vehicles market and the increase in production capacity of refineries in South China, the demand for oil transportation from the north to the south continued to decrease; the port facilities in Bohai Rim continued to improve, and the transit cargo sources returned to hinterland terminals, leading to fierce competition in the market.

Container Segment: In the first half of 2024, due to the impact of the Red Sea crisis, the shipping time from Asia to the Mediterranean and Northern Europe increased by 40% and 15%, respectively, consuming an additional 9% of the global market capacity, while the additional market capacity was only 5%, resulting in a shortage of capacity in the shipping market; at the same time, coupled with the influence of factors such as “Europe and America to replenish their inventories, the U.S. election, and the early start of Christmas shipping season”, the demand for cargo transportation increased, and the shipping companies focused on adjusting shipping routes and schedules, resulting in increasing congestion at major overseas hub ports and greater imbalance between supply and demand in the container shipping market, and consequently a continuous hike in route freight rates.

Automobile Segment: In the first half of 2024, automobile sales volume in China was 14.047 million units, a year-on-year increase of 6%, of which passenger vehicle sales volume was 11.586 million units, a year-on-year increase of 3%. Automobile production volume in the three provinces of Northeast China was 1.234 million units, a year-on-year decrease of 4%. The market share of independent brands and new forces continued to increase, exceeding 60% in the first half of 2024, a year-on-year increase of 8.8 percentage points, and the joint venture market was further reduced in size. In the first half of the year, the total automobile exports in China were 2.793 million units, an increase of 3% compared to the same period last year.

Bulk and General Cargo Segment: In the first half of 2024, the operating rate of steel mills decreased, and at the same time, the proportion of domestic ore of steel mills increased. All these resulted in the decrease of the output of and demand for related bulk and general cargo such as steel, iron ore, coal and mine construction materials.

Bulk Grain Segment: In the first half of 2024, all the consumption needs for corn, soybean meal and others showed a downward trend year on year affected by factors such as low profit of breeding industry, the overcapacity of live pigs and overcapacity reductions.

Passenger and Ro-Ro Segment: The market freight rates of the passenger and ro-ro transportation increased by approximately 30%, and the adjustment of the marketing mode by cancelling ticket outlets. This resulted in the transfer of the despatch ways of some cargo sources to other modes of transportation.

OVERALL RESULTS REVIEW

In the first half of 2024, the Group's net profit attributable to shareholders of the parent company amounted to RMB453,443,345.42, representing a decrease of RMB176,389,212.53 or 28.0% as compared with a net profit of RMB629,832,557.95 in the first half of 2023.

In the first half of 2024, the main factors for the decrease in profit of the Group are the decline in the bulk and general cargo business such as ores and steels, the decline of warehousing revenue from oil products while the related fixed costs were higher, and the decline in the performance of joint ventures and associates. However, the steady growth in business volume such as containers and grain, the reduction of financial expenses and the decrease of credit impairment reduced the decrease in profit. On a consolidated basis, the Group's net profit attributable to the parent company reported a year-on-year decrease of 28.0%.

In the first half of 2024, the Group's basic earnings per share amounted to RMB1.89 cents, representing a decrease of RMB0.74 cents or 28.1% on a year-on-year basis as compared with RMB2.63 cents in the first half of 2023.

Changes in the principal components of the net profit are set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Changes (%)
Net profit attributable to shareholders of the parent company	453,443,345.42	629,832,557.95	-28.0
Including:			
Revenue	5,373,882,294.43	5,691,120,324.37	-5.6
Cost of sales	4,136,210,127.54	4,044,228,809.04	2.3
Gross profit	1,237,672,166.89	1,646,891,515.33	-24.8
Gross profit margin	23.0%	28.9%	Down by 5.9 percentage points
Administrative expenses	356,164,073.44	366,615,563.38	-2.9
Selling expenses	705,364.00	–	100
Research and development expenses	8,756,174.26	19,917,305.81	-56.0
Financial expenses	183,669,463.70	229,927,820.94	-20.1
Credit impairment losses	-13,457,870.77	81,024,652.25	-116.6
Other income	114,586,039.94	58,980,095.36	94.3
Investment income	-5,278,069.66	27,279,164.47	-119.3
Net non-operating income (Note 1)	3,735,994.58	6,521,816.16	-42.7
Income tax expenses	211,285,591.08	254,064,898.81	-16.8

Note 1: Net non-operating income = Non-operating income – Non-operating expenses

In the first half of 2024, the Group's revenue decreased by RMB317,238,029.94 or 5.6% year-on-year, mainly due to the decline in the bulk and general cargo business such as ores and steels and the decrease in the warehousing revenue from long-term customers of oil products. However, the growth in the container logistics service business such as shipping export agency and import of automobile parts and components, and the growth in the throughput of the bulk grain business such as corn reduced the decline in revenue.

In the first half of 2024, the Group's cost of sales increased by RMB91,981,318.50 or 2.3% year on year, mainly due to the increase in the cost of container logistics services in tandem with an increase in revenue, as well as the increase in costs such as port charges, depreciation and amortization expenses, while rental fees and maintenance costs decreased.

In the first half of 2024, the Group's gross profit decreased by RMB409,219,348.44 or 24.8% year on year. Gross profit margin was 23.0%, representing a decrease of 5.9 percentage points. The decrease was mainly due to the decline of warehousing revenue from oil products, the decrease in the bulk and general cargo business such as ores and steels with high margins, as well as the increase in the share of container logistics services business with low margins.

In the first half of 2024, the Group's administrative expenses decreased by RMB10,451,489.94 or 2.9% year on year, mainly due to the decrease in labour costs.

In the first half of 2024, the Group's selling expenses increased by RMB705,364.00 or 100% year on year, mainly due to the business promotion activities carried out in the first half of the year.

In the first half of 2024, the Group's research and development expenses decreased by RMB11,161,131.55 or 56.0% year on year, mainly due to the decrease in research and development projects of the information companies.

In the first half of 2024, the Group's financial expenses decreased by RMB46,258,357.24 or 20.1% year on year, mainly due to the decrease in the interest-bearing liabilities.

In the first half of 2024, the Group's credit impairment losses decreased by RMB94,482,523.02 or 116.6% year on year, mainly due to the combined effect of the collection of long outstanding balances from customers during the year and the increase in impairment as a result of the longer aging of some receivables in the previous year.

In the first half of 2024, the Group's other income increased by RMB55,605,944.58 or 94.3% year on year, which was mainly due to the increase in revenue of the subsidies for China-Europe cross-border train lines and sea-rail intermodal transport.

In the first half of 2024, the Group's investment income decreased by RMB32,557,234.13 or 119.3% year on year, mainly due to the decrease in the operation results of joint ventures and associates operating the bulk and general cargo business.

In the first half of 2024, the Group's net non-operating income decreased by RMB2,785,821.58 or 42.7% year on year, mainly due to the gain on the disposal of written-off assets by certain subsidiaries in the previous year.

In the first half of 2024, the Group's income tax expenses decreased by RMB42,779,307.73 or 16.8% year on year, mainly due to the decrease in taxable income caused by the changes in operating profit.

ASSETS AND LIABILITIES

As of 30 June 2024, the Group's total assets and net assets amounted to RMB54,742,099,716.49 and RMB42,825,265,147.18, respectively. The net asset value per share was RMB1.65, basically remaining at a stable level as compared with the net asset value of RMB1.65 per share as of 31 December 2023.

As of 30 June 2024, the Group's total liabilities amounted to RMB11,916,834,569.31, of which total outstanding borrowings amounted to RMB4,197,711,466.40 (the borrowings carry a fixed interest rate). The gearing ratio was 21.8% (total liabilities of RMB11,916,834,569.31/total assets of RMB54,742,099,716.49), representing a decrease of 2.4 percentage points as compared with 24.2% as at 31 December 2023, which was mainly due to the repayment of the matured bonds.

FINANCIAL RESOURCES AND LIQUIDITY

As of 30 June 2024, the Group had a balance of cash and cash equivalents of RMB4,390,785,034.74, representing a decrease of RMB808,814,732.74 as compared with that of 31 December 2023.

As at 30 June 2024, the Group's net cash inflows generated from operating activities amounted to RMB1,192,381,467.46, net cash inflows for investment activities amounted to RMB14,313,407.19, and net cash outflows generated from financing activities amounted to RMB2,019,285,594.74.

The Group maintained a solid financial position and capital structure, thanks to the sufficient operating cash inflows from its robust business performance, its ability to raise capital through multiple financing channels such as bond issuance and bank borrowings, and its sound and prudent decision-making in both asset and equity investments.

As of 30 June 2024, the Group's outstanding borrowings amounted to RMB4,197,711,466.40 (the borrowings carry a fixed interest rate), of which RMB2,700,946,476.32 represented borrowings repayable within one year, and RMB1,496,764,990.08 represented borrowings repayable after one year.

The Group's net debt-equity ratio was 11.5% as of 30 June 2024, as compared with 13.5% as at 31 December 2023, mainly due to the decrease in the debt scale as a result of the repayment of bonds. The Group ensured no solvency risk and continued to improve its overall financial structure.

As of 30 June 2024, the Group's unutilised bank line of credit amounted to RMB17.299 billion.

As an A-share and H-share dual-listed company, the Group enjoys access to both domestic and overseas capital markets for financing. China Chengxin International Credit Rating Company Limited, being an external rating agency, has assigned an issuer credit composite rating of AAA to the Group with a stable credit rating outlook, indicating the Group's sound condition in capital market financing.

The Group closely monitored its interest rate risk and exchange rate risk. As of 30 June 2024, the Group had not entered into any foreign exchange hedging contracts.

CONTINGENCIES

Pending Litigations and Arbitrations

Pending litigation and arbitration concerning DCT Logistics Co., Ltd. (hereinafter referred to as “**DCT Logistics**”), a subsidiary of the Group

From January 2020 to February 2021, Shunde (Dalian) Supply Chain Management Co., Ltd. (舜德(大連)供應鏈管理股份有限公司) (hereinafter referred to as “**Shunde**”), an independent third party of the Company, carried out cooperation with certain companies including Qingdao Kaitou International Trade Co., Ltd. (青島開投國際貿易有限公司) (hereinafter referred to as “**Qingdao Kaitou**”), China Chengtong International Co., Ltd. (中國誠通國際貿易有限公司) (hereinafter referred to as “**Chengtong**”), Zhejiang Metals and Materials Co. (物產中大金屬集團有限公司) (hereinafter referred to as “**Zhejiang Metals**”), Fujian Rongjiang Import & Export Co., Ltd. (福建省榕江進出口有限公司) (hereinafter referred to as “**Rongjiang**”), and Qingdao Zhong Yan Trading Co., Ltd. (青島中兗貿易有限公司) (hereinafter referred to as “**Qingdao Zhong Yan**”) and other companies (hereinafter referred to as “**Import Agents**” or “**Warehousing Clients**”) by entering into “Import Agent Agreement” or “Agent Procurement Contract” with such Import Agents, pursuant to which the Import Agents agreed to license Shunde’s import of goods and opening of letters of credit in the name of the Import Agents for the payment of imported goods, and the risks and liabilities of related imported goods shall be borne by Shunde. Meanwhile, the Import Agents signed a “Customs Declaration Logistics Warehousing Agreement” or “Import Freight Forwarding Agreement” with DCT Logistics, a subsidiary of the Group, agreeing that DCT Logistics handled import goods customs declaration, goods warehousing and custody services for the Import Agents.

In practical operations, the costs incurred under the “Customs Declaration Logistics Warehousing Agreement” or “Import Freight Forwarding Agreement” shall be settled by Shunde in accordance with the agreed rates under the “Packing and Unpacking (Packing up) Agreement” it signed with DCT Logistics. Given that both the ultimate owner of the imported goods in these businesses and the relevant warehousing cost settler is Shunde, DCT Logistics released the relevant goods under the instructions of Shunde, the ultimate cargo owner. As Shunde failed to make part of the import letter of credit payment to the Import Agents as scheduled, such Import Agents filed lawsuits against DCT Logistics in Dalian Maritime Court and other people’s courts separately, requesting that DCT Logistics and Shunde return the relevant goods under the “Customs Declaration Logistics Warehousing Agreement” or the “Import Freight Forwarding Agreement” signed with DCT Logistics. In May 2021, DCT Logistics was approved by the Dalian Maritime Court to file a pre-litigation property preservation against Shunde. After thorough consultation and negotiation among the parties to the litigation, one of the Warehousing Clients had settled with Shunde and withdrawn its lawsuit against Shunde and DCT Logistics, and this settlement did not involve any compensation obligation to be borne by DCT Logistics. The total claims of the other Warehousing Clients amounted to RMB1.06 billion. On 18 December 2023, Dalian Maritime Court issued a first instance judgement ((2022) Liao 72 Min Chu No. 1342 II) regarding the lawsuit case, holding that the case was suspected of involving economic crimes and should be transferred to the public security organs for investigation, thus it ruled to reject the prosecution of DCT Logistics.

On 24 November 2021, Ningbo Maritime Court issued a first instance judgement (Ningbo Maritime Court (2021) Zhe 72 Min Chu No. 1428) regarding the lawsuit case of Chengtong against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB109.6946 million to Chengtong and the interest, based on the amount, to be calculated at prime rate for the corresponding period as announced by the National Interbank Funding Center from 23 March 2021 up to the date of full payment. Other litigation claims from Chengtong were dismissed. On 9 December 2021, DCT Logistics appealed to the Higher People's Court of Zhejiang Province against the first instance judgment regarding the case of Chengtong. On 1 April 2022, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Zhong No. 21), rejecting all the claims of DCT Logistics. On 19 October 2022, DCT Logistics filed an application for retrial with the Higher People's Court of Zhejiang Province. On 6 March 2023, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Shen No. 6364), rejecting the retrial application. On 12 October 2022, Dalian Jifa Port Logistics Co., Ltd. received the assistance execution notice ((2022) Zhe 72 Zhi No. 286) issued by the Ningbo Maritime Court, requiring Dalian Jifa Port Logistics Co., Ltd. to deposit the lease payment payable to DCT Logistics into the account designated by Ningbo Maritime Court. For the current period, Dalian Jifa Port Logistics Co., Ltd. made a lease payment of RMB6.21 million to the account designated by Ningbo Maritime Court, and a total of RMB16.56 million had been paid to the account designated by Ningbo Maritime Court for the lease payment.

On 30 December 2021, Ningbo Maritime Court issued a first instance judgement (Ningbo Maritime Court (2021) Zhe 72 Min Chu No. 1205) regarding the lawsuit case of Zhejiang Metals against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB10.2634 million to Zhejiang Metals and the interest, based on the amount, to be calculated at benchmark borrowing rate as announced by the National Interbank Funding Center from 1 September 2021 up to the date of full payment. Other litigation claims from Zhejiang Metals were dismissed. On 28 February 2022, DCT Logistics appealed to the Higher People's Court of Zhejiang Province against the first instance judgment regarding the case of Zhejiang Metals. On 11 April 2022, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Zhong No. 129), rejecting all the claims of DCT Logistics. On 25 May 2022, Ningbo Maritime Court deducted RMB8.8393 million from the bank deposits of DCT Logistics according to the judgments and rulings in force. On 19 October 2022, DCT Logistics filed an application for retrial with the Higher People's Court of Zhejiang Province. On 6 March 2023, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Shen No. 6365), rejecting the retrial application.

On 31 December 2021, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2021) Liao 72 Min Chu No. 352) regarding the lawsuit case of Qingdao Kaitou against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB299.3826 million to Qingdao Kaitou and the interest, based on the amount, to be calculated at prime rate for the corresponding period as announced by the National Interbank Funding Center from 27 March 2021 up to the date of full payment. Other litigation claims from Qingdao Kaitou were dismissed. On 28 February 2022, DCT Logistics appealed to the Higher People's Court of Liaoning Province against the first instance judgment regarding the case of Qingdao Kaitou. On 16 August 2022, the Higher People's Court of Liaoning Province issued a civil ruling ((2022) Liao Min Zhong No. 715) as follows: 1) the civil judgment of Dalian Maritime Court (2021) Liao 72 Min Chu No. 352 was revoked; 2) the case was referred back to Dalian Maritime Court for retrial. On 22 December 2023, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 1348 I) regarding the lawsuit case of Qingdao Kaitou against DCT Logistics, rejecting the litigation of Qingdao Kaitou. On 11 January 2024, Qingdao Kaitou appealed to the Higher People's Court of Liaoning Province against the first instance judgment. As of the date of approval of the interim financial statements for issue, the Court has conducted a trial of the case, but has not yet given a judgment.

On 27 January 2022, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2021) Liao 72 Min Chu No.372) regarding the lawsuit case of Rongjiang against DCT Logistics. The judgement ruled that DCT Logistics should compensate Rongjiang for the loss of goods of RMB336.0810 million and the interest, based on the amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 7 April 2021 up to the date of full payment, and DCT Logistics should compensate Rongjiang for liability insurance fees of preservation of RMB254,800. Other litigation claims from Rongjiang were dismissed. On 1 March 2022, DCT Logistics appealed to the Higher People’s Court of Liaoning Province against the first instance judgment regarding the case of Rongjiang. On 4 August 2022, the Higher People’s Court of Liaoning Province issued a civil ruling ((2022) Liao Min Zhong No. 642) as follows: 1) the civil judgment of Dalian Maritime Court (2021) Liao 72 Min Chu No. 372 was revoked; 2) the case was referred back to Dalian Maritime Court for retrial. On 22 December 2023, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 1189 I) regarding the lawsuit case of Rongjiang against DCT Logistics, rejecting the litigation of Rongjiang. On 9 January 2024, Rongjiang appealed to the Higher People’s Court of Liaoning Province against the first instance judgment. As of the date of approval of the interim financial statements for issue, the Court has conducted a trial of the case, but has not yet given a judgment.

On 19 June 2023, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 808) regarding the lawsuit case of Qingdao Zhong Yan against DCT Logistics. The judgement ruled that DCT Logistics should compensate Qingdao Zhong Yan for the loss of goods of RMB169.2464 million and the interest, based on the amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 9 April 2021 up to the date of full payment, and DCT Logistics should compensate Qingdao Zhong Yan for liability insurance fees of preservation of RMB134,700. Other litigation claims from Qingdao Zhong Yan were dismissed. On 3 July 2023, DCT Logistics appealed to the Higher People’s Court of Liaoning Province against the first instance judgment regarding the case of Qingdao Zhong Yan. As of the date of approval of the interim financial statements for issue, the Court has conducted a trial of the case, but has not yet given a judgment.

On 30 December 2022, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 1041) regarding the lawsuit case of Xinwen Mining Group Material Supply and Marketing Co., Ltd. (新汶礦業集團物資供銷有限責任公司) (hereinafter referred to as “Xinwen Mining”) against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB12.5291 million and RMB2.3585 million for the loss of goods and other losses respectively to Xinwen Mining, and the interest, based on RMB12.5291 million and RMB2.3585 million, to be calculated at prime rate as announced by the National Interbank Funding Center from 6 May 2021 and 7 June 2021 respectively up to the date of full payment, and DCT Logistics should pay RMB45,000 to Xinwen Mining for liability insurance fees of preservation. Other litigation claims from Xinwen Mining were dismissed. On 18 January 2023, DCT Logistics appealed to the Higher People’s Court of Liaoning Province against the first instance judgment regarding the case of Xinwen Mining. On 17 August 2023, the Higher People’s Court of Liaoning Province issued a civil ruling ((2023) Liao Min Zhong No. 881) as follows: the civil judgment of Dalian Maritime Court (2022) Liao 72 Min Chu No. 1041 was changed to “rule that DCT Logistics should pay RMB11.8276 million and RMB2.3585 million for the loss of goods and other losses respectively to Xinwen Mining, and the interest, based on RMB11.8276 million and RMB2.3585 million, to be calculated at prime rate as announced by the National Interbank Funding Center from 6 May 2021 and 7 June 2021 respectively up to the date of full payment”, and the original judgment was upheld for other matters.

In May 2022, Chongqing Yu Feng Imp. & Exp. Co., Ltd. (重慶渝豐進出口有限公司) (hereinafter referred to as “Chongqing Yu Feng”) filed a lawsuit with Wuhan Maritime Court against DCT Logistics, demanding DCT Logistics to compensate it RMB120.2513 million and the loss of interest on that capital amount. On 6 September 2022, Wuhan Maritime Court issued a first instance judgement (Wuhan Maritime Court (2021) E 72 Min Chu No. 820) regarding the lawsuit case of Chongqing Yu Feng against DCT Logistics. The judgement ruled that DCT Logistics should pay Chongqing Yu Feng RMB120.2513 million and the loss of interest, based on that amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 20 March 2021 up to the date of actual performance of the effective judgement. Other litigation claims from Chongqing Yu Feng were dismissed. On 16 September 2022, DCT Logistics appealed to Higher People’s Court of Hubei Province against the first instance judgment regarding the case of Chongqing Yu Feng. On 16 May 2023, the Higher People’s Court of Hubei Province issued a civil ruling ((2022) E Min Zhong No. 1361), rejecting all the claims of DCT Logistics. On 17 November 2023, the Wuhan Maritime Court issued a ruling ((2023) E 72 Zhi No. 447 I) on the case regarding Chongqing Yu Feng's application for the compulsory execution against DCT Logistics, terminating the current enforcement proceedings.

In respect of the lawsuits mentioned above, based on the evidence that the Group has already obtained and the professional opinions of legal advisors, the management of the Group believes that the Warehousing Clients are Shunde’s import business agents, and since the goods involved in the case are actually owned by Shunde, the release by DCT Logistics of the goods to Shunde, the owner of the goods, did not infringe the rights of the Warehousing Clients. The advances paid by the Warehousing Clients for Shunde was not repaid by Shunde as scheduled, which is not causally related to the release of goods by DCT Logistics. For the first instance judgements issued by some courts, DCT Logistics had filed corresponding appeals. As of the date of approval of the interim financial statements for issue, some litigation cases against DCT Logistics have not yet been judged in the second instance. The other Import Agents including Chengtong are in the process of negotiating a settlement plan with Shunde, including applying for the withdrawal of their cases after signing a settlement agreement.

Having fully considered the amount of claims involved by DCT Logistics, the judgement issued by the court and the opinions of internal and external legal advisors, and taking into account that DCT Logistics is a limited company, and that the Company and its other subsidiaries do not have guarantee liability or joint and several liabilities over any such liability of DCT Logistics, on 31 December 2021, the Group made provisions for estimated liabilities of RMB180 million as of 31 December 2021 which was equivalent to the recoverable amount of the book value of the net assets of DCT Logistics as of the same date. Due to the transfer of the bank deposits of DCT Logistics ordered by the court, the estimated liabilities for the current period decreased by RMB6.21 million (2023: RMB10.35 million). As of 30 June 2024, the Group had made provisions for estimated liabilities of RMB154 million in respect of those lawsuits.

Save for the above contingencies, as at 30 June 2024, the Group did not have other major guarantees and other contingencies required to be specified.

CAPITAL EXPENDITURE

As at 30 June 2024, the Group's capital investment amounted to RMB115,334,862.86, which was mainly funded by the surplus cash generated from operating activities and other external financing.

An analysis of the performance of each business segment of the Group in the first half of 2024 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2024 with comparative figures for the first half of 2023:

	For the six months ended 30 June 2024 (‘0,000 tonnes)	For the six months ended 30 June 2023 (‘0,000 tonnes)	Increase/(decrease)
Crude oil	1,897.3	1,705.9	11.2%
Refined oil	807.7	727.1	11.1%
Others	180.1	188.6	(4.5%)
Total	2,885.1	2,621.6	10.1%

In the first half of 2024, the Group handled a total of 28.851 million tonnes of oil/liquefied chemicals throughput, a year-on-year increase of 10.1%.

In the first half of 2024, the Group's crude oil throughput amounted to 18.973 million tonnes, a year-on-year increase of 11.2%, mainly due to the utilization of public liquid tanks and the near-port futures delivery warehouse to drive the transshipment of crude oil in Bohai Rim, resulting in an increase in the crude oil throughput of the Group in the first half of the year.

In the first half of 2024, the Group's refined oil throughput amounted to 8.077 million tonnes, a year-on-year increase of 11.1%. It is mainly for two reasons, firstly, the export of refined oil for foreign trade continued to grow; secondly, PetroChina's northern refinery was overhauled last year, and the export base of refined oil for domestic trade was lower during the same period.

In the first half of 2024, the Group's other oil/liquefied chemicals throughput amounted to 1.801 million tonnes, a year-on-year decrease of 4.5%, mainly due to the impact of increased supply from China-Russia gas pipeline offsetting the demand for offshore LNG landings, resulting in a decrease in other oil/liquefied chemicals throughput of the Group in the first half of the year.

The performance of the Oil Segment is set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Change (%)
Revenue	517,936,021.32	801,659,094.42	-35.4
Percentage of the Group's revenue	9.6%	14.1%	Decreased by 4.5 percentage points
Gross profit	17,875,240.83	284,726,183.48	-93.7
Percentage of the Group's gross profit	1.4%	17.3%	Decreased by 15.9 percentage points
Gross profit margin	3.5%	35.5%	Decreased by 32.0 percentage points

In the first half of 2024, the revenue from the Oil Segment decreased by RMB283.72 million or 35.4% year-on-year, mainly due to the impact of the decrease in the warehousing revenue.

In the first half of 2024, the gross profit from the Oil Segment decreased by RMB266.85 million or 93.7% year-on-year and the gross profit margin decreased by 32.0 percentage points year-on-year, mainly because the warehousing revenue decreased but fixed costs remained high.

Container Segment

The following table sets out the Container Segment's throughput handled by the Group in the first half of 2024, with comparative figures for the first half of 2023:

	For the six months ended 30 June 2024 ('0,000 TEUs)	For the six months ended 30 June 2023 ('0,000 TEUs)	Increase/(decrease)
Container	526.5	486.3	8.3%

In the first half of 2024, in terms of container throughput, the Group handled a total of 5.265 million TEUs, a year-on-year increase of 8.3%. It is mainly for two reasons, firstly, taking advantage of the increase in the supply of effective shipping capacity in the market and the downward adjustment of freight rates, the Group continued to strengthen its market development in adding new routes, succeedingly, to South America and India with stable operation, which effectively expanded the shipping capacity of direct routes at the ports; secondly, the Group endeavored to improve the shipping capacity for domestic trade to gain the business from the "containerization of bulk cargoes".

The performance of the Container Segment is set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Change (%)
Revenue	1,944,243,926.16	1,815,883,605.91	7.1
Percentage of the Group's revenue	36.2%	31.9%	Up by 4.3 percentage points
Gross profit	525,944,457.65	602,722,036.51	-12.7
Percentage of the Group's gross profit	42.5%	36.6%	Up by 5.9 percentage points
Gross profit margin	27.1%	33.2%	Down by 6.1 percentage points

In the first half of 2024, the revenue from the Container Segment increased by RMB128.36 million or 7.1% year on year, mainly due to the increase in revenue from loading and discharging and port services driven by the increase in container volume, and the increase in revenue from container logistics services such as China-Europe Railway Lines and shipping export agency.

In the first half of 2024, the gross profit of the Container Segment decreased by RMB76.78 million or 12.7% year on year, with the gross profit margin decreased by 6.1 percentage points year on year, mainly due to the higher proportion of container logistics services business with low gross profit.

Automobile Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2024, with comparative figures for the first half of 2023:

		For the six months ended 30 June 2024	For the six months ended 30 June 2023	Increase/ (decrease)
Vehicles ('0,000 units)	Foreign trade	3.5	4.1	(14.6%)
	Domestic trade	31.5	33.6	(6.3%)
	Total	35.0	37.7	(7.2%)

In the first half of 2024, the Group handled a total of 0.35 million vehicles in the automobile terminal, a year-on-year decrease of 7.2%. It is mainly for two reasons, firstly, the reduction in demand for international transshipment of Japanese and Korean commercial vehicles led to a decline in the throughput of foreign trade business of commercial vehicles; secondly, with the onslaught of new energy vehicles in the market, Northeast China's automobile enterprises, primarily producing traditional fuel vehicles, continued to decline in production and were under great inventory pressure, and the ro-ro transportation capacity of the domestic trade business was intense, thus resulting in a decline in the volume of water transport of domestic trade business of commercial vehicles.

The performance of the Automobile Segment is set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Change (%)
Revenue	27,916,045.31	23,819,711.09	17.2
Percentage of the Group's revenue	0.5%	0.4%	Up by 0.1 percentage point
Gross profit	5,852,089.56	2,756,381.93	112.3
Percentage of the Group's gross profit	0.5%	0.2%	Up by 0.3 percentage point
Gross profit margin	21.0%	11.6%	Up by 9.4 percentage points

In the first half of 2024, the revenue from the Automobile Terminal Segment increased by RMB4.10 million or 17.2% year-on-year, mainly due to the increase in the business volume of Haijia Automobile.

In the first half of 2024, the gross profit of the Automobile Terminal Segment increased by 3.10 million or 112.3% year-on-year, and the gross profit margin increased by 9.4 percentage points year-on-year, mainly due to the increase in revenue from loading and discharging and storage driven by the increase in the business volume of Haijia Automobile.

Bulk and General Cargo Segment

The following table sets out the throughput handled by the Group's bulk and general cargo-related terminal in the first half of 2024, with comparative figures for the first half of 2023:

	For the six months ended 30 June 2024 ('0,000 tonnes)	For the six months ended 30 June 2023 ('0,000 tonnes)	Increase/(decrease)
Steel	1,117.2	1,258.1	(11.2%)
Ore	2,713.4	2,983.7	(9.1%)
Others	3,588.6	3,703.7	(3.1%)
Total	7,419.2	7,945.6	(6.6%)

In the first half of 2024, the throughput of the Group's Bulk and General Cargo Segment amounted to 74.192 million tonnes, a year-on-year decrease of 6.6%.

In the first half of 2024, the Group's steel throughput was 11.172 million tonnes, a year-on-year decrease of 11.2%. Such year-on-year decrease in steel throughput was mainly due to the overall situation of "weak supply and demand" in the steel market, and the slow demand for steel from downstream users.

In the first half of 2024, the throughput of the Group's ore segment amounted to 27.134 million tonnes, a year-on-year decrease of 9.1%. Such year-on-year decrease in throughput was mainly due to the lower demand in the imported ore market, coupled with the adjustment of the proportion by using more domestic ore by some steel mills.

The performance of the Bulk and General Cargo Segment is set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Change (%)
Revenue	1,779,239,482.92	2,021,091,551.57	-12.0
Percentage of the Group's revenue	33.1%	35.5%	Down by 2.4 percentage points
Gross profit	464,140,994.08	560,758,579.84	-17.2
Percentage of the Group's gross profit	37.5%	34.0%	Up by 3.5 percentage points
Gross profit margin	26.1%	27.7%	Down by 1.6 percentage points

In the first half of 2024, the revenue from the Bulk and General Cargo Segment decreased by RMB241.85 million or 12.0% year on year, mainly due to the decrease in revenue from loading and discharging resulted from the decrease in the business volume of ore and steel due to market impact.

In the first half of 2024, the gross profit of the Bulk and General Cargo Segment decreased by RMB96.62 million or 17.2% year on year, and the gross profit margin decreased by 1.6 percentage points year on year, mainly due to the impact of the decline in the business volume of ore and steel with high gross profit margin.

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2024, with comparative figures for the first half of 2023:

	For the six months ended 30 June 2024 ('0,000 tonnes)	For the six months ended 30 June 2023 ('0,000 tonnes)	Increase/(decrease)
Corn	402.7	348.5	15.6%
Soybean	197.1	192.8	2.2%
Others	192.7	165.7	16.3%
Total	792.5	707.0	12.1%

In the first half of 2024, the throughput of the Group's bulk grain terminal amounted to 7.925 million tonnes, representing an increase of 12.1% year-on-year.

In the first half of 2024, the Group's corn throughput was 4.027 million tonnes, representing an increase of 15.6% year-on-year. It was mainly due to the surging short-term trades as a result of the fall in domestic prices owing to the impact of international factors.

In the first half of 2024, the Group's soybean throughput was 1.971 million tonnes, representing an increase of 2.2% year-on-year. It was mainly due to the new cargo sources, which drove the year-on-year increase in the volume of imported soybeans.

The performance of the Bulk Grain Segment is set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Change (%)
Revenue	356,336,204.77	310,238,157.24	14.9
Percentage of the Group's revenue	6.6%	5.5%	Up by 1.1 percentage points
Gross profit	72,541,721.71	62,856,517.63	15.4
Percentage of the Group's gross profit	5.9%	3.8%	Up by 2.1 percentage points
Gross profit margin	20.4%	20.3%	Up by 0.1 percentage point

In the first half of 2024, the revenue from the Bulk Grain Segment increased by RMB46.10 million or 14.9% year-on-year, mainly due to the increase in revenue from loading and discharging driven by the increase in the business volume of grains such as corn.

In the first half of 2024, the gross profit of the Bulk Grain Segment increased by RMB9.69 million or 15.4% year-on-year, and the gross profit margin increased by 0.1 percentage point year-on-year, mainly due to the increase in the business volume of grains with high gross profit margin.

Passenger and Ro-Ro Segment

The following table sets out the passenger and roll-on/roll-off throughput handled by the Group in the first half of 2024, with comparative figures in the first half of 2023:

	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Increase/(decrease)
Passengers ('0,000 persons)	126.5	162.8	(22.3%)
Ro-Ro ('0,000 units)	40.2	50.2	(19.9%)

Throughput of passengers and roll-on/roll-off terminal was 1.265 million persons, a year-on-year decrease of 22.3%. Ro-Ro throughput amounted to 0.402 million units, a year-on-year decrease of 19.9%, mainly because the market has increased the passenger and Ro-Ro freight rates by approximately 30%, coupled with the adjustment of the marketing model and the cancellation of ticket outlets, resulting in the transfer of some cargo sources to other modes of transport.

The performance of the Passenger and Ro-Ro Segment is set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Change (%)
Revenue	96,744,497.69	94,355,865.66	2.5
Percentage of the Group's revenue	1.8%	1.7%	Up by 0.1 percentage point
Gross profit	19,331,980.07	15,980,072.00	21.0
Percentage of the Group's gross profit	1.6%	1.0%	Up by 0.6 percentage point
Gross profit margin	20.0%	16.9%	Up by 3.1 percentage points

In the first half of 2024, the revenue from the Passenger and Ro-Ro Segment increased by RMB2.39 million or 2.5% year-on-year, mainly due to an increase in the freight of the Passenger and Ro-Ro Segment.

In the first half of 2024, the gross profit of the Passenger and Ro-Ro Segment increased by RMB3.35 million or 21.0% year-on-year, and the gross profit margin increased by 3.1 percentage points year-on-year, mainly due to the increased revenue driven by the growth of the average unit price.

Value-added Services Segment

Tugging

In the first half of 2024, the Group strengthened the expansion of the market, and completed a tugging volume of 24,700 times.

The performance of the Value-added Services Segment is set out as follows:

Item	In the first half of 2024 (RMB)	In the first half of 2023 (RMB)	Change (%)
Revenue	543,902,955.20	553,800,120.52	-1.8
Percentage of the Group's revenue	10.1%	9.7%	Up by 0.4 percentage point
Gross profit	180,500,658.84	124,928,846.77	44.5
Percentage of the Group's gross profit	14.6%	7.6%	Up by 7.0 percentage points
Gross profit margin	33.2%	22.6%	Up by 10.6 percentage points

In the first half of 2024, the revenue from the Value-added Services Segment decreased by RMB9.90 million or 1.8% year on year, mainly due to the decrease of the revenue from the information companies' projects, engineering projects, and electricity fees. However, the increase of the tugging business volume curbed the decline in revenue.

In the first half of 2024, the gross profit of the Value-added Services Segment increased by RMB55.57 million or 44.5% year on year, and the gross profit margin increased by 10.6 percentage points year on year, mainly due to the impact of the decrease in service costs, depreciation expenses, maintenance expenses and energy expenses.

PROSPECTS OF THE SECOND HALF OF 2024

Competitive Landscape and Industry Trend

In the second half of the year, China will witness a stable and positive domestic economy, and domestic export trade will experience trend recovery driven by the cycle time of inventory replenishment and the related economies. China will gradually strengthen the economic and trade cooperation with neighboring countries such as Russia and South Korea. All these tend to foretell a stable growth. However, the rising costs of the raw materials, freight and labour and others have increased the production costs of foreign trade enterprises.

In the second half of the year, the Group's major initiatives for market development of its business segments are as follows:

Oil Segment

- To understand the inspection plans and resumption of work of key petrochemical enterprises in the hinterland timely, and stabilize the transshipment business of key clients. Focusing on tracking changes in the alternative crude oil market and actively develop the transshipment market in the Bohai Rim. Strengthening cooperation with traders and building a security and supply system of the crude oil logistics. Continuously enriching the service functions of the ports, upgrading the capacity of port facilities, and continuously improving the service quality and service level of the ports.

Container Segment

- To adhere to the development strategy of “Shipping Lanes + Transshipment + Logistics”, grasp the policy opportunities and demand of inter-regional trade and industry, and accelerate the construction of container hub port. Continuously optimizing and improving the shipping lane network channels, and thoroughly implementing the transshipment strategies of Bohai Rim. Strengthening the construction of a full logistics system, consolidating the cargo base of the shipping lanes, and promoting the high-quality development of the container business.

Automobile Terminal Segment

- To seize the opportunity from high-speed growth of commercial vehicle exports, strengthen the construction of foreign trade route network system, give full play to the advantages of cargo concentration, expand the export business increment of FAW and Chery, and make every effort to ensure the stable operation of the export routes in Southeast Asia and Middle East, so as to build an automobile transshipment center in Northeast Asia.

Bulk and General Cargo Segment

- To expand the domestic and foreign trade route network for steel, achieve the goal of “increasing volume through routes and ensuring volume through routes”; to give full play to the collaborative advantages among the group of companies under the China Merchants Group and promote the “one-stop solution” service model for steel shipping routes; to focus on the construction of the eastern Inner Mongolia and the western Liaoning channels and strive to win competitive cargo sources.
- To utilize the combination port model to solve the weak links in loading and unloading capacity; to strengthen cooperation with traders to develop the coal business in the near port trade; to give full play to the advantages of the near port service functions to increase the scale of the near port coal processing business; to target railway-only cargo sources and innovate logistics routes, so as to change customers’ inherent channel dependence.
- To make preparations in advance for the “Strategic Reserve” and “Simandou Iron Mine” projects in response to the insufficient domestic demand for iron ore in the hinterland and the structural changes in domestic and foreign mines; to focus on building a “transshipment and distribution + spot trading + near port processing” system to cultivate new business growth poles.

Bulk Grain Segment

- To focus on the movements of international and domestic grain markets and the domestic and foreign trade substitutes market dynamics, vigorously expand the access to domestic trade corn and policy-based grain sources, optimize the grain route transportation system, and smooth the logistics channel of grains from the north to the south.

Passenger and Ro-Ro Segment

- To give full play to the advantages of the ro-ro shipping capacity in the large passenger and cargo segment, further enrich the radiating network of passenger and cargo ro-ro routes, vigorously develop the ro-ro cargo ships as well as drop and pull transportation business, consolidate the passenger transport business for international cruise ships and China-South Korea international liners, and strengthen the construction of a ro-ro hub port in Bohai Bay.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, no further redemption of the Company's listed securities had been made by the Company. Neither the Company nor any of its subsidiaries had further purchased or sold the listed securities of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2024, the Company had complied with all code provisions of the corporate governance code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

None of the directors of the Company is aware of any information which would reasonably indicate that the Company has not complied with the code provisions as set out in the Corporate Governance Code during the period from 1 January 2024 to 30 June 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2024, the Company had adopted a code of conduct governing director's and supervisor's dealings in the Company's securities on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"). Upon specific enquiries, all directors and supervisors have confirmed that they had complied with the provisions of the Model Code and the code of conduct governing their dealings in the Company's securities during the relevant period.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company consists of Ms. CHENG Chaoying as an independent non-executive director, Dr. LI Guofeng as a Non-executive Director and Mr. CHAN Wai Hei as an independent non-executive director. Ms. CHENG Chaoying, an independent non-executive director, acts as the chairwoman of the audit committee. The audit committee and the external auditor have reviewed the unaudited interim results for the six months ended 30 June 2024.

Save as disclosed in this announcement, from 1 January 2024 to 30 June 2024, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules.

By Order of the Board
Liaoning Port Co., Ltd.*
WANG Huiying and LEE, Kin Yu Arthur
Joint Company Secretaries

Dalian City, Liaoning Province, the PRC
30 August 2024

As at the date of this announcement, the Board comprises:

Executive Directors: WANG Zhixian and WEI Minghui

Non-executive Directors: LI Guofeng, WANG Zhu, LI Yubin and YANG Bing

Independent non-executive Directors: LIU Chunyan, CHENG Chaoying and CHAN Wai Hei

* *The Company is registered as a Non-Hong Kong Company under Part XI of the previous Hong Kong Companies Ordinance (equivalent to Part 16 of the Companies Ordinance with effect from 3 March 2014) under the English name "Liaoning Port Co., Ltd."*

* *For identification purposes only*