



# 秦皇岛港股份有限公司

## QINHUANGDAO PORT CO.,LTD.\*

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



# 2024

## INTERIM REPORT

\*For identification purposes only

# IMPORTANT NOTICE

- I. The Board, the supervisory committee, the directors, supervisors and senior management of the Company hereby warrant that the contents of this interim report are true, accurate and complete, and there are no false representations, misleading statements or material omissions, and are jointly and severally responsible for the legal liabilities of the Company.
- II. All directors of the Company have attended the Board meetings.
- III. The interim report of the Company is unaudited.
- IV. ZHANG Xiaoqiang, the head of the Company, BU Zhouqing, the chief financial officer, and ZHAO Liangjun, the head of accounting department (Accounting Officer) have declared that they warrant the truthfulness, accuracy and completeness of the financial statements in this interim report.
- V. The profit distribution proposal or proposal to transfer capital reserve to share capital for the reporting period as resolved by the Board  
Not Applicable
- VI. Statement for the risks involved in the forward-looking statements  
 Applicable  Not applicable  
Forward-looking statements, such as future plans and development strategies described in this report do not constitute an actual commitment of the Company to investors. Investors should be aware of investment risks.
- VII. Is there any misappropriation of funds by the controlling shareholder and its related parties for non-operating purposes  
No
- VIII. Is there any external guarantee made in violation of the required decision-making procedures  
No
- IX. Are there more than half of the directors who cannot guarantee the truthfulness, accuracy and completeness of the interim report disclosed by the Company  
No
- X. Warning of major risks  
The Company has described relevant risks in this report. Please refer to “VII. (I) Potential Risks” of “Section III Management Discussion and Analysis” in this report for more details.
- XI. Others  
 Applicable  Not applicable



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Documents Available for Inspection	The interim report for the year 2024 signed by the Chairman of the Board
	Financial statements signed and affixed with the seal by the responsible person, chief financial officer and the head of the accounting department of the Company
	Originals of the Audit Report affixed with the seal by certified public accountant firm and signed and affixed with the seal by certified public accountants

# SECTION I DEFINITIONS

In this report, unless the context otherwise requires, the following terms have the meanings as follows:

## DEFINITIONS OF USEFUL EXPRESSIONS

QHD Port	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)
Company or the Company	Qinhuangdao Port Co., Ltd.* and its subsidiaries
Hebei Port Group, HPG, controlling shareholder or QHD Port Group	Hebei Port Group Co., Ltd.* (河北港口集團有限公司), a limited liability company incorporated under the laws of the PRC, previously known as Qinhuangdao Port Group Co., Ltd.* (秦皇島港務集團有限公司), which directly holds 56.27% equity interest of the Company
Reporting Period or the Year	the six months ended 30 June 2024
Corresponding period of 2023	the six months ended 30 June 2023
RMB	Renminbi, unless otherwise specified
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Shanghai Listing Rules	the Rules Governing the Listing of Securities on the Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
Prospectus	the Prospectus for the Initial Public Offering and Listing of A Shares of Qinhuangdao Port Co., Ltd. issued by the Company on SSE on 13 July 2017
HPG Finance	Hebei Port Group Finance Company Limited* (河北港口集團財務有限公司)
Cangzhou Mineral Port	Cangzhou Huanghuagang Mineral Port Co., Ltd.* (滄州黃驊港礦石港務有限公司), a company established in the PRC with limited liability on 10 April 2012, with 97.59% of its equity interest held by the Company as at the date of this report
Caofeidian Coal Port	Tangshan Caofeidian Coal Port Co., Ltd.* (唐山曹妃甸煤炭港務有限公司), a company established in the PRC with limited liability on 29 October 2009, with 51.00% of its equity interest held by the Company as at the date of this report
Caofeidian Shiye Port	Tangshan Caofeidian Shiye Port Co., Ltd.* (唐山曹妃甸實業港務有限公司), a company established in the PRC with limited liability on 4 September 2002, with 35.00% of its equity interest held by the Company as at the date of this report
A Share(s)	the domestic listed RMB ordinary share(s) in the share capital of QHD Port with a nominal value of RMB1.00 each, which are listed on the SSE
H Share(s)	Hong Kong listed ordinary share(s) in the share capital of QHD Port with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
Harbor	land and water surface of a port within the territory of the port and demarcated by the administrative agency of local government
Qinhuangdao Port	Qinhuangdao Port in Qinhuangdao City, Hebei Province
Caofeidian Port	Caofeidian Port Zone in Tangshan Port, Tangshan City, Hebei Province
Huanghua Port	Huanghua Port in Cangzhou City, Hebei Province
Throughput	a measure of the volume of cargoes handled by a port. Where cargoes are transshipped, each unloading and loading process is measured separately as part of throughput
Terminal	an infrastructure facility designated for mooring vessels, loading and unloading cargoes and boarding travelers
Berth	a place of a dock designated for a vessel to moor

# SECTION I DEFINITIONS

Bulk cargo	loose commodity cargo that is transported in volume size including dry bulk cargo and liquid bulk cargo
General cargo	a general terms for cargoes of various varieties, nature and packaging forms
TEU	a statistical conversion unit for containers, a container of twenty feet in length (i.e. one TEU)
Economic hinterland or Hinterland	hinterland connected with the port by means of transportation, a territory scope in the port where cargoes are generated from or cargoes to be transshipped through the port are consumed
Daqin Railway	the railway line from Hanjialing Station in Datong County, Shanxi Province to the Liucun South Station in Qinhuangdao City, Hebei Province
Board or Board of Directors	the board of directors of QHD Port
Director(s)	Director(s) of QHD Port

## SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

### I. PROFILE OF THE COMPANY

Company name in Chinese	秦皇島港股份有限公司
Abbreviation in Chinese	秦港股份
Company name in English	QINHUANGDAO PORT CO., LTD.
Abbreviation in English	QHD PORT
Legal representative of the Company	ZHANG Xiaoqiang

### II. CONTACT PERSON AND CONTACT METHOD

	Secretary to the Board	Securities Representative
Name	GAO Feng	TIAN Hongwei
Address	35 Haibin Road, Haigang District, Qinhuangdao, Hebei Province	35 Haibin Road, Haigang District, Qinhuangdao, Hebei Province
Telephone	0335-3099676	0335-3099676
Facsimile	0335-3093599	0335-3093599
E-mail	qggf@portqhd.com	qggf@portqhd.com

### III. CHANGES IN BASIC INFORMATION

Registered address of the Company	35 Haibin Road, Haigang District, Qinhuangdao, Hebei Province
Historical change of registered address of the Company	Not Applicable
Business address of the Company	35 Haibin Road, Haigang District, Qinhuangdao, Hebei Province
Postal code of the business address of the Company	066001
Website address of the Company	www.portqhd.com
E-mail	qggf@portqhd.com
Enquiry index for changes during the Reporting Period	Not Applicable

### IV. CHANGE PROFILE OF INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name of media of information disclosure designated by the Company	China Securities Journal and Shanghai Securities News
Website address for publication of interim report	www.sse.com.cn www.hkexnews.hk
Place where interim report of the Company is available for inspection	Corporate Management Department (Legal and Risk Control Department) of the Company
Enquiry index for changes during the Reporting Period	Not Applicable

### V. SHARES OF THE COMPANY

Types of Shares	Stock exchanges of listing	Stock abbreviation	Stock codes	Stock abbreviation before changes
A Shares	Shanghai Stock Exchange	QHD PORT	601326	Not Applicable
H Shares	The Stock Exchange of Hong Kong Limited	QHD PORT	03369	Not Applicable

### VI. OTHER RELEVANT INFORMATION

Applicable     Not applicable

## SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

### VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

#### (I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	For the Reporting Period (January – June)	Corresponding period of last year	Increase/decrease for the Reporting Period as compared to the corresponding period of last year (%)
Operating revenue	3,461,594,202.34	3,584,196,340.31	-3.42
Net profit attributable to Shareholders of the listed Company	1,010,289,679.26	912,728,144.53	10.69
Net profit attributable to Shareholders of the listed Company after deducting non-recurring profits and losses	943,123,979.64	883,481,780.39	6.75
Net cash flow generated from operating activities	1,481,449,302.79	1,581,816,967.64	-6.35

  

	End of the Reporting Period	End of last year	Increase/decrease for the end of the Reporting Period as compared to the end of last year (%)
Net assets attributable to Shareholders of the listed Company	18,913,879,642.25	18,423,519,428.29	2.66
Total assets	28,697,357,170.08	28,026,106,959.77	2.40

#### (II) Major financial indicators

Major financial indicators	For the Reporting Period (January – June)	Corresponding period of last year	Increase/decrease for the Reporting Period as compared to the corresponding period of last year (%)
Basic earnings per share (RMB/Share)	0.18	0.16	12.50
Diluted earnings per share (RMB/Share)	0.18	0.16	12.50
Basic earnings per share after deducting non-recurring profits and losses (RMB/Share)	0.17	0.16	6.25
Weighted average return on net assets (%)	5.35	5.13	Increase by 0.22 percentage point
Weighted average return on net assets after deducting non-recurring profits and losses (%)	4.99	4.96	Increase by 0.03 percentage point

Description of major accounting data and financial indicators of the Company

Applicable  Not applicable

### VIII. DIFFERENCE IN ACCOUNTING DATA BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Applicable  Not applicable

## SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

### IX. NON-RECURRING PROFIT AND LOSS ITEMS AND THEIR AMOUNTS

Applicable  Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount	Note (if applicable)
Profit or loss from disposal of non-current assets (including write-off of provision for assets impairment)	86,634,190.86	
Government grants recognized in profit or loss (except for the government grants that are closely related to the normal business of the Company, granted in accordance with an established standard and having an ongoing effect on the Company's profit or loss in compliance with national policies and regulations)	1,084,876.61	
Except for effective hedging activities conducted in the ordinary course of business of the Company, gain or loss arising from the change in fair value of financial assets and financial liabilities held by a non-financial company, as well as gain or loss arising from disposal of its financial assets and financial liabilities		
Fund possession cost paid by non-financial enterprise and recorded under current profit and loss		
Profit/loss from entrusted investment or asset management		
Profit/loss from external entrusted loans		
Loss of assets due to force majeure (e.g. natural disaster)		
Write back of the provision for impairment of accounts receivable, that is individually tested for impairment		
The excess of the fair value of identifiable net assets acquired over the cost for acquisition of subsidiaries, associates and joint ventures		
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger		
Profit/loss of non-monetary asset swap		
Profit/loss from debt restructuring		
One-off costs incurred by the enterprise as a result of the discontinuation of the relevant business activities, e.g. expenses for relocating staff, etc.		
One-off effect on profit or loss due to adjustments in tax, accounting and other laws and regulations		
Share-based payment expense recognized as a result of one-off cancellation and modification of the share incentive scheme		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of remuneration payable to employees after the date on which they become exercisable		
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement		
Profit of a transaction of obviously unfair consideration		
Profit/loss from contingencies irrelevant to the normal operations of the Company		
Income of entrustment fees from entrusted operations		
Other non-operating income or expenses other than the above items	-64,382.36	
Other profit or loss items that fall within the meaning of non-recurring profit and loss	1,007,804.46	
Less: Impact of income tax	21,525,898.39	
Impact on minority interests (after tax)	-29,108.44	
<b>Total</b>	<b>67,165,699.62</b>	

Explanations on the non-recurring gain or loss items not listed in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No.1 – Extraordinary Gains or Losses and the amount of which is material, and the non-recurring gain or loss items listed in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Extraordinary Gains or Losses which however are defined by the Company as recurring gain or loss items.

Applicable  Not applicable

### X. OTHERS

Applicable  Not applicable



# SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## I. THE COMPANY'S INDUSTRY AND PRINCIPAL BUSINESS DURING THE REPORTING PERIOD

### (I) Principal Business

The Company provides highly integrated and comprehensive port services including stevedoring, stacking, warehousing, transportation and logistics services. The Company handles various types of cargoes mainly including coal, metal ores, oil and liquefied chemicals, containers and general cargoes.

### (II) Business Model

#### 1. Procurement Model

The Company is mainly engaged in stevedoring, stacking, port management and relevant ancillary services, and, as compared with production-oriented enterprises, it has less demand of raw materials. Major purchases of the Company include supplies, stevedoring and transportation equipment.

The purchase of supplies includes materials, low-value consumables, energy (including water and electricity) and accessories, among which, the purchase of energy accounts for the majority of the total purchases of the Company. All of the above production supplies shall be independently procured by the Company by entering into relevant contracts.

#### 2. Production Model

Main production processes of the Company include stevedoring, stacking and handling within the ports, and stevedoring of cargoes in road transportation.

The Company has complete production operation systems and organizational management systems, complete terminal and logistics facilities and ancillary machinery and equipment system, as well as complete and independent information operation, management and network system for the operation of various production and business activities.

#### 3. Marketing Model

The Company has an independent marketing system to continuously improve its service level, maintain its existing customer base, and actively explore new customer resources.

##### (1) Marketing Model for Coal Business

The coal business in the ports is directly managed by the Company's production department without distribution or agency arrangement. The Company has set up branch offices in Taiyuan and Hohhot, covering the whole Hinterland where cargoes are sourced and coordinating the cargo flow.

The Company mainly negotiated business by attending transportation conferences and order placing meetings of various industries across the country, and adopted the mode of mutual visits between itself and customers. In the meantime, the Company continued to improve its service quality, carried out in-depth marketing work, established and improved its online marketing system to provide "one-stop" services to customers. The Company will adjust and optimize the existing business model according to the changes in the market situation, actively communicate with customers, carry out various featured businesses such as coal blending business, dedicated facilities, quasi-liner shipping and online business platform, enter into long-term port operation contracts with major coal shipping enterprises and end users of coal, jointly determine the base of annual transshipment volume, and appropriately provide reserved stacking yards and berths to facilitate coal transshipment by customers using port resources.

##### (2) Marketing Model for Business of Other Types of Cargoes

By reference to the marketing model for coal business, the Company set up the marketing model for business of other types of cargoes, and improved sales network and sales efficiency. The Company analyzed industrial structure and shipping demands of the Hinterland in depth, reinforced communications with authorities of the Hinterland, to seek policy support and reduce operational costs; organized various activities such as promotional meetings and exhibitions to enhance the reputation and influence of new types of cargoes in the economic Hinterland. The Company provided high-quality and professional services to meet customers' demands and gained their trust; established a complete customer relationship management system and communicated with customers regularly to know customers' feedback and solve their issues timely; paid attention to market movements and information about the competitors to adjust marketing strategy timely, strengthened collaborations with business partners to jointly expand the market and achieve win-win development.

# SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## II. ANALYSIS ON THE CORE COMPETITIVE ADVANTAGE DURING THE REPORTING PERIOD

√ Applicable    □ Not applicable

**(I) The consolidation of port resources in Hebei Province brought new opportunities for the development of the Company in the future.**

In July 2022, the government of Hebei Province initiated the consolidation of relevant ports, where the equity interests of Tangshan Port Industrial Group Co., Ltd., Caofeidian Port Group Co., Ltd., and certain port companies in Caofeidian have been transferred to HPG, the controlling shareholder of the Company, and restructured into a new group (still named as HPG). The consolidation of relevant ports in Hebei will effectively solve the problems brought by the disorderly and virulent competition among the ports and overlapping projects in Hebei Province and thus improve the overall competitive advantage of the ports in Hebei Province. The new group will coordinate the business planning of different ports and optimize resource allocation, bringing new opportunities for the Company's development in the future.

**(II) The Company is a leading public terminal operator for dry bulk cargoes in the world. It implements the cross-port operation strategy of Qinhuangdao Port, Tangshan Port and Cangzhou Port, and operates Qinhuangdao Port, which is an important port for seaborne coal in China, and focuses on expanding business in Caofeidian region and Cangzhou region.**

As an important port of the "West-East coal transportation" and "North-South coal transportation" in coal transportation in China, Qinhuangdao Port plays an important role in ensuring the safety of national energy transportation. The Company was entrusted with the management of the equity interests in various coal professional ports, of which HPG has equity participation in Caofeidian. Deeply expanding the construction of major projects of Huanghua Port Zone in Cangzhou, the Company's ore handling capacity in Huanghua Port Zone in Cangzhou has been substantially improved after the Phase 1 expansion project of Cangzhou Mineral port was formally put into production and operation.

**(III) The economic hinterland of the Company covers a wide range of areas with large service radius, and has a solid foundation for development.**

Qinhuangdao Port and Caofeidian Port, which are connected to three major areas of coal production in China, namely the "Three Xi" areas, through Daqin Railway and its branches such as Qiancao Line, Zhangtang Railway, are major ports for outward transportation of coal via waterway. The economic Hinterland covers Shanghai, Jiangsu, Fujian and other provinces or cities. The aforesaid areas are main regions of resources and supplies consumption but lack of resources, which gives rise to significant demands for coal and provide adequate guarantee for the Company's future development of business.

Hebei Province is the largest iron and steel manufacturing base in China, of which Tangshan and Handan are major iron and steel manufacturing bases and have considerable demand for iron ores. Caofeidian Port is located in Tangshan, and Huanghua Port is directly connected to central and south areas of Hebei Province such as Handan through Hanhuang Railway. The Company's Caofeidian Port and Huanghua Port benefit from the increased demand of iron and steel bases for imported iron ore.

**(IV) The Company continues to promote the construction of the "integrity, intelligent, efficient and green" ports and strives to forge itself to become a world-leading port enterprise for dry bulk cargoes.**

In terms of smart port, we established "one center with three platforms" with production coordination center as the hub and integrated system comprising smart environment supervision platform, smart security regulation platform and smart port management platform, to achieve more efficient production, systematic management and scientific decision-making; in terms of green port, we vigorously advanced the development of Qinhuangdao Port as a "Five-star" green port and AAAAA industrial tourist attraction and Phases 3, 4 and 5 of coal terminal project in Qinhuangdao Port passed on-site review on "Five-star" green port; in terms of safe port, we set up a three-dimensional (strip, block and net) management model for safe production, fostered the implementation of security management at the end side on a level-by-level basis, promoted the closed-off management of medium to high dangerous areas, preliminarily realized visible security risk, dynamic operation tracking and essential security management; in terms of efficient port, we pushed forward the construction of digital stacking yards and transformation of smart operation. Phase 5 of coal terminal project in Qinhuangdao Port achieved remote control by a single machine in all unloading, stacking, reclaiming and loading operations, possessing all capacities of automatic operation by a single machine.

# SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## III. OVERVIEW OF INDUSTRY ECONOMY IN THE FIRST HALF OF 2024

### (I) Overall Situation

China's GDP amounted to RMB61,683.6 billion in the first half of 2024, representing a year-on-year increase of 5.0% if calculated at constant prices. In terms of industries, the added value of the primary industry was RMB3,066.0 billion, up by 3.5% over that of the previous year; that of the secondary industry was RMB23,653.0 billion, up by 5.8%; and that of the tertiary industry was RMB34,964.6 billion, up by 4.6%. In terms of quarters, China's GDP grew by 5.3% year-on-year in the first quarter and grew by 4.7% in the second quarter.

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

In the first half of 2024, China's cargo throughput in ports reached 8.56 billion tonnes, representing a year-on-year increase of 4.6%, of which the second quarter achieved a year-on-year increase of 3.2%. In terms of structures, domestic trade throughput increased by 2.7% year-on-year, while foreign trade throughput increased by 8.8% year-on-year. The container throughput completed reached 160 million TEUs, representing a year-on-year increase of 8.5%.

## IV. DISCUSSION AND ANALYSIS OF OPERATIONS

During the Reporting Period, the Company achieved a total cargo throughput of 202.16 million tonnes, representing an increase of 5.68 million tonnes or 2.89% as compared to the throughput of 196.48 million tonnes in the corresponding period of 2023.

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

	First half year of 2024		First half year of 2023		Increase/ (decrease) (million tonnes)	Increase/ (decrease) (%)
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total throughput (%)		
Qinhuangdao Port	89.14	44.09	92.29	46.97	(3.15)	(3.41)
Caofeidian Port	65.38	32.34	61.66	31.38	3.72	6.03
Huanghua Port	47.64	23.57	42.53	21.65	5.11	12.02
Total	202.16	100.00	196.48	100.00	5.68	2.89

During the Reporting Period, the Company achieved a cargo throughput of 89.14 million tonnes in Qinhuangdao Port, representing a decrease of 3.15 million tonnes or 3.41% from 92.29 million tonnes in the corresponding period of 2023, which was mainly due to the decline in coal throughput at Qinhuangdao Port as affected by factors like weak demand in the domestic coal market and the impact of imported coal on the domestic coal trade market.

The Company achieved a cargo throughput of 65.38 million tonnes in Caofeidian Port, representing an increase of 3.72 million tonnes or 6.03% from 61.66 million tonnes in the corresponding period of 2023, which was mainly attributed to the fact that the global iron ore market maintained a high level of supply and demand, the iron and steel enterprises in the Hinterland had increasing import demand for iron ores and other raw materials, thereby driving the growth of iron ore throughput at Caofeidian Port.

The Company achieved a cargo throughput of 47.64 million tonnes in Huanghua Port, representing an increase of 5.11 million tonnes or 12.02% from 42.53 million tonnes in the corresponding period of 2023. This was mainly due to the Company's focus on building a green logistics channel for railway transportation of bauxite and other businesses in central and southern Hebei and Shanxi, thereby promoting the growth in throughput of bauxite and other cargoes at Huanghua Port.

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

	First half year of 2024		First half year of 2023		Increase/ (decrease) (million tonnes)	Increase/ (decrease) (%)
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total throughput (%)		
Coal	102.44	50.67	111.39	56.69	(8.95)	(8.03)
Metal ore	76.05	37.62	64.55	32.85	11.50	17.82
Oil and liquefied chemicals	0.79	0.39	0.80	0.41	(0.01)	(1.25)
Container	7.23	3.58	6.78	3.45	0.45	6.64
General and other cargoes	15.65	7.74	12.96	6.60	2.69	20.76
Total	202.16	100.00	196.48	100.00	5.68	2.89

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (I) Coal handling services

During the Reporting Period, the Company achieved a coal throughput of 102.44 million tonnes, representing a decrease of 8.95 million tonnes or 8.03% from 111.39 million tonnes in the corresponding period of 2023. Such decrease was mainly attributed to the following reasons: firstly, the raw coal production in main coal-producing regions declined due to factors such as production restrictions and overproduction inspections, resulting in the shortage of cargo sources in ports. In addition, imported coal had a price advantage, which squeezed the share of domestic coal market; secondly, the insufficient commencement rate of projects in the cement and chemical industries, the lower year-on-year daily consumption of power plants, the continued weakness in downstream demand and the significant increase in the proportion of new energy power generation led to a decline in the Company's coal throughput.

### (II) Metal ore handling services

During the Reporting Period, the Company achieved a metal ores throughput of 76.05 million tonnes, representing an increase of 11.50 million tonnes or 17.82% from 64.55 million tonnes in the corresponding period of 2023. Such increase was mainly due to increasing import demand for iron ores and other raw materials benefiting from the boom in the international steel market, which drove a significant increase in the throughput of the Company's iron ore cargoes.

### (III) Oil and liquefied chemicals handling services

During the Reporting Period, the Company achieved an oil and liquefied chemicals throughput of 0.79 million tonnes, representing a decrease of 0.01 million tonne or 1.25% from 0.80 million tonnes in the corresponding period of 2023. Such decrease was mainly due to a slight decline in the Company's liquefied chemicals throughput as affected by factors such as the aging of offshore oil platforms, the year-on-year decrease in oil extraction volume, the slow resumption of work and production of asphalt plants in the Hinterland, and the market price of refined oil products.

### (IV) Container services

During the Reporting Period, the Company achieved a total container throughput of 600,199 TEUs, equivalent to a throughput of 7.23 million tonnes, representing an increase in the number of containers handled and throughput of 30,097 TEUs or 5.28% as compared with the number of containers handled and throughput of 570,102 TEUs and 6.78 million tonnes in the corresponding period of 2023, respectively. Such increase was mainly due to the opening of direct shipping routes from Huanghua Port to South China, Fujian and other regions, which drove the growth of the Company's container business.

### (V) General cargoes handling services

During the Reporting Period, the Company achieved a throughput of general and other cargoes of 15.65 million tonnes, representing an increase of 2.69 million tonnes or 20.76% from 12.96 million tonnes in the corresponding period of 2023. The increase was mainly due to the fact that the Company actively promoted the development of grain and bauxite customers, leading to a significant increase in the Company's grain and bauxite throughput on a year-on-year basis.

### (VI) Ancillary port services and value-added services

The Company also provides a variety of ancillary port services and value-added services. The Company's ancillary port services and value-added services include tallying, coal blending and other businesses. In the first half year of 2024, the revenue of ancillary port services and value-added services of the Company amounted to RMB46,744.5 thousand, representing an increase of RMB2,294.2 thousand or 5.16% from RMB44,450.3 thousand in the corresponding period of 2023.

Significant changes in the Company's operating conditions during the Reporting Period and events that occurred during the Reporting Period that have a significant impact on the Company's operating conditions and are expected to have a significant impact in the future

Applicable  Not applicable

# SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## V. OPERATING RESULTS OF MAJOR BUSINESSES DURING THE REPORTING PERIOD

### (I) Analysis on major operating businesses

#### 1. Analysis on the changes in the relevant items in financial statement

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of the previous year	Change in proportion (%)
Operating revenue	3,461,594,202.34	3,584,196,340.31	-3.42
Operating costs	2,069,285,986.70	2,154,113,240.41	-3.94
Administrative expenses	323,910,765.75	303,049,013.18	6.88
Financial expenses	34,885,182.45	83,256,173.02	-58.10
Research and development expenses	43,204,191.74	43,058,280.77	0.34
Net cash flows from operating activities	1,481,449,302.79	1,581,816,967.64	-6.35
Net cash flows from investing activities	-369,336,395.03	-749,418,806.24	50.72
Net cash flows from financing activities	-269,112,569.03	-718,103,707.57	62.52

Reasons for changes in operating revenue: During the Reporting Period, operating revenue of the Company amounted to RMB3,461,594.2 thousand, representing a decrease of 3.42% as compared to the corresponding period of last year, mainly due to the decrease in the coal throughput.

Reasons for changes in operating costs: During the Reporting Period, operating costs of the Company amounted to RMB2,069,286.0 thousand, representing a decrease of 3.94% as compared to the corresponding period of last year, mainly due to the implementation of cost reduction and cost saving measures by the Company.

Reasons for changes in administrative expenses: During the Reporting Period, the Company's administrative expenses amounted to RMB323,910.8 thousand, representing an increase of 6.88% as compared to the corresponding period of last year, which was mainly due to the increase in internal retirement benefit fee as compared to the corresponding period of last year.

Reasons for changes in financial expenses: During the Reporting Period, the Company's financial costs amounted to RMB34,885.2 thousand, representing a decrease of 58.10% as compared to the corresponding period of last year, mainly due to the reduction of interest expenses through the reduction of loan scale and loan interest rates.

Reasons for changes in research and development expenses: During the Reporting Period, the Company's research and development expenses amounted to RMB43,204.2 thousand, representing an increase of 0.34% as compared to the corresponding period of last year, mainly due to the increase in research and development investment.

Reasons for changes in net cash flows from operating activities: During the Reporting Period, the Company's net cash flows generated from operating activities amounted to RMB1,481,449.3 thousand, representing a decrease of 6.35% as compared to the corresponding period of last year, mainly due to the impact on the decrease in cash inflows of operating activities as compared to the corresponding period of last year driven by the decrease in the coal throughput.

Reasons for changes in net cash flows from investing activities: During the Reporting Period, the Company's net cash flows generated from investing activities amounted to RMB-369,336.4 thousand, representing an increase of 50.72% as compared to the corresponding period of last year, mainly due to the combined effect of the disposal of equity interests in Tangshan Caofeidian Tugboat Co., Ltd. (唐山港曹妃甸拖船有限公司) held by Caofeidian Coal Port, a controlling subsidiary of the Company, and the assets of the Company's Shipping Branch, as well as the increase in the receipt of dividends from investment enterprises and the payment of construction fees as compared to the corresponding period of last year.

Reasons for changes in net cash flows from financing activities: During the Reporting Period, the Company's net cash flows from financing activities amounted to RMB-269,112.6 thousand, representing an increase of 62.52% as compared to the corresponding period of last year, mainly due to the impact on the decrease in repayments of borrowings.

#### 2. Detailed explanation of major changes in the main business types of the Company, the structure or sources of the Company's profits for the Reporting Period

Applicable  Not applicable

### (II) Description of material changes in profits from non-major businesses

Applicable  Not applicable

# SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## (III) Analysis on assets and liabilities

√ Applicable    □ Not applicable

### 1. Assets and liabilities

Unit: Yuan    Currency: RMB

Items	Amount at the end of the current period	Percentage of the amount at the end of the current period over the total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period over the total assets (%)	Percentage change in the amount at the end of the current period as compared to that at the end of the previous period (%)	Description
Cash and bank balances	2,943,437,678.91	10.26	2,838,023,456.57	10.13	3.71	
Bills receivable	65,125,635.00	0.23	49,965,475.00	0.18	30.34	
Accounts receivable	87,808,633.20	0.31	67,817,955.73	0.24	29.48	
Accounts receivable financing	48,232,044.89	0.17	74,502,289.57	0.27	-35.26	
Other receivables	19,300,810.94	0.07	131,647,857.46	0.47	-85.34	
Other current assets	141,141,360.42	0.49	178,778,070.14	0.64	-21.05	
Other equity instruments investments	778,748,965.46	2.71	1,091,562,136.20	3.89	-28.66	
Construction in progress	1,589,077,471.63	5.54	815,220,131.65	2.91	94.93	
Other non-current assets	3,729,507,371.46	13.00	2,427,279,951.61	8.66	53.65	
Short-term borrowings	500,370,833.34	1.74	500,252,083.33	1.78	0.02	
Taxes payable	30,957,544.51	0.11	21,764,786.44	0.08	42.24	
Other payables	965,053,657.05	3.36	603,776,486.76	2.15	59.84	
Lease liabilities	0.00	-	7,219.53	-	-100.00	
Long-term payable	32,000,000.00	0.11	32,000,000.00	0.11	-	
Long-term employee benefits payable	227,921,980.02	0.79	267,844,523.45	0.96	-14.91	
Deferred income	100,731,536.69	0.35	108,099,841.75	0.39	-6.82	
Deferred income tax liabilities	31,739,151.86	0.11	89,471,967.06	0.32	-64.53	

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### Other descriptions

Bills receivable as at 30 June 2024 amounted to RMB65,125.6 thousand, representing an increase of 30.34% from the beginning of the year, mainly due to the increase in the parent company.

Accounts receivable financing as at 30 June 2024 amounted to RMB48,232.0 thousand, representing a decrease of 35.26% from the beginning of the year, mainly due to the use of bills for settlement.

Other receivables as at 30 June 2024 amounted to RMB19,300.8 thousand, representing a decrease of 85.34% from the beginning of the year, mainly due to the receipt of dividends from Caofeidian Shiye Port, our associate.

Construction in progress as at 30 June 2024 amounted to RMB1,589,077.5 thousand, representing an increase of 94.93% from the beginning of the year, mainly due to the increase in renovation projects of multi-functional Port 1 and 2# berth of Cangzhou Mineral Port.

Other non-current assets as at 30 June 2024 amounted to RMB3,729,507.4 thousand, representing an increase of 53.65% from the beginning of the year, mainly due to the increase in time deposits with a maturity of over one year and the increase in prepayments for construction fees.

Taxes payable as at 30 June 2024 amounted to RMB30,957.5 thousand, representing an increase of 42.24% from the beginning of the year, mainly due to the increase in enterprise income tax payable by Cangzhou Mineral Port.

Other payables as at 30 June 2024 amounted to RMB965,053.7 thousand, representing an increase of 59.84% from the beginning of the year, mainly due to the combined effect of the provision of dividends and the payments of construction fees.

Lease liabilities as at 30 June 2024 had no balance at the end of the period, representing a decrease of 100% from the beginning of the year, mainly because the lease expiry dates were all due within one year.

Deferred income tax liabilities as at 30 June 2024 amounted to RMB31,739.2 thousand, representing a decrease of 64.53% from the beginning of the year, mainly due to the difference in taxation of changes in fair value of investments in other equity instruments.

### 2. Overseas assets

Applicable  Not applicable

#### (1) Assets scale

Including: overseas assets of 59,466,704.62 (Unit: Yuan, Currency: RMB), representing 0.21% of the total assets.

#### (2) Explanation of the relatively high percentage of overseas assets

Applicable  Not applicable

### 3. Restrictions on major assets as at the end of the Reporting Period

Applicable  Not applicable

### 4. Other explanations

Applicable  Not applicable

# SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## (IV) Analysis of investments

### 1. Overall analysis on external equity investments

Applicable  Not applicable

As at the end of the Reporting Period, the closing balance of external equity investments of the Company was RMB4,055,446.1 thousand, representing an increase of RMB234,019.8 thousand by 6.12% over the beginning of the Reporting Period. For details of such changes, please refer to “8. Long-term Equity Investments” of “V. Notes to Key Items of the Consolidated Financial Statements” set out in Section X of the report.

#### (1) Substantial equity investments

Applicable  Not applicable

#### (2) Substantial non-equity investments

Applicable  Not applicable

#### (3) Financial assets measured at fair value

Applicable  Not applicable

Unit: Yuan Currency: RMB

Category of assets	Opening balance	Gains or losses on fair value change for the Reporting Period	Total fair value change recorded in equity	Impairment for the Reporting Period	Amount of purchase for the Reporting Period	Amount of disposal/redemption for the Reporting Period	Other changes	Ending balance
Financing receivables	74,502,289.57						-26,270,244.68	48,232,044.89
Other equity instruments investments	1,091,562,136.20	-123,562,935.33				-189,250,235.41		778,748,965.46
Total	1,166,064,425.77	-123,562,935.33				-189,250,235.41	-26,270,244.68	826,981,010.35

#### Securities investment

Applicable  Not applicable

#### Description of securities investment

Applicable  Not applicable

#### Private equity investment

Applicable  Not applicable

#### Derivative Investment

Applicable  Not applicable

## (V) Sales of substantial assets and equity interests

Applicable  Not applicable



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### (VI) Analysis of major controlled companies and investees

Applicable  Not applicable

Cangzhou Mineral Port is a substantial subsidiary of the Company. It was incorporated on 10 April 2012, with a registered capital of RMB5,266,348.2 thousand. Its headquarters is located in Bohai New District, Cangzhou City, Hebei Province. It mainly engages in stevedoring, stacking and other businesses. As of 30 June 2024, the total assets of Cangzhou Mineral Port was RMB10,020,286.9 thousand, of which the net assets were RMB6,600,550.8 thousand. From January to June 2024, the revenue of Cangzhou Mineral Port was RMB1,040,364.6 thousand, and the operating profit was RMB273,605.6 thousand. Net profit was RMB242.498.4 thousand, accounting for 24.00% of net profit attributable to the parent company.

Caofeidian Coal Port is a substantial subsidiary of the Company. It was incorporated on 29 October 2009, with a registered capital of RMB1,800,000.0 thousand. Its headquarters is located in Caofeidian Industrial Park, Tangshan City, Hebei Province. It mainly engages in business including stevedoring and storage services. As at 30 June 2024, the total assets of Caofeidian Coal Port were RMB4,343,513.3 thousand, of which the net assets were RMB1,259,434.6 thousand. From January to June 2024, the operating revenue of Caofeidian Coal Port was RMB351,944.7 thousand and the operating profit was RMB29,386.0 thousand. Net profit was RMB29,393.1 thousand, accounting for 2.91% of net profit attributable to the parent company.

Caofeidian Shiye Port is a substantial investee of the Company. It was incorporated on 4 September 2002, with a registered capital of RMB2,000,000.0 thousand. Its headquarters is located in Caofeidian Industrial Park, Tangshan City, Hebei Province. It mainly engages in businesses including operation of port business and investment in infrastructure. As at 30 June 2024, the total assets of Caofeidian Shiye Port were RMB8,244,207.6 thousand, of which the net assets were RMB6,999,717.7 thousand. From January to June 2024, the operating revenue of Caofeidian Shiye Port was RMB1,096,370.2 thousand, and the operating profit was RMB663,661.8 thousand. Net profit was RMB502,115.3 thousand, and the Company's share of investment income in proportion to shareholding accounted for 17.40% of net profit attributable to the parent company.

### (VII) Structured entities under the control of the Company

Applicable  Not applicable

## VI. PROSPECTS IN THE SECOND HALF OF 2024

In the second half of 2024, the Company will keep a close eye on market changes and optimize port services to achieve steady growth in business performance for the year.

**Coal Business:** It is expected that the coal market will continue to show a weak supply and demand situation in the second half of the year. To actively respond to the current situation in the coal market, the Company will increase the upstream and downstream visits to fully balance supply and demand, and maximize the increase in cargo sources; study and formulate the marketing plans for different port areas and channels, strengthen analytical capabilities, carry out precision marketing, and strive to maintain stability in coal cargo categories.

**Metal Ore Business:** The Company will actively develop customers in central and southern Hebei, Northwest China, Shanxi and other regions to attract more cargo sources to the port. We will make every effort to promote the construction of green power and hydrogen energy channels, serve steel and aluminum enterprises along the routes, and strive to form a full coverage of the green collection, distribution and transportation system for central and southern Hebei and Shanxi.

**General and Other Cargo Business:** The Company will actively promote the qualification declaration of designated supervisory sites for inbound grains and continue to focus on grain cargoes as a key source of cargoes to enhance the growth of throughput.

# SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

## VII. OTHER DISCLOSURES

### (I) Potential Risks

Applicable  Not applicable

At present and for a long period of time in the future, the Company faces both challenges and opportunities. The port industry in which the Company operates is a fundamental sector of the national economy, and the development level of the industry is closely related to the development of the national economy. The macroeconomic situation has a certain impact on the Company's business performance. The Company mainly operates bulk commodities such as iron ore and coal, which are greatly influenced by the steel and energy industries. Steel industry of China will carry on the tasks of deepening the supply-front reform and the steel production will enter a stagnant phase of peak. The goal of "peaking carbon dioxide emissions and carbon neutrality" will accelerate the transformation of the energy structure, and the proportion of coal in China's primary energy consumption structure will decline. At the same time, a series of national and local strategies and policies, such as the synergetic development of Beijing, Tianjin and Hebei, the Belt and Road Initiative, Xiong'an New Area, Hebei accelerating construction of a strong open province, have been successively introduced, adding vitality to the regional economic development and providing external conditions for the transformation and development of ports.

Recently, the Company's major risks include 1. the target of "peaking carbon dioxide emissions and carbon neutrality" restricts the development of high-energy-consuming industries, which will further decrease the demand for coal; 2. the coal imported at a low price may impact on the coal of domestic trade; 3. the increase in the proportion of new energy generation which will squeeze the share of thermal power market; 4. the intensification of competition around the Bohai Sea ports.

### (II) Other Disclosures

Applicable  Not applicable

#### 1. Gross Profit Margin

During the Reporting Period, gross profit of the Company amounted to RMB1,392,308.2 thousand, representing a decrease of 2.64% as compared to the corresponding period of last year. Gross profit margin of the Company for the Reporting Period was 40.22%, representing an increase of 0.32 percentage point as compared to the corresponding period of last year.

#### 2. Tax and Surcharges

During the Reporting Period, the tax and surcharges of the Company amounted to RMB67,699.5 thousand, representing a decrease of 0.81% as compared to the corresponding period of last year, mainly due to the decrease in environmental protection tax.

#### 3. Other Income

During the Reporting Period, the Company's other income amounted to RMB8,050.5 thousand, representing a decrease of 74.30% as compared to the corresponding period of last year, mainly due to the change in the policy related to additional deduction of VATs.

#### 4. Investment Income

During the Reporting Period, the Company's investment income amounted to RMB223,774.5 thousand, representing an increase of 30.01% as compared to the corresponding period of last year, mainly due to the increase in net profits of associates of the Company.

#### 5. Net Non-operating Revenue and Expenses

During the Reporting Period, net non-operating revenue and expenses of the Company amounted to RMB2,851.0 thousand, representing a year-on-year decrease of 16.46%, which was mainly due to the decrease of the gains on obsolescence of non-current assets.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

### 6. Income Tax Expense

The Company's income tax expenses increased by RMB2,957.0 thousand to RMB205,325.9 thousand for the Reporting Period from RMB202,368.9 thousand for the corresponding period of last year, and the effective income tax rate of the Company decreased to 16.60% for the Reporting Period from 17.54% for the corresponding period of last year, mainly because that Phase 1 expansion project of Cangzhou Mineral Port is entitled to a preferential income tax policy of a 3-year exemption followed by a 3-year 50% reduction.

### 7. Net Profit

The Company's net profit for the Reporting Period amounted to RMB1,031,686.7 thousand, representing an increase of 8.47% as compared to the corresponding period of last year, of which the net profit attributable to owners of the parent company amounted to RMB1,010,289.7 thousand, representing an increase of 10.69% as compared to the corresponding period of last year. Net profit margin of the Company was 29.19%, representing a year-on-year increase of 3.72 percentage points.

### 8. Bank Loans and Other Borrowings

As at 30 June 2024, the details of the Company's bank loans and other borrowings are set out in "18. Short-term borrowings", "24. Non-current liabilities due within one year" and "25. Long-term borrowings" of "V. Notes to Key Items of the Consolidated Financial Statements" of Section X.

### 9. Exchange Rate Risks

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

### 10. Pledge of Assets and Contingent Liabilities

The Company had no pledge of assets and contingent liabilities during the Reporting Period.

### 11. Capital Commitment

Details of the Company's capital commitment during the Reporting Period are set out in "1. Significant commitments" of "XIII. Commitments and Contingencies" of Section X.

### 12. Management of Working Capital

	30 June 2024	30 June 2023
<b>Current ratio</b>	0.93	1.73
<b>Quick ratio</b>	0.84	1.68
<b>Turnover days of trade receivables</b>	4.05	2.86
<b>Turnover days of trade payables</b>	25.10	24.37

As at 30 June 2024, the Company's current ratio and quick ratio were 0.93 and 0.84, respectively, representing a decrease as compared with the current ratio of 1.73 and quick ratio of 1.68 as at 30 June 2023. During the Reporting Period, the turnover days of trade receivables were 4.05 days and the turnover days of trade payables were 25.10 days, representing an increase of 1.19 days and an increase of 0.73 day respectively as compared with the turnover days of trade receivables (2.86 days) and the turnover days of trade payables (24.37 days) for the corresponding period of 2023. The above indicators are within reasonable range.

## SECTION IV CORPORATE GOVERNANCE

### I. BRIEF INTRODUCTION OF THE GENERAL MEETING

Session of Meeting	Date	Inquiry index at designated website for which the resolutions were published	Disclosure date of the resolutions published	Resolutions
The 2023 Annual General Meeting	25 June 2024	<a href="http://www.sse.com.cn">www.sse.com.cn</a> <a href="http://www.hkexnews.hk">www.hkexnews.hk</a>	26 June 2024 25 June 2024	For details, please refer to the announcement of the Company on the resolutions of the 2023 annual general meeting (Announcement No.: 2024-025)

#### **Request for Convening of Extraordinary General Meeting by the Shareholders of Preferred Shares Whose Voting Rights have been Restored**

Applicable  Not applicable

#### **Information of General Meetings**

Applicable  Not applicable

On 25 June 2024, QHD Port held the 2023 annual general meeting. Ten resolutions were considered and approved on the 2023 annual general meeting, including the resolution regarding the change of business scope of the Company and the amendment to the articles of association; the resolution regarding the report of the Board of Directors of the Company for 2023; the resolution regarding the report of the supervisory committee of the Company for 2023; the resolution regarding the final financial report of the Company for 2023; the resolution regarding the 2023 profit distribution plan and the declaration of final dividend of the Company; the resolution regarding the appointment of the financial statement auditor for the year 2024; the resolution regarding the appointment of the internal control auditor of the Company for the year 2024; the resolution regarding the Director's 2023 annual remuneration; the resolution regarding the supervisor's 2023 annual remuneration and the resolution regarding the election of the independent non-executive directors of the fifth session of the Board of Directors of the Company.

## SECTION IV CORPORATE GOVERNANCE

### II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF QHD PORT

Applicable  Not applicable

Name	Positions	Change
XIA Zhixin	Vice President	resigned
SUN Jinggang	Vice President	appointed
HU Zhaohui	Vice President	resigned
DING Xiaoping	Vice President	appointed
YANG Xuejun	Vice President	resigned
MAO Dewei	Vice President	appointed
CHEN Ruihua	Independent Non-executive Director	resigned
XIAO Zuhe	Independent Non-executive Director	resigned
LIU Li	Independent Non-executive Director	elected
ZHOU Qing	Independent Non-executive Director	elected

#### CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF QHD PORT

Applicable  Not applicable

On February 2024, Mr. XIA Zhixin resigned from his position as a vice president of the Company due to the change of his work.

On 27 February 2024, the resolution on the appointment of Mr. SUN Jinggang as the vice president of the Company was considered and passed on the 17th meeting of the fifth session of the Board of the Company, it was agreed to appoint Mr. SUN Jinggang as the vice president of the Company.

On April 2024, Mr. HU Zhaohui resigned from his position as a vice president of the Company due to the change of his work.

On 29 April 2024, the resolution on the appointment of Mr. DING Xiaoping as the vice president of the Company was considered and passed on the 20th meeting of the fifth session of the Board of the Company, it was agreed to appoint Mr. DING Xiaoping as the vice president of the Company.

On May 2024, Mr. YANG Xuejun resigned from his position as a vice president of the Company due to the change of his work.

On 24 May 2024, the resolution on the appointment of Mr. MAO Dewei as the vice president of the Company was considered and passed on the 21st meeting of the fifth session of the Board of the Company, it was agreed to appoint Mr. MAO Dewei as the vice president of the Company.

On June 2024, Mr. CHEN Ruihua and XIAO Zuhe have been serving as the independent non-executive Director of the Company for six consecutive years and will no longer hold position as the independent non-executive Director of the Company.

On 25 June 2024, the resolution on the election of the independent non-executive Director of the fifth session of the Board of the Company was considered and passed on the 2023 annual general meeting of the Company, the Board elected Mr. LIU Li and Mr. ZHOU Qing as the independent non-executive Director of the fifth session of the Board of the Company.

## SECTION IV CORPORATE GOVERNANCE

### III. PLANS FOR PROFIT DISTRIBUTION OR CAPITALIZATION OF CAPITAL RESERVES

Plans for Profit Distribution or the Transfer of Capital Reserve to Share Capital for the Half Year

Distribution or capitalization	No
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### IV. SHARE INCENTIVE SCHEME, EMPLOYEE SHARE SCHEME OR OTHER INCENTIVE MEASURES FOR EMPLOYEES AND THEIR IMPACTS

**(I) Incentives disclosed in extraordinary announcements without progress or change in the follow-up implementation**

Applicable  Not applicable

**(II) Incentives not disclosed in extraordinary announcements or with progress in the follow-up implementation**

Share incentive

Applicable  Not applicable

Other explanations

Applicable  Not applicable

Employee share scheme

Applicable  Not applicable

Other incentive measures

Applicable  Not applicable

### V. AUDIT COMMITTEE

The audit committee has reviewed the unaudited interim financial report of the Company for the six months ended 30 June 2024.

# SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## I. INFORMATION ON ENVIRONMENTAL PROTECTION OF THE COMPANY

### (I) Environmental protection of the Company and its subsidiaries categorized as major sewage discharge enterprises as published by the environmental protection department

Applicable  Not applicable

1. Information about pollution discharge

Applicable  Not applicable

The Company is one of the key pollutant discharge enterprises of Qinhuangdao City in 2024.

The Company manages the discharge of pollutants in strict compliance with the pollution discharge license. In the first half of 2024, the Company did not discharge production waste water. The exhaust emission reached the standard and met the requirements of pollution discharge license.

2. Construction and operation of pollution prevention facilities

Applicable  Not applicable

In the first half of 2024, the Company is actively engaged in the operation, management and maintenance of various pollution prevention and control facilities, and pollution prevention equipments and facilities are well maintained.

3. Environmental impact assessment of construction projects and other permits granted by environmental department

Applicable  Not applicable

The pollution discharge license is valid and the license number is 91130000673224391T001V, with effect from 28 July 2023 to 27 July 2028.

4. Contingency plans for environmental emergencies

Applicable  Not applicable

In May 2022, the Company has revised and updated the Contingency Plans for Environmental Emergencies (2022). Emergency drill for sudden environmental incidents will be conducted as schedule in the second half of the year.

5. Environmental self-monitoring plans

Applicable  Not applicable

In the first half of 2024, the Company prepared and implemented the environment monitoring program on its own according to the monitoring requirements of pollutant discharge enterprises. Monitoring data has showed that all pollutants have reached the discharge standard.

6. Administrative penalties imposed for environmental problems during the Reporting Period

Applicable  Not applicable

7. Other information about environmental protection which should be made public

Applicable  Not applicable

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

**(II) Information on environmental protection of companies not categorized as major sewage discharge enterprises**

Applicable  Not applicable

**(III) Disclosed information on subsequent progress or changes of environmental protection during the Reporting Period**

Applicable  Not applicable

**(IV) Information on ecological protection, pollution prevention and control, and fulfillment of environmental responsibility**

Applicable  Not applicable

The Company publicized and educated about ecological and environmental protection, combined with green ports construction, based on the port, facing the public, conducted “5 June Environment Day” publicity activity with more than 140 staff volunteers and 1,857 employees participating in an environmental protection knowledge quiz; set up 22 environmental protection publicity display boards; posted more than 115 publicity banners; hung 45 environmental protection slogans; set up and improved 6 publicity signs; adopted both on-line and off-line popular science propaganda; and made use of Wechat ID, the official account and other new media tools to spread 57 articles about environmental protection; electronic display boards was used to display slogans, etc.

**(V) Measures and effects taken to reduce its carbon emissions during the Reporting Period**

Applicable  Not applicable

As a key energy-using enterprise in Qinhuangdao City, the Company has always attached great importance to energy saving and emission reduction, and has set up a leading management group of energy saving and emission reduction since 2008, and has been improving its energy saving management system, improving its management system, adhering to the assessment of energy indicators, continuing to conduct the regular tracking and supervision of all energy management work, regularly carrying out energy and water conservation self-examination and self-assessment, analyzing and notifying the energy consumption of each unit on a monthly basis and carrying out on-site energy-saving inspections from time to time.

In the first half of 2024, the Company further implemented energy conservation and emission reduction. By promoting the full coverage of shore power at professional coal berths, completing the construction and commissioning of the shore power system of the Second Port Branch of the Company, thus realizing 20 professional berths for coal dry bulk cargoes, all of which are equipped with high-voltage and low-voltage shore power connection conditions; actively conducting the use of new energy harbour vehicles, locomotives, tugs, and the renewal of the purchase of new energy; coordinating the construction of the Company’s comprehensive energy management and control system; conducting the scale of procurement of green power, expanding the proportion of use of green power and promoting the construction of distributed photovoltaic in Qinhuangdao Port East Harbor Area.



## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### II. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF WORKS OF POVERTY ALLEVIATION AND REVITALIZATION OF VILLAGES

Applicable  Not applicable

In the first half of 2024, pursuant to the arrangement and deployment of provincial, municipal and county rural revitalisation and the requirements of the Group's Party Committee on the work in villages, the Company actively carried out dynamic monitoring to prevent the return of poverty, and industrial employment and scientific and technological assistance in the villages that were lifted out of poverty, and consolidating and expanding the results of poverty eradication and rural revitalisation with the effective convergence of the various tasks: firstly, together with the cadres of Shimenzi Village, Guanchang Town, Qinglong County, Qinhuangdao City, Hebei Province (hereinafter referred to as "Shimenzi Village"), the Company visited all the monitored households, the households with established cards and the twelve categories of key groups in the village, preached the Party's policies of helping the villagers, understood the production and living conditions of the villagers' families and cared for the villagers' health, and at the same time carried out a dynamic check-up on preventing the return of poverty and actively sought ways to solve the problems of the masses and looked for ways to solve problems for the masses; secondly, vigorously promoted the Shimenzi Village rural revitalisation to help with phase II project of micro-factory expansion project, after the preliminary survey, design, budget, has completed the project bidding, completed and put into operation will gradually expand and strengthen the processing of the raw materials of agricultural products in Shimenzi Village, so as to scale up and standardize such processing.

# SECTION VI SIGNIFICANT EVENTS

## I. PERFORMANCE OF UNDERTAKINGS

### (I) Undertakings made by undertaking parties, including the actual controller, Shareholders, related parties, acquirers of the Company and the Company given or subsisting in the Reporting Period

✓ Applicable    □ Not applicable

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
Undertakings in relation to IPO	Dealing with horizontal competition	HPG	<p>In order to avoid competition with QHD Port and its controlled enterprises, HPG issued the Noncompetition Undertaking to QHD Port on 10 August 2015, which irrevocably undertakes and guarantees as follows:</p> <p>1. None of HPG or its controlled enterprise other than QHD Port is or will be engaged in any business or activity in any form, directly or indirectly, in competition with or likely to be in competition with the principal businesses currently and in the future engaged by QHD Port and its controlled enterprises, both within and outside the PRC; HPG undertakes to use its best endeavours to procure that the companies in which HPG holds equity interests do not or will not engage in or participate in any form of business or activity which competes or is likely to compete, directly or indirectly, with the principal business of QHD Port and its controlled enterprises within or outside the PRC.</p> <p>2. If HPG or its controlled enterprise other than QHD Port identifies any new business opportunity that competes or may compete, directly or indirectly, with the principal business of QHD Port or its controlled enterprise, it shall immediately notify QHD Port in writing and use its best endeavours to procure that such business opportunity is first offered to QHD Port or its controlled enterprise on reasonable and fair terms and conditions.</p> <p>3. If QHD Port or its controlled enterprises abandon such competing new business opportunities and HPG or its controlled enterprises other than QHD Port engage in such competing business, QHD Port or its controlled enterprises shall have the right to acquire any equity interests, assets and other interests in the aforesaid competing business from HPG or its controlled enterprises other than QHD Port at any time, either on a one-off or multiple occasions, or by QHD Port to entrust, lease or contract to operate the assets or businesses of HPG or its controlled enterprises other than QHD Port in the aforesaid competing business in a manner permitted by national laws and regulations.</p> <p>4. When HPG and its controlled enterprises other than QHD Port intend to transfer, sell, lease, license or otherwise transfer or permit to use assets and businesses that compete or are likely to compete, directly or indirectly, with the principal businesses of QHD Port or its controlled enterprises, HPG and its controlled enterprises other than QHD Port will provide QHD Port or its controlled enterprises with pre-emptive rights, and undertake to use their best efforts to procure HPG's shareholding enterprises to provide preemptive rights to QHD Port or its controlled enterprises in the above circumstances.</p> <p>5. From the date of this letter of undertaking, HPG undertakes to indemnify QHD Port or its controlled enterprises against all actual losses, damages and expenses suffered by HPG or its controlled enterprises as a result of any breach of any terms of this letter of undertaking.</p> <p>6. This letter of undertaking shall terminate when the following circumstances occur (whichever is earlier): (1) HPG and any controlled enterprise of HPG directly or indirectly holds less than 30% of the total number of shares of QHD Port (on an aggregated basis); or (2) the shares of QHD Port shall cease to be listed on the SSE and other internationally recognized stock exchanges (except for the suspension of trading of the shares of QHD Port for any reason).</p>	13 July 2017	No	Long term	Yes

## SECTION VI SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Undertaking of Disclosure of Information	QHD Port	<p>If the CSRC or other competent authorities determine that there are false representations, misleading statements or material omissions in the prospectus and such circumstances have a material and substantial impact on the determination of whether QHD Port is subject to the conditions of issuance as prescribed by the laws, Qinhuangdao Port will repurchase all the new shares issued under this issuance in accordance with the following methods:</p> <p>1) If the above circumstances occur during the stage when the new shares issued under this issuance by QHD Port are issued but not traded, QHD Port will return the proceeds raised from this issuance to the investors who have paid the subscription monies according to the issue price plus bank deposit interest for the same period within 5 working days from the date of the above circumstances. 2) If the above circumstances occurs after the new shares to be issued by QHD Port have been listed and traded, QHD Port will convene a board meeting within 15 trading days after the competent authorities such as the CSRC or the People's Court have made a final determination or effective judgment on the existence of the above - mentioned facts of QHD Port, formulate a share repurchase plan for the new shares to be issued under the issuance and submit it to the general meeting for consideration and approval, and repurchase all the new shares to be issued under the issuance through the trading system of the SSE in accordance with the specific share repurchase plan considered and approved by the Board and the general meeting at a price not lower than the issue price of the shares to be issued under the issuance plus interest on current bank deposits for the relevant period from the issuance of shares to the repurchase or such other price as recognized by the CSRC. In case of any ex-right or ex-dividend activities such as profit distribution, conversion of capital reserve into share capital, additional issuance and placing of shares of QHD Port after the issuance and before the repurchase, the above issue price shall be the ex-right and ex-dividend price. Should there be any false representation, misleading statement or material omission in the prospectus of QHD Port which results in losses suffered by investors in securities trading, QHD Port shall compensate the investors in full and in a timely manner according to the final decision or effective judgment of the competent authorities such as the CSRC or the People's Court.</p>	13 July 2017	No	Long term	Yes

## SECTION VI SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Undertaking of Disclosure of Information	HPG	HPG, the controlling shareholder of QHD Port, undertakes that if the prospectus of QHD Port contains false representations, misleading statements or material omissions, which have material and substantial impact on the determination of the conditions of issuance as stipulated by the laws, it will repurchase the transferred original restricted shares in accordance with the laws after the competent authorities such as the CSRC or the People's Court have made the final determination or effective judgment of the aforesaid facts in relation to the shares of QHD Port. The repurchase price shall not be lower than the issue price of the shares of QHD Port plus interest on bank demand deposits for the relevant period from the issuance of the shares to the issuance of the repurchase offer or such other price as recognized by the CSRC, and shall be implemented in accordance with the procedures stipulated by relevant laws and regulations. If there is any ex-right or ex-dividend activities such as profit distribution, conversion of capital reserve into share capital, additional issuance or distribution of shares after listing of QHD Port, the above issue price shall be the ex-right or ex-dividend price. If the prospectus of QHD Port contains any false record, misleading statement or material omission which causes losses to the investors in securities trading, it will compensate the investors in full and in a timely manner according to the final decision or effective judgment of the competent authorities such as the CSRC or the People's Court. In the event that there is any false representation, misleading statement or material omission in the prospectus of QHD Port, which has material and substantial impact on the determination of whether the issue conditions stipulated by the laws of the People's Republic of China have been fulfilled by the competent authorities such as the CSRC or the People's Court, which have made the final determination or effective judgment of the issuer, it has undertaken to procure QHD Port to perform the decision-making procedures for the share repurchase, and in the event that QHD Port convenes a general meeting to resolve on the share repurchase, it has undertaken to vote for the share repurchase at the general meeting.	13 July 2017	No	Long term	Yes
	Undertaking of Disclosure of Information	Directors and senior management of QHD Port	The Directors and senior management of QHD Port have made undertakings on the effective implementation of the remedial measures for returns of the Company in accordance with the relevant requirements of the CSRC, details of which are as follows: Not to transfer to other entities or individuals for free or under unfair conditions, nor otherwise to prejudice the interests of QHD Port; To restrict job - related consumption; The assets of QHD Port will not be used for investment and consumption activities unrelated to the performance of their duties; The remuneration system formulated by the Board or the Remuneration Committee is linked to the implementation of the remedial measures for returns of QHD Port; If QHD Port proposes to implement an equity incentive, it will support the exercise conditions of the equity incentive formulated by QHD Port to be linked with the implementation of the remedial measures for returns of QHD Port; Duly implement the relevant remedial measures for returns formulated by QHD Port, and if there is any breach of such undertakings which causes losses to QHD Port or investors, it will be liable for the compensation to QHD Port and investors in accordance with the laws; Prior to the completion of the offering and listing of QHD Port, if the CSRC imposes other new regulatory requirements in relation to the remedial measures for returns and its undertakings, and such undertakings fail to meet such requirements of the CSRC, it will then make supplemental undertakings in accordance with the latest requirements of the CSRC.	13 July 2017	No	Long term	Yes

## SECTION VI SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Resolving Title Defects Including that of Properties	HPG	QHD Port leased from HPG the properties without building ownership certificates, and HPG issued an undertaking letter, undertaking that it is the sole owner of such properties, and that there are no third party rights or any ownership disputes on such properties, and it is entitled to lease such properties to QHD Port; In the event that HPG or any third party causes any interruption or interference to the leasing and use of such properties by QHD Port due to the reasons for the ownership of such properties, which causes economic loss or other burden to QHD Port, HPG undertakes to compensate or bear any loss or burden caused to QHD Port by the aforesaid reasons.	13 July 2017	No	Long term	Yes
	Restraint Measures for Failure to Perform the Undertaking by the Subject of Undertaking	QHD Port	QHD Port will strictly perform all the public undertakings made by QHD Port in relation to the issuance and actively accept social supervision. In the event that the undertaking of QHD Port fails to be performed, is unable to be performed or is unable to be performed on schedule (except for reasons beyond the control of QHD Port due to objective reasons such as changes in relevant laws and regulations, policies, natural disasters and other force majeure), QHD Port will take the following measures: 1) to timely and fully disclose the specific reasons for the failure to perform, the inability to perform or the inability to perform on schedule by QHD Port; 2) to provide supplemental undertakings or alternative undertakings to the investors of QHD Port to protect the interests of the investors as much as possible; 3) to submit the above supplemental undertaking or alternative undertaking to the general meeting of QHD Port for consideration; 4) to impose penalties in the form of reduction or suspension of remuneration or allowances or demotion of duties on the relevant responsible person; At the same time, QHD Port will immediately cease the formulation or implementation of major asset purchases and disposals, as well as capital operation activities such as issuance of new shares, issuance of corporate bonds and major asset restructuring until QHD Port has fulfilled the relevant undertakings; 5) to publicly explain the specific reasons for non-performance of the undertakings at the general meeting and the media designated by the CSRC for disclosure, and apologize to the shareholders and the public investors. If the undertaking of QHD Port fails to be performed, is unable to be performed or is unable to be performed on schedule due to objective reasons beyond the control of QHD Port, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, QHD Port will adopt the following measures: 1) to timely and fully disclose the specific reasons for the failure, inability or inability to perform the undertaking of QHD Port; 2) to provide supplemental undertakings or alternative undertakings to the investors of QHD Port to protect the interests of the investors of QHD Port as much as possible; 3) to publicly explain the specific reasons for non-performance of the undertaking and apologize to the shareholders and public investors at the general meeting and the media designated by the CSRC for disclosure.	13 July 2017	No	Long term	Yes

## SECTION VI SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Restraint Measures for Failure to Perform the Undertaking by the Subject of Undertaking	HPG, State-owned Assets Supervision and Administration Commission of People's Government of Qinhuangdao City	It will strictly comply with all the public undertakings made in relation to the issuance of QHD Port and actively accept social supervision. If its undertaking fails to be performed, is unable to be performed or is unable to be performed on schedule (except for reasons beyond its control due to objective reasons such as changes in relevant laws and regulations, policies, natural disasters and other force majeure), it will take the following measures: 1) to fully disclose the specific reasons for the failure to perform, the inability to perform or the inability to perform on schedule through QHD Port in a timely manner; 2) to provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible; 3) to submit the above supplemental undertaking or alternative undertaking to the general meeting of QHD Port for consideration; 4) the gains obtained by it from the breach of the undertaking shall belong to QHD Port and thus cause losses to QHD Port or the investors, it shall compensate QHD Port or the investors in accordance with the law, and shall be compensated in accordance with the following procedures: ① The cash dividends payable to it shall be directly used by QHD Port for the execution of the outstanding undertaking or to compensate for the losses incurred by QHD Port or the investors due to the non-performance of the undertaking; ② If it reduces its shareholding prior to the full performance of its undertaking or the completion of compensation, it shall transfer the funds received from the reduction to the Board of QHD Port for specific performance of its undertaking or for compensation until it has fulfilled its undertaking or made up for the losses of QHD Port and the investors. If the undertaking of its fails to be performed, is unable to be performed or is unable to be performed on schedule due to objective reasons beyond the control of its, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, it will adopt the following measures: 1) to timely and fully disclose the specific reasons for its failure, inability or inability to perform on schedule through QHD Port; 2) to provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible.	13 July 2017	No	Long term	Yes

## SECTION VI SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Restraint Measures for Failure to Perform the Undertaking by the Subject of Undertaking	Executive Directors, Non-executive Directors and Senior Management of QHD Port	It will strictly perform all the public undertakings made in relation to the issuance of QHD Port and actively accept social supervision. If his/her undertaking fails to be performed, is unable to be performed or is unable to be performed on schedule (except for reasons beyond the his/her control due to objective reasons such as changes in relevant laws and regulations, policies, natural disasters and other force majeure), he/she will take the following measures: 1) to fully disclose the specific reasons for the failure to perform, the inability to perform or the inability to perform on schedule through QHD Port in a timely manner; 2) to provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible; 3) to submit the above supplemental undertaking or alternative undertaking to the general meeting of QHD Port for consideration; 4) in the event that he/she fails to put forward the specific plan for increase in shareholding as stated in the share price stabilization plan, or fails to implement the plan for increase in shareholding as disclosed, he/she shall irrevocably authorize QHD Port to withhold 20% of the total remuneration received from QHD Port for the previous year and perform the obligation of increase in shareholding on his/her behalf; 5) the gains by from the breach of the undertaking shall belong to QHD Port and thus cause losses to QHD Port or the investors, he/she shall compensate QHD Port or the investors in accordance with the following procedures: if he/she receives remuneration from QHD Port, he/she agrees that QHD Port shall cease to pay remuneration to it and use it directly to execute the undertaking or to compensate the losses incurred by QHD Port or the investors due to the non-performance of the undertaking. If his/her undertaking fails to be performed, is unable to be performed or is unable to be performed on schedule (except for reasons beyond the his/her control due to objective reasons such as changes in relevant laws and regulations, policies, natural disasters and other force majeure), he/she will take the following measures: 1) to fully disclose the specific reasons for the failure to perform, the inability to perform or the inability to perform on schedule through QHD Port in a timely manner; 2) to provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible.	13 July 2017	No	Long term	Yes

## SECTION VI SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Restraint Measures for Failure to Perform the Undertaking by the Subject of Undertaking	Independent Non-executive Directors and Supervisors of QHD Port	It will strictly perform all the public undertakings made in relation to the issuance of QHD Port and actively accept social supervision. If his/her undertaking fails to be performed, is unable to be performed or is unable to be performed on schedule (except for reasons beyond the his/her control due to objective reasons such as changes in relevant laws and regulations, policies, natural disasters and other force majeure), he/she will take the following measures: 1) to fully disclose the specific reasons for the failure to perform, the inability to perform or the inability to perform on schedule through QHD Port in a timely manner; 2) to provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible; 3) to submit the above supplemental undertaking or alternative undertaking to the general meeting of QHD Port for consideration; 4) the gains from the breach of the undertaking shall belong to QHD Port and thus cause losses to QHD Port or the investors, he/she shall compensate QHD Port or the investors in accordance with the following procedures: if he/she receives remuneration from QHD Port, he/she agrees that QHD Port shall cease to pay remuneration to it and use it directly to execute the undertaking or to compensate the losses incurred by QHD Port or the investors due to the non-performance of the undertaking. If his/her undertaking fails to be performed, is unable to be performed or is unable to be performed on schedule (except for reasons beyond the his/her control due to objective reasons such as changes in relevant laws and regulations, policies, natural disasters and other force majeure), he/she will take the following measures: 1) to fully disclose the specific reasons for the failure to perform, the inability to perform or the inability to perform on schedule through QHD Port in a timely manner; 2) to provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible.	13 July 2017	No	Long term	Yes

### II. IS THERE ANY MISAPPROPRIATION OF FUNDS BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES DURING THE REPORTING PERIOD

Applicable  Not applicable

### III. IS THERE ANY ILLEGAL GUARANTEE

Applicable  Not applicable

### IV. AUDIT ON INTERIM REPORT

Applicable  Not applicable

### V. CHANGES IN MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS ON ANNUAL REPORT FOR THE PREVIOUS YEAR AND THEIR HANDLING

Applicable  Not applicable

### VI. MATTERS RELATING TO BANKRUPTCY AND REORGANISATION

Applicable  Not applicable

### VII. MATERIAL LITIGATIONS AND ARBITRATION

The Company had material litigations and arbitrations during the Reporting Period

The Company had no material litigations and arbitration during the Reporting Period



## SECTION VI SIGNIFICANT EVENTS

### VIII. VIOLATION OF LAWS AND RULES AND PENALTY AND RECTIFICATION AGAINST THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

Applicable  Not applicable

### IX. EXPLANATION ON INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

Applicable  Not applicable

During the Reporting Period, QHD Port and its controlling shareholders, de facto controllers did not have refusal to implement effective judgments of a court or failure to meet debt repayment schedules in a relatively large amount.

### X. MATERIAL RELATED TRANSACTIONS

#### (I) Related transactions related to daily operation

1. Matters disclosed in extraordinary announcements without progress or change in the subsequent implementation  
 Applicable  Not applicable
2. Matters disclosed in extraordinary announcements with progress or change in the subsequent implementation  
 Applicable  Not applicable

#### Lease Framework Agreement

Considered and approved at the 29th meeting of the fourth session of the Board of the Company, on 28 October 2021, the Company entered into Lease Framework Agreement with HPG, with effect from 1 January 2022 to 31 December 2024. According to Lease Framework Agreement, HPG (including subsidiaries and units, same as in the following section) leased its properties, civil construction facilities, equipment and other assets managed by HPG to the Company. The pricing principle of rentals is cost plus reasonable profit of lease target. Pursuant to which, the Company paid the rentals of a maximum amount of RMB133,753,000 per annum to HPG. They agreed that the total rentals paid by the Company to HPG shall be adjusted in accordance with the Lease Execution Agreement, for the purpose of certain discontinued assets. For the details of the Leasing Framework Agreement, please refer to the Announcement on Related Transactions in Ordinary Course of Business (Announcement No.: 2021-032) on the website of the SSE on 29 October 2021 and the Renewal of Continuing Connected Transactions and Major Transactions on the website of the Hong Kong Stock Exchange on 28 October 2021 published by QHD Port.

In the first half of 2024, the Company incurred the rental of RMB58,162,950.89 according to Lease Framework Agreement.

#### General Services Agreement

Considered and approved by the first extraordinary general meeting of 2021, on 28 October 2021, the Company entered into General Services Agreement with HPG, with effect from 1 January 2022 to 31 December 2024. Pursuant to General Services Agreement, the Company offers general services to HPG mutually and the price of each service shall be determined according to the following principles and orders; (1) Government Price: At all times, government price is applicable to any specific product and service, and such products and services will be provided according to applicable government price (whether national or regional); (2) Government Guidance Price: Price shall be determined within the scope of the government guidance price if there is a standard of government guidance fee; (3) Market Price: The price will be determined with reference to the market price at that time if there is no above two pricing standards but the price of same or similar products, technology and services provided by independent third parties during the ordinary course of business on normal commercial terms; The management of the two parties shall refer to at least two comparable transactions in the same period with independent third parties when determining whether the transaction price of any product under the General Services Agreement is the market price; (4) Agreement Price: The charging standard will be determined according to reasonable costs plus reasonable profits of services provided where there is no above standards. The management shall refer to at least two comparable transactions in the same period with independent third parties when determining reasonable profits of the relevant services under the General Services Agreement, not higher than 15% of the cost in principle, save as otherwise agreed in the specific agreement.

## SECTION VI SIGNIFICANT EVENTS

Pursuant to General Services Agreement, HPG provides the following services to the Company: (1) Social Services: medical service, printing and other related or similar services; (2) Living Logistic Services: property management services (including elevator maintenance, etc.), office rental, office supplies and other daily rental, sanitation, greening and other related or similar services; and (3) Production Services: labor service, equipment manufacturing, survey and design, supervision, port construction, real estate development, project agent construction, port engineering maintenance, material supply and other related or similar services; The Company will provide the following services to HPG: port service, port electricity management, transportation service, software service, labor service, lease service, material supply service and other related or similar services. For details of the General Services Agreement, please refer to the Announcement on Related Transactions in Ordinary Course of Business (Announcement No.: 2021-032) on the website of the SSE on 29 October 2021 and the Renewal of Continuing Connected Transactions and Major Transactions on the website of the Hong Kong Stock Exchange on 28 October 2021 published by QHD Port.

On 28 June 2023, the Company held the 2022 annual general meeting where the Resolution Regarding the Adjustment of the Cap Amounts of the Continuing Connected Transactions under the General Services Agreement for 2023 and 2024 was considered and approved. Upon the adjustment, the Company provides services to HPG with the amount of the annual cap of RMB166,000,000, RMB200,000,000 and RMB200,000,000 in 2022, 2023 and 2024, respectively; HPG provides services to the Company with the amount of the annual cap of RMB607,000,000, RMB1,239,400,000 and RMB1,363,340,000 in 2022, 2023 and 2024, respectively.

In the first half of 2024, the Company provided services to HPG with an amount of RMB52,188,270.44; HPG provided services to the Company with an amount of RMB187,844,217.36.

### Financial Services Framework Agreement

Considered and approved by the first extraordinary general meeting of 2021, on 28 October 2021, the Company entered into Financial Services Framework Agreement with HPG Finance, with effect from 1 January 2022 to 31 December 2024. Pursuant to Financial Services Framework Agreement, HPG Finance provides services to the Company, including deposit services, loan services, settlement services and settlement related auxiliary business, entrusted loan services, bill discount, guarantee services, financial and financing consultation services, credit verification services and relevant consultancy and agency services, and other financial services (“Other Financial Services”) provided by financial companies according to applicable laws and regulations; Of which, the daily maximum balance of deposits and interest income for 2022, 2023 and 2024 is RMB5.5 billion, RMB6 billion and RMB6.5 billion, respectively, and the daily maximum balance of loan and interest expenses for 2022, 2023 and 2024 is RMB1.5 billion, RMB1.8 billion and RMB2 billion, respectively, and the total charges of Other Financial Services for 2022, 2023 and 2024 are RMB50,000,000.

The price and charges of HPG Finance’s services is required to be determined by consideration between two parties and comply with the following requirements:

1. Deposit services:

HPG Finance absorbs the interest rate of deposits from the Company and its subsidiaries and units, which shall be determined in compliance with the relevant requirements of the People’s Bank of China, the benchmark deposit rate (if any) regularly issued by the People’s Bank of China and determined interest rate when relevant commercial banks provide the same type of deposit services in the same period to the Company and its subsidiaries and units as well as ordinary commercial items, and not lower than the deposit interest rate of same type when HPG and its subsidiaries and units (except for the Company and its subsidiaries and units) place the deposits in HPG Finance in the same period.

2. Loan services:

The loan interest rate provided to the Company and its subsidiaries and units by HPG Finance, shall be in compliance with the relevant requirements of the People’s Bank of China and the benchmark loan rate (if any) regularly issued by the People’s Bank of China and determined interest rate when relevant commercial banks provide the same type of loan services in the same period to the Company and its subsidiaries and units as well as ordinary commercial items, and not higher than the loan interest rate of same type when HPG Finance grants the loan to HPG and its subsidiaries and units (except for the Company and its subsidiaries and units) in the same period.

## SECTION VI SIGNIFICANT EVENTS

### 3. Other financial services:

3.1 Settlement Services: settlement services and settlement related auxiliary business (free of charges).

3.2 The fees charged by HPG Finance for the provision of discounted bills, entrusted loans, guarantee services, financial and financing consultation, credit verification grant and relevant consultancy and agency services as well as other financial services provided by HPG Finance in accordance with the applicable laws and regulations to the Company and its subsidiaries and units, shall be determined according to the following standards:

(1) the fees shall be in accordance with the relevant benchmark rates mandatorily determined by the PBOC or the CBRC (if any); and

(2) if there is no such provision, the service fees charged by HPG Finance for the provision of such financial services to the Company and its subsidiaries and units shall not be higher than those charged by the relevant domestic commercial banks for the provision of the same type of financial services to the Company and its subsidiaries and units in the same period, and shall not exceed those charged by HPG Finance for the provision of the same type of financial services to HPG and its subsidiaries and units (other than the Company and its subsidiaries and units) in the same period. The service fees shall be paid by the Company and its subsidiaries and units in one lump sum or by installment in accordance with specific circumstances. For details of the Financial Services Framework Agreement, please refer to the Announcement on Related Transactions in Ordinary Course of Business (Announcement No.: 2021-032) on the website of the SSE on 29 October 2021 and the Renewal of Continuing Connected Transactions and Major Transactions on the website of the Hong Kong Stock Exchange on 28 October 2021 published by QHD Port.

As for the first half ended 30 June 2024, the maximum deposit balance of deposit service (namely the daily maximum balance of deposits and interest income) and the maximum amount of loan granted in respect of loan service (namely the daily maximum balance of loan and interest expenses) at the actual transaction date were RMB5,393,105,933.22 and RMB1,715,150,000.00, respectively. In terms of other financial services, the actual transaction amount was RMB0.

### 3. Matters not disclosed in extraordinary announcements

Applicable  Not applicable

## (II) Related transactions in relation to acquisition or disposal of assets or equity

### 1. Matters disclosed in extraordinary announcements without progress or change in the subsequent implementation

Applicable  Not applicable

Overview of Matters	Search Index
In order to solve the problem of horizontal competition among the Company, its controlling shareholders and their subsidiaries in the field of tugging services and to better serve the main port business of the listed companies, Caofeidian Coal Port, a controlling subsidiary of the Company, transferred 18.03% equity interests held in Tangshan Caofeidian Tugboat Co., Ltd.* (唐山港曹妃甸拖船有限公司) to HPG, the controlling shareholder of the Company, by way of non-public agreements, and the Company transferred the relevant assets of the Company's Shipping Branch to Qinhuangdao Zhiyuan Shipping Company Limited* (秦皇島智遠船舶有限公司), a wholly-owned subsidiary of HPG, by way of non-public agreements.	For details, please refer to the Announcement on Transfer of Some Assets and Related Transaction (Announcement No.: 2024-013), Announcement on Transfer of Some Assets and Progress in Related Transaction (Announcement No.: 2024-014) and Announcement on Progress in Transfer of Equities of Subsidiary and Related Transaction (Announcement No.: 2024-019) on the website of the SSE on 17 April 2024, 27 April 2024 and 24 May 2024 and the announcements on the website of the Hong Kong Stock Exchange on 26 April 2024 and 23 May 2024 published by QHD Port, respectively.

### 2. Matters disclosed in extraordinary announcements with progress or change in the subsequent implementation

Applicable  Not applicable

### 3. Matters not disclosed in extraordinary announcements

Applicable  Not applicable

## SECTION VI SIGNIFICANT EVENTS

4. If agreement upon performance is involved, the performance achievements during the Reporting Period shall be disclosed  
 Applicable  Not applicable

### (III) Major related transactions relating to joint external investments

1. Matters disclosed in extraordinary announcements without progress or change in the subsequent implementation  
 Applicable  Not applicable
2. Matters disclosed in extraordinary announcements with progress or change in the subsequent implementation  
 Applicable  Not applicable
3. Matters not disclosed in extraordinary announcements  
 Applicable  Not applicable

### (IV) Amounts due from/to related parties

1. Matters disclosed in extraordinary announcements without progress or change in the subsequent implementation  
 Applicable  Not applicable
2. Matters disclosed in extraordinary announcements with progress or change in the subsequent implementation  
 Applicable  Not applicable
3. Matters not disclosed in extraordinary announcements  
 Applicable  Not applicable

### (V) Financial Business between the Company and Related Financial Companies, the Company's Controlling Financial Companies and Related Parties

Applicable  Not applicable

1. Deposit business  
 Applicable  Not applicable

Unit: Yuan Currency: RMB

Related party	Relations with related party	Maximum daily deposit limit	Interest scope of deposit	Opening balance	Amount incurred		Closing balance
					Amount deposited	Amount withdrawn	
Hebei Port Group Finance Co., Ltd.	Controlling subsidiary of the parent	6,500,000,000.00	1.20%-3.27%	4,293,652,722.58	7,495,853,034.18	6,504,603,203.27	5,284,902,553.49
<b>Total</b>	/	/	/	4,293,652,722.58	7,495,853,034.18	6,504,603,203.27	5,284,902,553.49

## SECTION VI SIGNIFICANT EVENTS

### 2. Loan business

Applicable  Not applicable

Unit: Yuan Currency: RMB

Related party	Relations with related party	Loan limitation	Interest scope of loan	Opening balance	Amount incurred		Closing balance
					Amount borrowed	Amount repaid	
Hebei Port Group Finance Co., Ltd.	Controlling subsidiary Of the parent	2,000,000,000.00	2.55%-2.90%	1,486,500,000.00	300,000,000.00	71,350,000.00	1,715,150,000.00
Total	/	/	/	1,486,500,000.00	300,000,000.00	71,350,000.00	1,715,150,000.00

### 3. Credit business or other financial business

Applicable  Not applicable

### 4. Other explanation

Applicable  Not applicable

#### (VI) Other Material Related Transaction

Applicable  Not applicable

#### (VII) Others

Applicable  Not applicable

## XI. MATERIAL CONTRACTS AND THEIR EXECUTION

### (I) Trusteeship, contracting and leasing

Applicable  Not applicable

### (II) Substantial guarantee performed or outstanding during the Reporting Period

Applicable  Not applicable

### (III) Other material contracts

Applicable  Not applicable

## SECTION VI SIGNIFICANT EVENTS

### XII. EXPLANATION ON PROGRESS IN USE OF PROCEEDS FROM ISSUANCE OF A SHARES

Applicable  Not applicable

### XIII. EXPLANATION FOR OTHER SIGNIFICANT EVENTS

Applicable  Not applicable

### XIV. COMPLIANCE WITH THE HONG KONG LISTING RULES AND THE CORPORATE GOVERNANCE CODE

During the Reporting Period, to the knowledge of the Directors of QHD Port, the Company has complied with the Hong Kong Listing Rules and the code provisions of the Corporate Governance Code without any deviation from such provisions.

### XV. COMPLIANCE WITH MODEL CODE

During the Reporting Period, QHD Port has adopted the Model Code as the conduct code for securities transactions by the Directors and Supervisors of QHD Port to regulate the securities transactions of the Directors and Supervisors. Following specific enquiries made by all Directors and Supervisors, they have confirmed that they have fully complied with the required standards set out in the Model Code during the relevant period.

### XVI. USE OF PROCEEDS FROM ISSUANCE OF H SHARES

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

During the Reporting Period, the Company has used the proceeds from H Shares of HK\$1.8747 million mainly for working capital and general corporate purposes. As of 30 June 2024, HK\$3,845.6586 million of the proceeds from H Shares have been used by the Company and HK\$9.8812 million of the proceeds from H Shares remain unused, including the self-raised funds for the payment of the listing expenses of HK\$24.0174 million and the net interest income relating to the proceeds from H Shares of HK\$12.5992 million. During the Reporting Period, the use of proceeds from H Shares by the Company was in line with the planned use as disclosed in previous announcements and has no material change.

The balance of proceeds from H Shares of HK\$9.8812 million is expected to be used for the working capital and general corporate purposes of the Company in the next five years, including the payment of dividend to the shareholders of H Shares, if any, and the payment of relevant fees to the overseas intermediaries in relation to the listing of H Shares. "The balance of proceeds from H Shares" shall represent the balance of proceeds from H Shares kept in the Designated Account.

# SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

## I. CHANGES IN SHARE CAPITAL

### (I) Changes in shares

1. Table for changes in shares

During the Reporting Period, there were no changes in the total number of shares and share capital structure of the Company.

2. Explanation on the changes in shares

Applicable  Not applicable

3. Impacts on financial indicators including earnings per share, net assets per share, etc. from changes in shares during the period from the end of the Reporting Period to the issuance of interim report (if any)

Applicable  Not applicable

4. Other information on the disclosure of which is deemed necessary by the Company or is required by securities regulatory authorities

Applicable  Not applicable

### (II) Changes in shares subject to selling restrictions

Applicable  Not applicable

## II. PARTICULARS OF SHAREHOLDERS

### (I) Total number of Shareholders

Total number of ordinary Shareholders as at the end of the Reporting Period (Person) 57,858

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

### (II) Table of shareholding of the top 10 Shareholders and top 10 Shareholders with tradable shares (or Shareholders not subject to selling restrictions) as at the end of the Reporting Period

Unit: share

Shareholding of the top 10 Shareholders (excluding those by lending shares for securities financing)							
Name of Shareholder (full name)	Change during the Reporting Period	Number of Shares held at the end of the period	Percentage (%)	Number of Shares subject to selling restrictions	Pledged, marked or frozen		Nature of Shareholder
					Status of Shares	Amount	
Hebei Port Group Co., Ltd.* (河北港口集團有限公司)		3,144,268,078	56.27		Nil		State-owned legal person
HKSCC Nominees Limited (香港中央結算(代理人)有限公司) <sup>Note</sup>	-15,000	827,465,373	14.81		Unknown		Overseas legal person
Qinhuangdao Municipal People's Government State-owned Assets Supervision and Administration Commission (秦皇島市人民政府國有資產監督管理委員會)		509,715,485	9.12		Nil		Country
Hebei Jiantou Transportation Investment Co., Ltd. (河北建投交通投資有限公司)		209,866,757	3.76		Nil		State-owned legal person
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)		42,750,000	0.77		Nil		State-owned legal person
COSCO SHIPPING (Tianjin) Co., Ltd.* (中遠海運(天津)有限公司)		41,437,588	0.74		Nil		State-owned legal person
Jinneng Holding Coal Industry Group Co., Ltd. (晉能控股煤業集團有限公司)		41,437,588	0.74		Nil		State-owned legal person
Hong Kong Securities Clearing Company Ltd.(Shanghai-Hong Kong Stock Connect) (香港中央結算有限公司(滬股通))	8,118,732	39,294,552	0.70		Nil		Overseas legal person
Qinhuangdao Port Management Office of the People's Government of Shanxi Province (山西省人民政府駐秦皇島港務管理辦公室)		30,538,764	0.55		Nil		Others
China Life Insurance Co., Ltd. - Traditional - General Insurance Products - 005L - CT001 SH (中國人壽保險股份有限公司 - 傳統 - 普通保險產品 - 005L-CT001 滬)	12,805,000	12,805,000	0.23		Nil		Others



## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Shareholding of top 10 Shareholders not subject to selling restrictions (excluding those by lending shares for securities financing)			
Name of Shareholder	Number of tradable shares held not subject to selling restrictions	Types and number of Shares	
		Types of Shares	Number of Shares
Hebei Port Group Co., Ltd.* (河北港口集團有限公司)	3,144,268,078	RMB-denominated ordinary shares	3,144,268,078
HKSCC Nominees Limited (香港中央結算(代理人)有限公司) <sup>Note</sup>	827,465,373	Overseas-listed foreign shares	827,465,373
Qinhuangdao Municipal People's Government State-owned Assets Supervision and Administration Commission (秦皇島市人民政府國有資產監督管理委員會)	509,715,485	RMB-denominated ordinary shares	509,715,485
Hebei Jiantou Transportation Investment Co., Ltd. (河北建投交通投資有限責任公司)	209,866,757	RMB-denominated ordinary shares	209,866,757
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	42,750,000	RMB-denominated ordinary shares	42,750,000
COSCO SHIPPING (Tianjin) Co., Ltd.* (中遠海運(天津)有限公司)	41,437,588	RMB-denominated ordinary shares	41,437,588
Jinneng Holding Coal Industry Group Co., Ltd. (晉能控股煤業集團有限公司)	41,437,588	RMB-denominated ordinary shares	41,437,588
Hong Kong Securities Clearing Company Ltd. (Shanghai-Hong Kong Stock Connect) (香港中央結算有限公司(滬股通))	39,294,552	RMB-denominated ordinary shares	39,294,552
Qinhuangdao Port Management Office of the People's Government of Shanxi Province (山西省人民政府駐秦皇島港務管理辦公室)	30,538,764	RMB-denominated ordinary shares	30,538,764
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 SH (中國人壽保險股份有限公司 – 傳統 – 普通保險產品 – 005L-CT001 滬)	12,805,000	RMB-denominated ordinary shares	12,805,000
Explanations on the repurchase of special accounts among the top ten shareholders	Not Applicable		
Explanation of the above-mentioned shareholders' entrusting voting rights, entrusted voting rights, and abstaining from voting	Not Applicable		
Explanations on the connections or parties acting in concert among the aforesaid Shareholders	The Company is not aware of the existence of any connections among the aforesaid Shareholders, or whether they are parties acting in concert within the requirements of the Administrative Measures on Takeover of Listed Companies		
Explanations on the shareholders of preferred shares whose voting rights have been restored and the number of shares held	Not Applicable		

Note: As at the end of the Reporting Period, HPG held 71,303,000 H Shares of QHD Port through HEBEI PORT GROUP International (Hong Kong) Co., Ltd., an overseas wholly-owned subsidiary, accounting for 1.28% of the total equity of QHD Port. Those shares are included in total shares held by HKSCC Nominees Limited.

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Participation of shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders of tradable shares not subject to selling restrictions in lending shares for securities financing

Applicable  Not applicable

Changes of top 10 shareholders and top 10 shareholders of tradable shares not subject to selling restrictions over the last period due to lending/returning shares for securities financing

Applicable  Not applicable

Number of shares held by top 10 shareholders subject to selling restrictions and information on the selling restrictions

Applicable  Not applicable

### (III) Strategic investors or general legal persons became one of the top 10 Shareholders as a result of the placing of the new shares

Applicable  Not applicable

## III. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF QHD PORT AND OTHER PERSONS IN SHARES OF THE COMPANY

As at 30 June 2024, so far as the Directors and Supervisors are aware, other than the Directors, Supervisors, the senior management of QHD Port and their respective associates, the following persons had or deemed to have an interest or short position in the shares, underlying shares and debentures which was recorded in the register required to be kept by QHD Port pursuant to Section 336 of the SFO:

Name of Shareholders	Number of Shares held	Capacity	Class of Shares	Approximate percentage of the total number of relevant class of issued share capital of QHD Port	Approximate percentage to total issued share capital of QHD Port	Long position/short position
State-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province	3,144,268,078 (Note 1)	Interest of controlled corporation	A Share	66.09%	56.27%	Long position
Hebei Port Group Co., Ltd.	3,144,268,078	Beneficial owner	A Share	66.09%	56.27%	Long position
Hebei Port Group Co., Ltd.	71,303,000 (Note 2)	Interest of controlled corporation	H Share	8.59%	1.28%	Long position
HEBEI PORT GROUP International (Hong Kong) Co., Ltd.	71,303,000 (Note 2)	Beneficial owner	H Share	8.59%	1.28%	Long position
Greatwall Life Insurance Co., Ltd.	67,456,000	Beneficial owner	H Share	8.13%	1.21%	Long position
China Shipping (Group) Company	44,296,500 (Note 3)	Interest of controlled corporation	H Share	5.34%	0.79%	Long position
China Shipping (Hong Kong) Holdings Co., Limited	44,296,500 (Note 3)	Interest of controlled corporation	H Share	5.34%	0.79%	Long position
China Shipping Ports Development Co., Ltd.	44,296,500	Beneficial owner	H Share	5.34%	0.79%	Long position

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Note:

1. State-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province is the controlling shareholder of HPG, and is deemed to be interested in 3,144,268,078 shares of QHD Port under the SFO;
2. HPG is the controlling shareholder of HEBEI PORT GROUP International (Hong Kong) Co., Ltd., and is deemed to be interested in 71,303,000 shares of QHD Port under the SFO;
3. China Shipping (Group) Company (direct controlling shareholder of China Shipping (Hong Kong) Holdings Co., Limited) and China Shipping (Hong Kong) Holdings Co., Limited (direct controlling shareholder of China Shipping Ports Development Co., Ltd.) were deemed to be interested in 44,296,500 shares of QHD Port respectively under the SFO.

Save as disclosed above, as at 30 June 2024, so far as the Directors, Supervisors and senior management of QHD Port are aware, no other persons or substantial shareholders of the Company (as defined in the Hong Kong Listing Rules) had or deemed to have an interest or short position in the shares or underlying shares (as the case may be) of QHD Port which was required to be disclosed pursuant to Divisions 2 and 3 of Part XV under the SFO.

### IV. PURCHASE, SALE OR REPURCHASE OF LISTED SHARES OF QHD PORT

The Company did not purchase, sell or repurchase any of the listed shares, including sale shares (as defined in the Listing Rules), if any, of QHD Port during the Reporting Period. As at 30 June 2024, The Company did not hold any treasury shares.

### V. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (I) Particulars of changes in shareholding of current and resigned Directors, Supervisors and senior management during the Reporting Period

Applicable  Not applicable

Other descriptions

Applicable  Not applicable

#### (II) Share incentives granted to Directors, Supervisors and senior management during the Reporting Period

Applicable  Not applicable

#### (III) Directors', Supervisors' and Senior Management's interests and short positions in the shares, underlying shares and debentures of QHD Port and its associated corporations

Applicable  Not applicable

As at 30 June 2024, as far as the Directors are aware, none of the Directors, supervisors or chief executives of QHD Port and their respective associates had, or was deemed to have, any interest or short position in shares, underlying shares and debentures of QHD Port and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by QHD Port under Section 352 of the SFO or which were required to be notified to QHD Port and the Stock Exchange pursuant to the Model Code.

### VI. CHANGES IN CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLERS

Applicable  Not applicable

## SECTION VIII INFORMATION OF PREFERENCE SHARES

Applicable  Not applicable

## SECTION IX INFORMATION OF BONDS

### I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

Applicable  Not applicable

### II. CONVERTIBLE CORPORATE BONDS

Applicable  Not applicable

# SECTION X REVIEW REPORT

De Shi Bao (Yue) Zi (24) No. R00047

To the Shareholders of Qinhuangdao Port Co., Ltd.:

We have reviewed the accompanying financial statements of Qinhuangdao Port Co., Ltd. (hereinafter referred to as “QHD Port”), which comprised the consolidated and parent’s balance sheets as at 30 June 2024, and the consolidated and parent’s income statements, statements of cash flows and statements of changes in equity for the period from 1 January to 30 June 2024, and notes to the financial statements. The preparation of these financial statements is the responsibility of the management of QHD Port. Our responsibility is to deliver a report on review of these financial statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether the financial statements are free from material misstatements. A review is limited primarily to procedures as enquiry of personnel of QHD Port and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit, and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the above financial statements are not prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and cannot present fairly, in all material respects, the consolidated and parent’s financial position of QHD Port as at 30 June 2024, and its consolidated and parent’s operating results and cash flows for the period from 1 January to 30 June 2024.

Deloitte Touche Tohmatsu Certified Public Accountants LLP

Chinese Certified Public Accountant: Li Weihua

Chinese Certified Public Accountant: Wang Hongmei

Shanghai, China

29 August 2024

# CONSOLIDATED BALANCE SHEET

30 June 2024

RMB

Assets	Note V	30 June 2024 (Unaudited)	31 December 2023
<b>Current assets</b>			
Cash and bank balances	1	2,943,437,678.91	2,838,023,456.57
Bills receivable	2	65,125,635.00	49,965,475.00
Accounts receivable	3	87,808,633.20	67,817,955.73
Accounts receivable financing	4	48,232,044.89	74,502,289.57
Prepayments		22,732,166.73	30,560,118.08
Other receivables	5	19,300,810.94	131,647,857.46
Inventories	6	154,931,226.04	145,739,815.70
Other current assets	7	141,141,360.42	178,778,070.14
<b>Total current assets</b>		<b>3,482,709,556.13</b>	<b>3,517,035,038.25</b>
<b>Non-current assets</b>			
Long-term equity investments	8	4,055,446,097.34	3,821,426,321.81
Other equity instruments investments	9	778,748,965.46	1,091,562,136.20
Fixed assets	10	11,715,038,937.52	12,934,816,515.53
Construction in progress	11	1,589,077,471.63	815,220,131.65
Right-of-use assets	12	109,120,028.86	120,254,978.12
Intangible assets	13	2,888,718,788.30	2,928,202,819.21
Long-term prepaid expenses	14	4,770,031.69	4,797,193.38
Deferred income tax assets	15	344,219,921.69	365,511,874.01
Other non-current assets	16	3,729,507,371.46	2,427,279,951.61
<b>Total non-current assets</b>		<b>25,214,647,613.95</b>	<b>24,509,071,921.52</b>
<b>Total assets</b>		<b>28,697,357,170.08</b>	<b>28,026,106,959.77</b>

The notes form part of the financial statements

# CONSOLIDATED BALANCE SHEET

30 June 2024

RMB

Liabilities and shareholders' equity	Note V	30 June 2024 (Unaudited)	31 December 2023
<b>Current liabilities</b>			
Short-term borrowings	18	500,370,833.34	500,252,083.33
Accounts payable	19	323,632,250.53	253,421,149.43
Contract liabilities	20	615,186,667.60	564,480,062.57
Employee benefits payable	21	549,244,644.94	583,280,527.61
Taxes payable	22	30,957,544.51	21,764,786.44
Other payables	23	965,053,657.05	603,776,486.76
Non-current liabilities due within one year	24	780,388,328.74	633,718,528.57
<b>Total current liabilities</b>		<b>3,764,833,926.71</b>	<b>3,160,693,624.71</b>
<b>Non-current liabilities</b>			
Long-term borrowings	25	4,676,108,515.00	4,995,881,608.50
Lease liabilities	26	–	7,219.53
Long-term payable	27	32,000,000.00	32,000,000.00
Long-term employee benefits payable	28	227,921,980.02	267,844,523.45
Deferred income	29	100,731,536.69	108,099,841.75
Deferred income tax liabilities	15	31,739,151.86	89,471,967.06
<b>Total non-current liabilities</b>		<b>5,068,501,183.57</b>	<b>5,493,305,160.29</b>
<b>Total liabilities</b>		<b>8,833,335,110.28</b>	<b>8,653,998,785.00</b>
<b>Shareholders' equity</b>			
Share capital	30	5,587,412,000.00	5,587,412,000.00
Capital reserve	31	5,240,626,795.21	5,241,882,136.35
Other comprehensive income	32	547,290,190.00	645,070,189.30
Special reserve	33	129,743,282.01	119,947,727.76
Surplus reserve	34	1,749,990,784.71	1,754,087,442.20
Retained profit	35	5,658,816,590.32	5,075,119,932.68
<b>Total equity attributable to shareholders of the parent</b>		<b>18,913,879,642.25</b>	<b>18,423,519,428.29</b>
<b>Minority interests</b>		<b>950,142,417.55</b>	<b>948,588,746.48</b>
<b>Total shareholders' equity</b>		<b>19,864,022,059.80</b>	<b>19,372,108,174.77</b>
<b>Total liabilities and shareholders' equity</b>		<b>28,697,357,170.08</b>	<b>28,026,106,959.77</b>

Legal representative:  
Zhang Xiaoqiang

Person in charge of business operation:  
Nie Yuzhong

Chief financial officer:  
Bu Zhouqing

Head of accounting department:  
Zhao Liangjun

The notes form part of the financial statements



# PARENT'S BALANCE SHEET

30 June 2024

RMB

Assets	Note XVI	30 June 2024 (Unaudited)	31 December 2023
<b>Current assets</b>			
Cash and bank balances		1,505,533,054.20	1,760,461,469.49
Bills receivable		13,000,000.00	2,500,000.00
Accounts receivable	1	25,526,762.67	26,603,156.00
Accounts receivable financing		1,063,887.50	23,919,615.56
Prepayments		5,451,634.07	7,081,207.77
Other receivables		1,885,079.95	112,679,348.66
Inventories		84,432,819.78	80,523,026.17
Other current assets		99,592,743.85	112,055,474.40
<b>Total current assets</b>		<b>1,736,485,982.02</b>	<b>2,125,823,298.05</b>
<b>Non-current assets</b>			
Long-term equity investments	2	10,569,047,971.75	10,239,399,425.99
Other equity instruments investments	3	743,737,799.02	862,458,063.92
Fixed assets		2,864,240,090.20	3,190,052,709.75
Construction in progress		403,273,728.72	366,177,861.27
Right-of-use assets		8,221,984.70	17,099,125.68
Intangible assets		364,304,862.43	388,785,379.51
Deferred income tax assets		237,232,201.27	257,525,827.86
Other non-current assets		3,430,782,427.67	2,289,413,943.57
<b>Total non-current assets</b>		<b>18,620,841,065.76</b>	<b>17,610,912,337.55</b>
<b>Total assets</b>		<b>20,357,327,047.78</b>	<b>19,736,735,635.60</b>

The notes form part of the financial statements

# PARENT'S BALANCE SHEET

30 June 2024

RMB

Liabilities and shareholders' equity	30 June 2024 (Unaudited)	31 December 2023
<b>Current liabilities</b>		
Accounts payable	204,945,285.99	116,410,982.64
Contract liabilities	379,811,349.75	365,429,232.20
Employee benefits payable	523,356,190.80	557,995,250.47
Taxes payable	7,710,590.97	9,769,062.42
Other payables	800,451,790.85	349,065,352.86
Non-current liabilities due within one year	13,073,580.41	21,043,438.23
<b>Total current liabilities</b>	<b>1,929,348,788.77</b>	<b>1,419,713,318.82</b>
<b>Non-current liabilities</b>		
Long-term payable	32,000,000.00	32,000,000.00
Long-term employee benefits payable	206,635,067.20	246,780,140.30
Deferred income	96,123,590.92	102,934,015.44
Deferred income tax liabilities	39,246,360.25	68,926,426.48
<b>Total non-current liabilities</b>	<b>374,005,018.37</b>	<b>450,640,582.22</b>
<b>Total liabilities</b>	<b>2,303,353,807.14</b>	<b>1,870,353,901.04</b>
<b>Shareholders' equity</b>		
Share capital	5,587,412,000.00	5,587,412,000.00
Capital reserve	5,229,969,572.05	5,231,063,136.42
Other comprehensive income	553,097,323.32	608,311,377.19
Special reserve	93,352,750.45	85,679,189.75
Surplus reserve	1,749,852,439.94	1,753,949,097.43
Retained profit	4,840,289,154.88	4,599,966,933.77
<b>Total shareholders' equity</b>	<b>18,053,973,240.64</b>	<b>17,866,381,734.56</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,357,327,047.78</b>	<b>19,736,735,635.60</b>

The notes form part of the financial statements

# CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 June 2024

RMB

Item	Note V	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
I. Revenue	36	3,461,594,202.34	3,584,196,340.31
Less: Operating costs	36	2,069,285,986.70	2,154,113,240.41
Tax and surcharges	37	67,699,515.07	68,254,260.56
Administrative expenses	38	323,910,765.75	303,049,013.18
Research and development expenses	39	43,204,191.74	43,058,280.77
Financial costs	40	34,885,182.45	83,256,173.02
Including: Interest expense		95,211,373.84	125,184,229.85
Interest income		60,333,288.11	41,370,948.34
Add: Other income	41	8,050,493.39	31,327,078.52
Investment income	42	223,774,464.83	172,114,476.21
Including: Investment income from associates and joint ventures		160,848,460.37	136,114,476.21
Credit impairment (loss)/reversal	43	(1,431,863.39)	7,618,031.35
Gains from the disposal of assets	44	81,159,943.71	6,573,175.12
II. Operating profits		1,234,161,599.17	1,150,098,133.57
Add: Non-operating income	45	6,857,197.85	4,469,076.46
Less: Non-operating expenses	46	4,006,229.09	1,056,427.64
III. Total profit		1,237,012,567.93	1,153,510,782.39
Less: Income tax expenses	47	205,325,903.77	202,368,919.08
IV. Net profit		1,031,686,664.16	951,141,863.31
(I) Classified by business continuity			
1. Net profit from continuing operations		1,031,686,664.16	951,141,863.31
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent		1,010,289,679.26	912,728,144.53
2. Minority interests		21,396,984.90	38,413,718.78

# CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 June 2024

RMB

Item	Note V	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
V. Other comprehensive income, net of tax		(58,491,296.22)	59,246,885.66
(I) Other comprehensive income attributable to shareholders of the parent, net of tax	32	(56,711,614.84)	56,994,002.65
1. Other comprehensive income not to be reclassified to profit or loss			
(1) Other comprehensive income not to be taken to profit or loss using the equity method		33,826,144.80	30,825,169.52
(2) Changes in fair value of investments in other equity instruments		(90,892,520.11)	24,634,425.16
2. Other comprehensive income to be reclassified into profit or loss			
(1) Exchange differences on foreign currency translation		354,760.47	1,534,407.97
(II) Other comprehensive income attributable to minority shareholders, net of tax	32	(1,779,681.38)	2,252,883.01
VI. Total comprehensive income		973,195,367.94	1,010,388,748.97
(I) Total comprehensive income attributable to shareholders of the parent		953,578,064.42	969,722,147.18
(II) Total comprehensive income attributable to minority shareholders		19,617,303.52	40,666,601.79
VII. Earnings per share	48		
(I) Basic earnings per share		0.18	0.16
(II) Diluted earnings per share		0.18	0.16

The notes form part of the financial statements

# PARENT'S INCOME STATEMENT

For the period from 1 January to 30 June 2024

RMB

	Note XVI	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
I. Revenue	4	2,011,954,548.13	2,099,582,462.15
Less: Operating costs	4	1,114,370,964.70	1,111,456,899.68
Tax and surcharges		39,691,494.42	39,906,224.88
Administrative expenses		260,306,932.97	246,153,933.48
Research and development expenses		35,067,498.96	34,727,878.05
Financial costs		(46,247,616.70)	(31,807,548.09)
Including: Interest expense		373,007.25	781,396.17
Interest income		46,559,154.72	32,224,385.54
Add: Other income		7,278,115.66	24,763,488.89
Investment income	5	214,529,512.54	170,425,153.69
Including: Investment income from associates and joint ventures		166,566,107.16	134,425,153.69
Credit impairment loss		(283,484.17)	520,210.01
Gains from the disposal of assets		81,159,943.71	67,831.54
II. Operating profits		911,449,361.52	894,921,758.28
Add: Non-operating income		6,794,892.70	4,330,630.31
Less: Non-operating expenses		3,722,900.18	885,272.37
III. Total profit		914,521,354.04	898,367,116.22
Less: Income tax expenses		173,574,019.53	183,469,453.61
IV. Net profit		740,947,334.51	714,897,662.61
Including: Net profit from continuing operations		740,947,334.51	714,897,662.61
V. Other comprehensive income, net of tax		(55,214,053.87)	53,114,757.26
1. Other comprehensive income not to be reclassified to profit or loss			
(1) Other comprehensive income not to be taken to profit or loss using the equity method		33,826,144.80	30,825,169.52
(2) Changes in fair value of investments in other equity instruments		(89,040,198.67)	22,289,587.74
VI. Total comprehensive income		685,733,280.64	768,012,419.87

The notes form part of the financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 January to 30 June 2024

RMB

	Note V	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		3,614,017,691.96	3,704,342,402.90
Refund of taxes and levies		–	3,105,791.19
Cash received relating to other operating activities	49.(1)	24,932,876.08	51,241,206.25
Sub-total of cash inflows		3,638,950,568.04	3,758,689,400.34
Cash paid for goods and services		765,648,734.41	886,767,181.87
Cash paid to and on behalf of employees		962,376,131.35	931,594,613.96
Cash paid for all taxes		292,522,810.18	209,525,112.12
Cash paid relating to other operating activities	49.(1)	136,953,589.31	148,985,524.75
Sub-total of cash outflows		2,157,501,265.25	2,176,872,432.70
Net cash flows from operating activities	50.(1)	1,481,449,302.79	1,581,816,967.64
II. Cash flows from investing activities:			
Cash received from return of investment		743,525,550.70	635,500,000.00
Cash received from investment income		193,461,284.25	36,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		179,584,219.96	4,964,645.26
Net cash received for the disposal of subsidiaries and other business units	50.(2)	–	10,712,597.92
Sub-total of cash inflows		1,116,571,054.91	687,177,243.18
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		414,567,267.90	265,571,177.14
Cash paid for investments		1,060,939,293.86	1,165,630,348.40
Cash paid relating to other investing activities	49.(2)	10,400,888.18	5,394,523.88
Sub-total of cash outflows		1,485,907,449.94	1,436,596,049.42
Net cash flows from investing activities		(369,336,395.03)	(749,418,806.24)
III. Cash flows from financing activities:			
Cash received from borrowings		300,000,000.00	–
Sub-total of cash inflows		300,000,000.00	–
Cash paid for repayments of borrowings		463,656,998.00	582,277,000.00
Cash paid for distribution of dividends or profits or for interest expenses		96,292,044.33	126,951,819.55
Cash paid relating to other financing activities	49.(3)	9,163,526.70	8,874,888.02
Sub-total of cash outflow		569,112,569.03	718,103,707.57
Net cash flows from financing activities		(269,112,569.03)	(718,103,707.57)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		375,667.23	2,131,407.22
V. Net increase in cash and cash equivalents		843,376,005.96	116,425,861.05
Add: Balance of cash and cash equivalents at the beginning of the period		1,689,267,856.26	3,446,027,714.85
VI. Balance of cash and cash equivalents at the end of the period	50.(4)	2,532,643,862.22	3,562,453,575.90

The notes form part of the financial statements

# PARENT'S STATEMENT OF CASH FLOWS

For the period from 1 January to 30 June 2024

RMB

	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or rendering of services	2,115,607,144.58	2,199,551,244.52
Cash received relating to other operating activities	10,339,378.75	35,351,969.16
Sub-total of cash inflows	2,125,946,523.33	2,234,903,213.68
Cash paid for goods and services	361,244,009.60	468,946,610.90
Cash paid to and on behalf of employees	806,952,177.66	783,101,129.09
Cash paid for all taxes	233,756,805.73	119,715,958.44
Cash paid relating to other operating activities	92,317,805.89	86,721,170.44
Sub-total of cash outflows	1,494,270,798.88	1,458,484,868.87
Net cash flows from operating activities	631,675,724.45	776,418,344.81
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investment	550,000,000.00	600,000,000.00
Cash received from investment income	190,114,586.30	36,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	179,360,469.14	4,945,009.47
Net cash received for disposal of subsidiaries and other business units	5,867,904.00	-
Sub-total of cash inflows	925,342,959.44	640,945,009.47
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	122,026,494.16	156,268,744.93
Cash paid for investments	942,630,000.00	1,001,190,288.66
Sub-total of cash outflows	1,064,656,494.16	1,157,459,033.59
Net cash flows from investing activities	(139,313,534.72)	(516,514,024.12)
<b>III. Cash flows from financing activities:</b>		
Cash paid for distribution of dividends or profits or for interest expenses	1,243.93	757.65
Cash paid relating to other financing activities	9,000,775.70	8,712,137.02
Sub-total of cash outflow	9,002,019.63	8,712,894.67
Net cash flows from financing activities	(9,002,019.63)	(8,712,894.67)
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>66,203.80</b>	<b>370,207.08</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>483,426,373.90</b>	<b>251,561,633.10</b>
Add: Balance of cash and cash equivalents at the beginning of the period	793,591,427.64	2,523,257,308.61
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>1,277,017,801.54</b>	<b>2,774,818,941.71</b>

The notes form part of the financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 30 June 2024

RMB

	For the period from 1 January to 30 June 2024 (Unaudited)									
	Equity attributable to shareholders of the parent								Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Sub-total			
I. Current period's opening balance	5,587,412,000.00	5,241,882,136.35	645,070,189.30	119,947,727.76	1,754,087,442.20	5,075,119,932.68	18,423,519,428.29	948,588,746.48	19,372,108,174.77	
II. Changes during the period										
(I) Total comprehensive income										
1. Net profit	-	-	-	-	-	1,010,289,679.26	1,010,289,679.26	21,396,984.90	1,031,686,664.16	
2. Other comprehensive income	-	-	(56,711,614.84)	-	-	-	(56,711,614.84)	(1,779,681.38)	(58,491,296.22)	
(II) Profit distribution										
1. Distribution to Shareholders	-	-	-	-	-	(463,755,196.00)	(463,755,196.00)	-	(463,755,196.00)	
(III) Special reserve										
1. Accrual	-	-	-	33,330,366.58	-	-	33,330,366.58	2,550,251.54	35,880,618.12	
2. Usage	-	-	-	(23,534,812.33)	-	-	(23,534,812.33)	(631,533.78)	(24,166,346.11)	
(IV) Others										
1. Disposal of other equity instruments investments	-	-	(41,068,384.46)	-	-	33,065,516.89	(8,002,867.57)	(7,689,029.64)	(15,691,897.21)	
2. Disposal of equity interests in subsidiaries	-	-	-	-	(4,096,657.49)	4,096,657.49	-	(12,293,376.07)	(12,293,376.07)	
3. Other equity movements	-	(1,255,341.14)	-	-	-	-	(1,255,341.14)	55.50	(1,255,285.64)	
III. Current period's closing balance	5,587,412,000.00	5,240,626,795.21	547,290,190.00	129,743,282.01	1,749,990,784.71	5,658,816,590.32	18,913,879,642.25	950,142,417.55	19,864,022,059.80	

The notes form part of the financial statements



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 30 June 2024

RMB

For the period from 1 January to 30 June 2023 (Unaudited)

	Equity attributable to shareholders of the parent							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Sub-total		
I. Current period's opening balance	5,587,412,000.00	5,207,670,068.40	639,705,620.44	192,106,174.51	1,634,203,017.11	4,060,508,205.81	17,321,605,086.27	903,471,238.40	18,225,076,324.67
II. Changes during the period									
(I) Total comprehensive income									
1. Net profit	-	-	-	-	-	912,728,144.53	912,728,144.53	38,413,718.78	951,141,863.31
2. Other comprehensive income	-	-	56,994,002.65	-	-	-	56,994,002.65	2,252,883.01	59,246,885.66
(II) Profit distribution									
1. Distribution to Shareholders	-	-	-	-	-	(396,706,252.00)	(396,706,252.00)	-	(396,706,252.00)
(III) Special reserve									
1. Accrual	-	-	-	35,443,701.45	-	-	35,443,701.45	2,553,940.58	37,997,642.03
2. Usage	-	-	-	(29,863,343.99)	-	-	(29,863,343.99)	(519,947.49)	(30,383,291.48)
III. Current period's closing balance	5,587,412,000.00	5,207,670,068.40	696,699,623.09	197,686,531.97	1,634,203,017.11	4,576,530,098.34	17,900,201,338.91	946,171,833.28	18,846,373,172.19

The notes form part of the financial statements

# PARENT'S STATEMENT OF CHANGES IN EQUITY

For the period from 1 January to 30 June 2024

RMB

	For the period from 1 January to 30 June 2024 (Unaudited)						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Total shareholders' equity
I. Current period's opening balance	5,587,412,000.00	5,231,063,136.42	608,311,377.19	85,679,189.75	1,753,949,097.43	4,599,966,933.77	17,866,381,734.56
II. Changes during the period							
(I) Total comprehensive income							
1. Net profit	-	-	-	-	-	740,947,334.51	740,947,334.51
2. Other comprehensive income	-	-	(55,214,053.87)	-	-	-	(55,214,053.87)
(II) Profit distribution							
1. Distribution to Shareholders	-	-	-	-	-	(463,755,196.00)	(463,755,196.00)
(III) Special reserve							
1. Accrual	-	-	-	21,377,000.94	-	-	21,377,000.94
2. Usage	-	-	-	(13,703,440.24)	-	-	(13,703,440.24)
(IV) Others	-	(1,093,564.37)	-	-	(4,096,657.49)	(36,869,917.40)	(42,060,139.26)
III. Current period's closing balance	5,587,412,000.00	5,229,969,572.05	553,097,323.32	93,352,750.45	1,749,852,439.94	4,840,289,154.88	18,053,973,240.64

	For the period from 1 January to 30 June 2023 (Unaudited)						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Total shareholders' equity
I. Current period's opening balance	5,587,412,000.00	5,197,336,468.67	614,100,027.38	138,466,080.24	1,634,064,672.34	3,917,713,359.99	17,089,092,608.62
II. Changes during the period							
(I) Total comprehensive income							
1. Net profit	-	-	-	-	-	714,897,662.61	714,897,662.61
2. Other comprehensive income	-	-	53,114,757.26	-	-	-	53,114,757.26
(II) Profit distribution							
1. Distribution to Shareholders	-	-	-	-	-	(396,706,252.00)	(396,706,252.00)
(III) Special reserve							
1. Accrual	-	-	-	23,696,018.12	-	-	23,696,018.12
2. Usage	-	-	-	(26,816,185.68)	-	-	(26,816,185.68)
III. Current period's closing balance	5,587,412,000.00	5,197,336,468.67	667,214,784.64	135,345,912.68	1,634,064,672.34	4,235,904,770.60	17,457,278,608.93

The notes form part of the financial statements

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## I. GENERAL INFORMATION

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

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

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

These financial statements have been approved for issue by the Board of the Company by resolutions on 29 August 2024.

## II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### 1. Basis of Preparation

The Group implemented the Accounting Standards for Business Enterprises and relevant provisions issued by the Ministry of Finance. In addition, the Group disclosed relevant financial information in accordance with the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting (Rev. 2023).

### 2. Going Concern

The Group evaluated its ability to continue as a going concern for the 12 months starting from 30 June 2024, and has not identified any matter or circumstance that may cast significant doubt on its ability to continue as a going concern. Therefore, these financial statements have been prepared on the basis of the going concern assumption.

### 3. Basis of Accounting and Principles of Measurement

The Group’s accounting is based on the accrual basis. Except for certain financial instruments measured at fair value, these financial statements have been measured on the basis of their historical cost. If an asset is impaired, a corresponding provision for impairment shall be made in accordance with relevant regulations.

When the historical cost measurement applies, assets are measured at the amount of cash or cash equivalents paid or the fair value of the consideration given at the time of acquisition. Liabilities are measured at the amount of funds or assets actually received for assuming the current obligations, or at the contractual amount for assuming the current obligations, or at the amount of cash or cash equivalents expected to be paid for repaying the liabilities during daily activities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurements date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in these financial statements are determined according to the above basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than inputs within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates are presented as follows:

### 1. Statement of Compliance with Accounting Standards for Business Enterprises

The financial statements have been prepared by the Company in accordance with the Accounting Standards for Business Enterprises and have fairly and fully presented the consolidated and parent company's financial position as at 30 June 2024 as well as the consolidated and parent company's operating results, cash flows and changes in shareholders' equity for the period from 1 January to 30 June 2024.

### 2. Accounting Period

The accounting year for the Group is from 1 January to 31 December of each calendar year.

### 3. Operating Cycle

The operating cycle is the period from the time when an enterprise purchases an asset for processing to the time when it realizes cash or cash equivalents. The Company's operating cycle is 12 months.

### 4. Functional Currency

RMB is the currency used in the principal economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries use RMB as their functional currency. The overseas subsidiaries of the Company determine their functional currencies based on the currencies used in the principal economic environment in which they operate. The currency used by the Company in preparing these financial statements is RMB.

### 5. Methods of Determining and Basis of Selecting Materiality Criteria

An item in the financial statements is of materiality if its omission or misstatement could reasonably be expected to influence the economic decisions made by the user on that basis. In judging the materiality, the Group makes judgments on the basis of the nature (whether it is part of the Group's daily activities, whether it significantly affects the Group's financial position, operating results, cash flows, etc.) and the amount (as a proportion to the Group's key financial indicators, including revenue, net profit, total assets and total shareholders' equity, etc., or the amount of the items listed in the statements to which it belongs) according to the specific environment in which it operates.

Items	Materiality Criteria
Major construction in progress	The balance at the beginning or the end of the Year accounts for more than 10% of the carrying amount of the construction in progress and the budget amount exceeds RMB500.00 million
Major payables aged more than one year	The book balance accounts for more than 10% of the carrying amount of other payables and the amount exceeds RMB50.00 million
Major investment activity-related cash	A single investment activity accounts for more than 10% of the total cash inflows or outflows and the amount exceeds RMB200.00 million
Major non-wholly-owned subsidiaries	It contributes more than 10% of the revenue of the Group and its minority interest is greater than 3% of the Group's net assets
Major joint ventures and associates	The carrying amount of a single long-term equity investment exceeds RMB500.00 million and accounts for more than 3% of the net assets of the Group

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 6. Accounting Treatment Methods for Business Combination under Common Control and Not under Common Control

Business combination is divided into business combination under common control and business combination not under common control.

#### 6.1 Business Combination under Common Control

A business combination under common control means the enterprises participating in the combination are under the ultimate control of the same party or of multiple parties before and after the combination and such control is not of a temporary nature.

Assets and liabilities acquired in a business combination are measured at their carrying amounts on the combination date in the combined party. The difference between the carrying amount of the net assets acquired by the combined party and the carrying amount of the combination consideration paid shall be adjusted to stock premium in the capital reserve. If the stock premium is insufficient for offsetting, it shall be adjusted to retained earnings.

All direct costs incurred in connection with a business combination shall be recognized in profit or loss when incurred.

#### 6.2 Business Combination Not under Common Control and Goodwill

A business combination not under common control means the enterprises participating in the combination are not under the ultimate control of the same party or of multiple parties before and after the combination.

The cost of combination refers to the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer to obtain control of the acquiree. Intermediary costs incurred by the acquirer for the business combination, such as auditing, legal services, appraisal and consulting, and other related administrative costs, shall be recognized in profit or loss when incurred.

Identifiable assets, liabilities and contingent liabilities acquired by the purchaser from the acquiree in a combination that meet the conditions for recognition shall be measured at fair value on the acquisition date.

The difference between the cost of combination and the share of fair value of the acquiree's identifiable net assets acquired in the combination is recognized as goodwill as an asset and initially measured at cost. When the cost of combination is less than the share of fair value of the acquiree's identifiable net assets acquired in the combination, the fair value of each of the acquiree's identifiable assets, liabilities and contingent liabilities acquired as well as the measurement of the cost of combination shall be reviewed first; if the cost of combination is still less than the share of fair value of the acquiree's identifiable net assets acquired in the combination after review, it shall be recognized in profit or loss for the current period.

Goodwill arising from business combinations is presented separately in the consolidated financial statements and is measured at cost after deducting the accumulated provisions for impairment.

### 7. Judgment Criteria for Control and Preparation Method for Consolidated Financial Statements

#### 7.1 Judgment Criteria for Control

Control refers to having the power over the investee, the entitlement to variable returns through the participation in relevant activities of the investee, and the ability to affect the amount of returns by using its power over the investee. Once changes in relevant facts and circumstances lead to a change in relevant elements involved in the above definition of control, the Group will conduct a reassessment.

# NOTES TO FINANCIAL STATEMENTS

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 7. Judgment Criteria for Control and Preparation Method for Consolidated Financial Statements (Continued)

#### 7.2 Preparation Method for Consolidated Financial Statements

The consolidation scope of consolidated financial statements is determined on the basis of control.

The combination of a subsidiary begins when the Group obtains control over the subsidiary and ends when the Group loses control over the subsidiary.

For the subsidiaries disposed of by the Group, their operating results and cash flows prior to the date of disposal (date of loss of control) have been appropriately included in the consolidated income statement and consolidated cash flow statement.

For subsidiaries acquired through a business combination not under common control, their operating results and cash flows from the date of purchase (date of acquisition of control) have been appropriately included in the consolidated income statement and consolidated cash flow statement.

For subsidiaries acquired through a business combination under common control, regardless of whether the business combination occurs at any point of time during the Reporting Period, it shall be deemed that the subsidiary is included in the Group's consolidation scope from the date when the subsidiary comes under the control of the ultimate controlling party. Its operating results and cash flows from the earliest period of the Reporting Period have been appropriately included in the consolidated income statement and consolidated cash flow statement.

The major accounting policies and accounting periods adopted by the subsidiaries shall be determined in accordance with the Company's uniform accounting policies and accounting periods.

The effects on the consolidated financial statements of internal transactions between the Company and its subsidiaries and between subsidiaries shall be offset at the time of consolidation.

The share of owners' equity in subsidiaries that does not belong to the parent company is presented as "minority interests" under the shareholders' equity item in the consolidated balance sheet. The share of minority interests in the net income or loss of subsidiaries for the current period shall be presented as "minority profit or loss" in the consolidated income statement under the net profit item.

If the minority's share of a subsidiary's losses exceeds the minority's share of the subsidiary's initial owners' equity, the balance will still offset against minority interests.

For transactions involving the purchase of a minority equity in a subsidiary, or as a result of the disposal of part of an equity investment without losing control over the subsidiary, they shall be accounted for as equity transactions, and the carrying amounts of the equity attributable to the owners of the parent company and the minority interest shall be adjusted to reflect the changes in relevant equity in the subsidiary. The difference between the adjustment to minority interests and the fair value of the consideration paid/received shall be adjusted to the capital reserve. If the capital reserve is insufficient for offsetting, it shall be adjusted to retained earnings.

If the control over the original subsidiary is lost due to the disposal of some equity investments or for other reasons, the remaining equity shall be re-measured at its fair value on the date of loss of control. The difference between the sum of the consideration received from disposal of equity and the fair value of the remaining equity, less the share of net assets enjoyed by the original subsidiary from the date of acquisition, calculated based on the original shareholding ratio, shall be included in the investment income for the period of loss of control and offset against goodwill. Other comprehensive income related to equity investments in original subsidiaries shall be converted into current investment income for the period of loss of control.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 8. Classification of Joint Venture Arrangement and Accounting Treatment Method for Joint Operations

Joint venture arrangement is classified as joint operations and joint ventures, which are determined on the basis of the rights and obligations of the parties to the joint venture arrangement by taking into account factors such as the structure, legal form, and contract terms of the arrangement. Joint operation refers to the joint venture arrangement where the joint venture parties are entitled to the underlying assets of the relevant arrangement and assume liabilities of the joint venture arrangement. Joint venture refers to the joint venture arrangement where the joint venture parties is only entitled to the rights of the net assets of the arrangement.

The Group's investments in joint ventures are accounted for using the equity method. For details, please refer to Notes (III) "13.3.2. Long-term equity investments accounted for under the equity method".

The Group recognizes the assets held separately by the Group based on the joint operation arrangements and the jointly held assets in proportion to the Group's share; liabilities incurred separately by the Group and jointly incurred liabilities in proportion to the Group's share; revenue from the sale of the Group's share of the outputs of the joint operation; revenue from the sale of the outputs of the joint operation in proportion to the Group's share; expenses incurred separately by the Group and in proportion to the Group's share; and costs incurred separately by the Group and in proportion to the Group's share of the outputs of the joint operation. The Group accounts for and recognizes the assets, liabilities, income and expenses related to joint operations in accordance with the applicable provisions for specific assets, liabilities, income and expenses.

### 9. Determination Criteria for Cash and Cash Equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand for payment purposes. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 10. Foreign Currency Transactions and Translation of the Financial Statements Prepared in Foreign Currencies

#### 10.1 Foreign Currency Transactions

Foreign currency transactions are translated using the spot exchange rate at initial recognition on the transaction date.

On the balance sheet date, monetary foreign currency items are translated into RMB using the spot exchange rate on such date. Exchange differences arising from the difference between the spot exchange rate on such date and the spot exchange rate at the time of initial recognition or on the previous balance sheet date shall be recognized in profit or loss for the current period, except for those on special foreign currency borrowings that meet the conditions for capitalization which are capitalized and included in the cost of relevant assets during the capitalization period.

For the preparation of consolidated financial statements involving overseas operations, if there are monetary foreign currency items that substantively constitute net investment in overseas operations, the exchange differences arising from changes in exchange rates shall be included in the item of "Translation differences in foreign currency statements" under other comprehensive income; when the overseas operations are disposed of, they shall be recognized in the profit or loss for the current period of disposal.

Non-monetary foreign currency items measured at historical cost shall still be measured according to the functional currency amount translated at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing at the date on which the fair value is determined. The difference between the translated amount in the functional currency and the original amount in the functional currency is treated as a change in fair value (including change in exchange rates) and recognized in profit or loss for the current period or in other comprehensive income.

#### 10.2 Translation of the Financial Statements Prepared in Foreign Currencies

To prepare the consolidated financial statements, the foreign currency financial statements for overseas operations are translated into RMB by the following methods: All asset and liability items in the balance sheet are translated at the spot exchange rate on the balance sheet date; shareholders' equity items are translated at the spot exchange rate at the time of occurrence; all items in the income statement and items reflecting the amount of profit distribution are translated at the approximate spot exchange rate on the transaction date; the difference between the amount of asset items and the sum of liability items and shareholders' equity items after translation is recognized as other comprehensive income and included in shareholders' equity.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated using the approximate exchange rate on the date when the cash flows occur. The effect of exchange rate changes on cash and cash equivalents is separately presented as an adjustment item in the cash flow statement under the "Effect of exchange rate changes on cash and cash equivalents".

The year-end and actual amount of the previous year shall be presented according to the amount translated from the financial statements of the previous year.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Financial Instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to the contract of a financial instrument.

For purchases or sales of financial assets by conventional ways, the assets to be received and the liabilities to be assumed shall be recognized on the transaction date, or the sold assets shall be derecognized on the transaction date.

Financial assets and financial liabilities are measured at fair value on initial recognition (for the method of determining the fair value of financial assets and financial liabilities, please refer to relevant disclosures on accounting basis and valuation principles in Note (II)). For Financial assets and financial liabilities at fair value through profit or loss, relevant transaction costs are recognized directly in profit or loss for the current period; for other categories of financial assets and financial liabilities, relevant transaction costs shall be included in the initial recognition amount. When the Group initially recognizes accounts receivable in accordance with the Accounting Standards for Business Enterprises No. 14 – Revenue (“Revenue Standards”) that do not contain significant financing components or do not consider financing components in contracts of no more than one year, they shall be initially measured at the transaction price as defined in the revenue standards.

The effective interest method refers to a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income or interest expense over the accounting periods.

Effective interest rate refers to the interest rate used to discount the estimated future cash flows of the financial asset or a financial liability over the expected useful life to the carrying amount of the financial asset or to the amortized cost of the financial liability. In determining the effective interest rate, expected cash flows will be estimated by taking into account all contractual terms of the financial assets or financial liabilities (e.g. early repayment, rollover, call options or other similar options, etc.), but without considering the expected credit loss.

The amortized cost of a financial asset or a financial liability is calculated by deducting the repaid principal from the initial recognition amount of the financial asset or financial liability, adding or subtracting the accumulated amortization amount formed by amortizing the difference between the initial recognition amount and the maturity amount using the effective interest rate method, and then deducting the accumulated provision for losses (applicable only to financial assets).

#### 11.1 Classification, Recognition and Measurement of Financial Assets

After initial recognition, the Group subsequently measures different categories of financial assets at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

A financial asset is classified as the financial asset measured at amortized cost if the contractual terms of the financial asset stipulate that the cash flows to be generated on a specific date will consist solely of payments of principal and interest based on the outstanding amount of principal, and the Group’s business model for managing the financial asset aims to collect the contractual cash flows. Such financial assets mainly include monetary funds, bills receivable, accounts receivable, other receivables and time deposits in other non-current assets.

A financial asset is classified as the financial asset at fair value if the contractual terms of the financial asset stipulate that the cash flows to be generated on a specific date will consist solely of payments of principal and interest based on the outstanding amount of principal, and the Group’s business model for managing the financial asset aims to both collect the contractual cash flows and sell the financial asset. Such financial assets with a maturity of more than one year from the date of acquisition are presented as other debt investments, and those maturing within one year (including one year) from the balance sheet date are presented as non-current assets due within one year; bills receivable, which are classified as at fair value through other comprehensive income at the time of their acquisition, are presented as receivables financing, and the remaining items with a maturity of less than one year (including one year) at the time of their acquisition are presented as other current assets.

On initial recognition, the Group may irrevocably designate investments in non-trading equity instruments other than contingent consideration recognized in business combinations not under common control as financial assets at fair value through other comprehensive income based on a single financial asset. Such financial assets are presented as Investments in other equity instruments.

If a financial asset meets one of the following conditions, it indicates that the Group holds the financial asset for trading purposes:

- The underlying financial assets are acquired principally for the purpose of selling in the near future.
- The underlying financial assets are part of a portfolio of identifiable financial instruments subject to centralized management at initial recognition and for which there is objective evidence indicting the existence of short-term profit making patterns in the near future.
- The underlying financial assets are derivatives, except for derivatives that meet the definition of a financial guarantee contract and derivatives that are designated as effective hedging instruments.



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Financial Instruments (Continued)

#### 11.1 Classification, Recognition and Measurement of Financial Assets (Continued)

Financial assets at fair value through profit or loss include financial assets classified as at fair value through profit or loss and financial assets designated as at fair value through profit or loss:

- Financial assets that do not meet the conditions for being classified as financial assets at amortized cost and at fair value through other comprehensive income will be classified as financial assets at fair value through profit or loss.
- On initial recognition, the Group may irrevocably designate financial assets as financial assets at fair value through profit or loss so as to eliminate or significantly reduce accounting mismatches.

##### 11.1.1 Financial assets measured at amortized cost

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest method. The gains or losses arising from impairment or derecognition of such assets are recognized in profit or loss for the current period.

The Group recognizes interest income on financial assets measured at amortized cost using the effective interest rate method. The Group determines interest income by multiplying the carrying amount of financial assets by the effective interest rate, except in the following circumstances:

- For acquired or originated financial assets that have been credit-impaired, the Group determines its interest income from initial recognition based on the amortized cost of financial assets and the effective interest rate subject to credit adjustment.
- For acquired or originated financial assets that have not been credit-impaired but become credit-impaired in subsequent periods, the Group determines its interest income in subsequent periods based on the amortized cost of the financial assets and the effective interest rate. If the financial instrument is no longer credit-impaired in subsequent periods due to an improvement in its credit risk, and this improvement can be linked to an event occurring after the application of the above provisions, the Group will determine the interest income by multiplying the effective interest rate by carrying amount of the financial asset.

##### 11.1.2 Financial assets at fair value through other comprehensive income

Impairment losses or gains related to financial assets at fair value through other comprehensive income, as well as interest income calculated using the effective interest rate method, are recognized in profit or loss for the current period. Other than this, changes in fair value of the financial asset are recognized in other comprehensive income. The amount of the financial asset included in profit or loss for each period is equal to the amount that would have been included in profit or loss for each period as if it had always been measured at amortized cost. When such financial assets are derecognized, accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income and recognized in profit or loss for the current period.

Changes in the fair value of investments in non-trading equity instruments designated as at fair value through other comprehensive income are recognized in other comprehensive income. When such financial assets are derecognized, accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income and recognized in retained earnings. Dividend income is recognized and included in profit or loss for the current period when the Group holds such investments in non-trading equity instruments, the Group's right to receive dividends has been established, the economic benefits associated with the dividends are likely to flow into the Group and the amount of dividends can be measured reliably.

##### 11.1.3 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in fair value, as well as dividend and interest income related to the financial asset, are recognized in profit or loss for the current period.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Financial Instruments (Continued)

#### 11.2 Impairment of Financial Instruments

The Group performs the impairment treatment on financial assets measured at amortized cost based on the expected credit losses, and recognizes the provision for losses.

For all notes and accounts receivable arising from transactions regulated by the revenue standards, the Group measures the provision for losses at the amount equivalent to the expected credit losses over their entire duration.

For other financial instruments, the Group assesses on each balance sheet date the changes in credit risk of relevant financial instruments since their initial recognition. If the credit risk of a financial instrument has increased significantly since its initial recognition, the Group measures the provision for losses at the amount equivalent to the expected credit losses of the financial instrument over the entire duration; if the credit risk of a financial instrument has not increased significantly since its initial recognition, the Group measures the provision for losses at the amount equivalent to the expected credit losses of the financial instrument over the next 12 months. The increase or reversal amount of the provision for credit losses is recognized as an impairment loss or gain in profit or loss for the current period.

The Group has measured the provision for loss in the previous accounting period at an amount equivalent to the expected credit loss over the entire life of the financial instrument. However, on the current balance sheet date, if the financial instrument no longer falls under the category of significantly increased credit risk since initial recognition, the Group will measure the provision for loss on the financial instrument at an amount equivalent to the expected credit loss over the next 12 months on the current balance sheet date. The reversal amount of the provision for loss incurred therefrom shall be recognized as an impairment gain and included in profit or loss for the current period.

##### 11.2.1 Significant increase in credit risk

The Group uses reasonably available and reliable forward-looking information to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument on the balance sheet date with the risk of default on the initial recognition date. The Group considers the following factors when assessing whether there has been a significant increase in credit risk:

- (1) Whether there has been an adverse change in business, financial or economic conditions that is expected to cause a significant change in the debtor's ability to fulfill its debt repayment obligation.
- (2) Whether there has been a significant change in the debtor's actual or expected operating results.
- (3) Whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor operates.
- (4) Whether there has been a significant change in the debtor's expected performance and repayment behavior.

On the balance sheet date, the Group assumes that the credit risk of a financial instrument has not increased significantly since initial recognition if the Group determines that the financial instrument has only a low credit risk. A financial instrument is considered to have low credit risk if the default risk of the financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and operating environment in the longer term, these may not necessarily lower the borrower's ability to fulfill its contractual cash obligations.

##### 11.2.2 Credit-impaired financial assets

A financial asset becomes credit-impaired when one or more events that the Group expects to have an adverse effect on the future cash flows of the financial asset occur. Evidence of credit impairment of a financial asset includes the following observable information:

- (1) Significant financial difficulties of the issuer or debtor;
- (2) Breach of contract by the debtor, such as default or delinquency in the payment of interest or principal;
- (3) The creditor grants the debtor concessions that the debtor would not have made under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties;
- (4) The debtor is likely to go into bankruptcy or other financial restructuring.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Financial Instruments (Continued)

#### 11.2 Impairment of Financial Instruments (Continued)

##### 11.2.3 Determination of expected credit loss

The Group determines the expected credit loss on the underlying financial instruments by the following methods:

- For financial assets, credit loss is the present value of the difference between the contractual cash flows receivable by the Group and the cash flows expected to be received.

The Group's method for measuring expected credit loss on financial instruments reflects factors such as: an unbiased probability-weighted average amount determined by evaluating a series of possible outcomes; the time value of money; reasonable and reliable information about past events, current conditions, and future economic forecasts that can be obtained without unnecessary additional costs or efforts on the balance sheet date.

##### 11.2.4 Write-down of financial assets

When the Group no longer reasonably expects that the contractual cash flows from financial assets can be recovered wholly or in part, the carrying amount of the financial asset shall be directly written down. Such write-down constitutes derecognition of relevant financial assets.

#### 11.3 Transfers of Financial Assets

A financial asset shall be derecognized when one of the following conditions is met: (1) the contractual right to receive cash flows from the financial asset is terminated; (2) the financial asset has been transferred and substantially all the risks and rewards pertaining to ownership of the financial asset have been transferred to the transferee; or (3) the financial asset has been transferred, although the Group has neither transferred nor retained substantially all the risks and rewards pertaining to ownership of the financial asset, but does not retain control over the financial asset.

If a financial asset is transferred in its entirety and meets the conditions for derecognition, the difference between the carrying amount of the transferred financial asset on the derecognition date and the sum of the consideration received for the transfer of the financial asset and the amount corresponding to the derecognition portion of the cumulative change in the fair value previously included in other comprehensive income shall be recognized in profit or loss for the current period. If the financial assets transferred by the Group are investments in non-trading equity instruments designated as at fair value through other comprehensive income, the cumulative gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

If the overall transfer of financial assets does not meet the conditions for derecognition, the Group will continue to recognize the transferred financial assets as a whole and recognize the consideration received as a financial liability.

#### 11.4 Classification of Financial Liabilities and Equity Instruments

The Group classifies a financial instrument or its component parts as either a financial liability or an equity instrument at the time of initial recognition based on the contractual terms of the financial instrument issued and its economic substance as reflected, rather than solely in its legal form, by combining the definition of a financial liability and an equity instrument.

##### 11.4.1 Equity instruments

An equity instrument refers to a contract that can prove ownership of the Group's residual equity in its assets after deducting all liabilities. The Group's issuance (including refinancing), repurchase, sale or cancellation of equity instruments are treated as changes in equity. The Group does not recognize changes in fair value of equity instruments. Transaction costs associated with equity transactions shall be deducted from equity.

The Group's distribution to holders of equity instruments shall be treated as profit distribution.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 12. Inventories

#### 12.1 Category of Inventories, Valuation Method for Inventories Delivered, Inventory System, and Amortization Method for Low-value Consumables and Spare Parts

##### 12.1.1 Category of inventories

Inventories of the Group mainly include raw materials, fuels, spare parts, low-value consumables, etc. Inventories are initially measured at cost. Cost of inventories comprises cost of purchase, cost of processing and other expenditures incurred to bring inventories to their current location and condition.

##### 12.1.2 Valuation method for inventories delivered

When inventories are delivered, their actual cost is determined by using the weighted average method.

##### 12.1.3 Inventory system

The Group adopts perpetual inventory system.

##### 12.1.4 Amortization method for low-value consumables and spare parts

Low-value consumables and spare parts are amortized by using one-off write-off method.

#### 12.2 Recognition Criteria and Provision Method for Decline in Value of Inventories

On the balance sheet date, inventories are measured at the lower of cost or net realizable value. A provision for decline in value of inventories is made when the net realizable value is lower than cost.

Net realizable value is the estimated selling price in daily activities, less the estimated costs to be incurred till completion, the estimated selling expenses and the related taxes. The determination of the net realizable value of inventories is based on conclusive evidence obtained, taking into account the purpose for which the inventories are held and the effect of events after the balance sheet date.

If the factors affecting the previous write-down of the value of inventories have disappeared after the provision for decline in value of inventories has been made, resulting in the net realizable value of inventories being higher than their book value, the amount of provision for decline in value of inventories originally made shall be reversed, and the reversed amount shall be included in profit or loss for the current period.

### 13. Long-term Equity Investments

#### 13.1 Judgment Criteria for Joint Control and Significant Influence

Control refers to having the power over the investee, the entitlement to variable returns through the participation in relevant activities of the investee, and the ability to affect the amount of returns by using its power over the investee. Joint control is the relevant agreed sharing of control over an arrangement, and relevant activities of such arrangement shall be decided upon the unanimous consent of the parties sharing control. Significant influence is the power to participate in decision making in the financial and operating policies of the investee but is not the power to control or joint control with other parties over those policies. When determining whether it is possible to exercise control or significant influence over an investee, potential voting rights factors such as current convertible bonds and current exercisable warrants of the investee held by the investor and other parties have been taken into account.

#### 13.2 Determination of Initial Investment Cost

For long-term equity investments acquired through business combination under common control, their initial investment cost shall be the share of carrying value of the owners' equity of the combined party on the date of combination as stated in the consolidated financial statements of the ultimate controlling party. Any difference between the initial investment cost of long-term equity investments and the carrying value of cash paid, non-cash assets transferred and debts assumed shall be dealt with by adjusting the capital reserve; if the capital reserve is insufficient for setting off the difference, such difference shall be adjusted to retained earnings. If equity securities are issued as consideration for business combination, the initial investment cost of a long-term equity investment is determined on the combination date based on the share of the book value of the owners' equity of the combined party in the ultimate controlling party's consolidated financial statements, and the total nominal value of the shares issued recognized as share capital; the difference between the initial investment cost of the long-term equity investment and the total nominal value of the shares issued shall be adjusted to capital reserve; if the capital reserve is insufficient for offsetting, the difference shall be adjusted to retained earnings. Other comprehensive income recognized in respect of equity investments held prior to the combination date due to the use of equity method or for investments in non-trading equity instruments designated as at fair value through other comprehensive income will not be accounted for temporarily.

# NOTES TO FINANCIAL STATEMENTS

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 13. Long-term Equity Investments (Continued)

#### 13.2 Determination of Initial Investment Cost (Continued)

For long-term equity investments acquired through business combination not under common control, their initial investment cost shall be the cost of combination on the date of purchase.

Intermediary fees incurred by the combined or purchasing parties for the business combination, such as auditing, legal services, appraisal and consulting fees, and other related administrative expenses, shall be included in profit or loss for the current period when they are incurred.

The long-term equity investments other than those acquired through business combination shall be initially measured at cost. For long-term equity investments that can exercise significant influence or joint control over the investee but do not constitute control, the cost of long-term equity investments shall be the sum of the fair value of the originally held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the cost of new investments.

#### 13.3 Subsequent Measurement and Profit or Loss Recognition Methods

##### 13.3.1 Long-term equity investments accounted for under the cost method

The Company's financial statements use the cost method to account for long-term equity investments in subsidiaries. Subsidiaries refer to investees over which the Group is able to exercise control.

Under the cost method, long-term equity investments are measured at their initial investment cost. For addition or recovery of investments, the cost of long-term equity investments shall be adjusted. Cash dividends or profits declared to be distributed by the investee should be recognized as investment income for the current period.

##### 13.3.2 Long-term equity investments accounted for under the equity method

The Group's investments in associates and joint ventures are accounted for using the equity method. An associate refers to an investee over which the Group can exercise significant influence, while a joint venture refers to a joint venture arrangement in which the Group only has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment is greater than the investing enterprise's interest in the fair value of the investee's identifiable net assets, the initial investment cost of the long-term equity investment shall not be adjusted. Where the initial investment cost is less than the investing enterprise's interest in the fair value of the investee's identifiable net assets, the difference shall be included in profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profits or losses and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly. The carrying amount of the long-term equity investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. For other changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the carrying amount of long-term equity investments shall be adjusted and included in capital reserve. The Group recognizes its share of the investee's net profits or losses after making adjustments to the investee's net profits based on the fair value of the investee's identifiable assets on the acquisition date. If the accounting policies and accounting periods adopted by the investee are different from those of the Company, the financial statements of the investee shall be adjusted in accordance with the Company's accounting policies and accounting periods, and investment income and other comprehensive income shall be recognized accordingly. For transactions between the Group and its associates and joint ventures, if the assets invested or sold do not constitute a business, unrealized internal transaction gains or losses attributable to the Group in proportion to the Group's share of such gains or losses shall be offset, and investment gains or losses shall be recognized on this basis. However, unrealized losses on internal transactions between the Group and investees shall not be offset if they are attributable to impairment losses on transferred assets.

The Group shall discontinue recognizing its share of the net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance forms part of the Group's net investment in the investee are reduced to zero. In addition, if the Group has an obligation to assume additional losses for an investee, an estimated liability shall be recognized for the expected obligation to be assumed, and shall be included in the investment loss for the current period. If the investee achieves a net profit in subsequent periods, the Group resumes the recognition of the profit sharing amount after offsetting the unrecognized loss sharing amount with the profit sharing amount.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 13. Long-term Equity Investments (Continued)

#### 13.4 Disposal of Long-term Equity Investments

When a long-term equity investment is disposed of, the difference between its carrying amount and the actual acquisition price is recognized in profit or loss for the current period.

Where the Group loses control over an investee due to the disposal of part of an equity investment, and the remaining equity in the investee after disposal can exercise joint control or significant influence over the investee when preparing the individual financial statements, the Group changes its accounting to the equity method and makes adjustments to the remaining equity as if it were accounted for by the equity method from the time of acquisition; if the remaining equity after disposal cannot exercise joint control or significant influence over the investee, it shall be accounted for in accordance with relevant provisions of the Standards for Recognition and Measurement of Financial Instruments, and the difference between its fair value and book value on the date of loss of control shall be recognized in profit or loss for the current period. For other comprehensive income recognized due to the use of the equity method for accounting or the Standards for Recognition and Measurement of Financial Instruments prior to the Group's acquisition of control over the investee, the accounting for such other comprehensive income at the time of the loss of control over the investee shall be carried out on the same basis as that for the direct disposal of relevant assets or liabilities by the investee. Any changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution recognized in the investee's net assets arising from the use of equity method for accounting shall be carried forward to profit or loss for the current period when the Group loses control over the investee. Among them, if the remaining equity after disposal is accounted for by the equity method, other comprehensive income and other owners' equity shall be carried forward on a pro rata basis; if the remaining equity after disposal is accounted for in accordance with the Standards for Recognition and Measurement of Financial Instruments, all other comprehensive income and other owners' equity shall be carried forward.

### 14. Fixed Assets

#### 14.1 Recognition Conditions

Fixed assets refer to tangible assets held for the production of goods, provision of labor services, leasing or business management, with a useful life of more than one accounting year. A fixed asset is recognized only when the economic benefits associated with the asset are likely to flow into the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures related to a fixed asset shall be included in the cost of the fixed asset and the carrying amount of the replaced part shall be derecognized when the economic benefits associated with the asset are likely to flow into the Group and the cost of the asset can be measured reliably. Other subsequent expenditures shall be recognized in profit or loss for the period during which they are incurred.

#### 14.2 Depreciation Method

Fixed assets are depreciated over their useful life using the straight-line method from the second month after they reach their expected useable state. The depreciation method, years of depreciation, estimated residual value rate and annual depreciation rate for each category of fixed assets are as follows:

	Depreciation method	Years of depreciation	Estimated residual value rate	Annual depreciation rate
Properties and buildings	Straight-line method	20-35 years	3%	2.77-4.85%
Terminal facilities	Straight-line method	20-30 years	3%	3.23-4.85%
Machinery and equipment	Straight-line method	6-20 years	3%	4.85-16.17%
Vessels and transportation equipment	Straight-line method	6-10 years	3%	9.70-16.17%
Office and other equipment	Straight-line method	6 years	3%	16.17%

The estimated net residual value is the amount that the Group would currently obtain from the disposal of a fixed asset after deducting the estimated disposal expenses, assuming that the estimated useful life of the fixed asset has expired and the asset is in the expected state at the end of its useful life.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 14. Fixed Assets (Continued)

#### 14.3 Other Instructions

Fixed assets are derecognized when they are disposed of or when no economic benefits are expected to arise from their use or disposal. The difference between the disposal income from sale, transfer, scrapping or damage of fixed assets, after deducting their carrying amount and related taxes, shall be recognized in profit or loss for the current period.

The Group reviews the useful life, estimated net residual value and depreciation method of a fixed asset at least at the end of each accounting year, and any change thereof will be treated as a change in accounting estimates.

### 15. Construction in Progress

Construction in progress is measured at actual cost, which consists of expenditures incurred during the construction period of the project, borrowing costs capitalized before the project reaches its intended usable state and other related expenses. Construction in progress is not depreciated.

Construction in progress is transferred to fixed assets or intangible assets when it reaches its intended useable state. The criteria for transferring various types of construction in progress to fixed assets are as follows:

	Criteria of transfer to fixed assets
Properties and buildings	Actually put into operation/completed and passed the completion verification (which is earlier)
Terminal facilities	Actually put into operation/completed and passed the completion verification (which is earlier)
Machinery and equipment	Actually put into operation/completed installation and passed the completion verification (which is earlier)
Transportation equipment	Actually put into operation/passed the verification (which is earlier)
Other equipment	Actually put into operation/passed the verification (which is earlier)

### 16. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that qualifies for capitalization begin to be capitalized only when expenditures for the asset and borrowing costs have been incurred, as well as when acquisition, construction or production activities that are necessary to prepare the asset for its intended use or saleable status have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs shall be recognized as expenses for the current period when they are incurred.

Interest expenses actually incurred on specific-purpose borrowings for the current period is capitalized after subtracting the interest income earned on unused borrowed funds deposited in banks or investment income earned on temporary investments; the capitalization amount of general borrowings is determined by multiplying the weighted average of the excess amounts of accumulated expenditure on asset over the expenditure of specific-purpose borrowings by the capitalization rate of general borrowings occupied. The capitalization rate is determined based on the weighted average interest rate on general borrowings.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 17. Intangible Assets

#### 17.1 Useful Life and Its Determination Basis, Estimation, Amortization Method or Review Procedures

Intangible assets include land use rights, software and sea area use rights.

Intangible assets are initially measured at cost. Starting from the time they become available for use, intangible assets with limited useful life are amortized equally using the straight-line method over their estimated useful life, by subtracting from their original value the estimated net residual value and the cumulative amount of the impairment provision already made. Intangible assets with indefinite useful life are not amortized. The amortization method, useful life and recognition basis for various intangible assets are as follows:

	Amortization method	Useful life	Recognition basis
Land use rights	Straight-line method	40-50 years	Period of land use rights
Software	Straight-line method	5-10 years	Expected useful life
Sea area use rights	Straight-line method	50 years	Period of sea area use rights

At the end of the period, the useful life and amortization method of intangible assets with limited useful life shall be reviewed and adjusted if necessary.

#### 17.2 Scope of R&D Expenditures and Related Accounting Treatment Method

Expenditures during the research phase are recognized in profit or loss for the period in which it is incurred.

Expenditures during the development phase are recognized as intangible assets when all of the following conditions are met; those that do not meet the following conditions are recognized in profit or loss for the current period:

- (1) having the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (2) having the intention to complete the intangible asset and use or sell it;
- (3) how the intangible asset will generate probable future economic benefits, including that the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, that if it is to be used internally, the usefulness of the intangible asset;
- (4) having the support of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- (5) the expenditures attributable to the intangible asset during the development phase can be measured reliably.

Where it is impossible to distinguish between expenditures during the research phase and during the development phase, all research and development expenditures incurred will be included in profit or loss for the current period. The cost of an intangible asset resulting from internal development activities includes only the total expenditures incurred from the point of time when the conditions for capitalization are met until the intangible asset reaches its intended use. No further adjustment is made to the expenditure that has already been expensed into profit or loss prior to meeting the conditions for capitalization of the same intangible asset during the development process.

### 18. Impairment of Long-term Assets

On each balance sheet date, the Group checks the long-term equity investments, fixed assets, construction in progress, right-of-use assets, and intangible assets with definite useful life to confirm whether there is any sign of impairment. If any sign of impairment exists for such assets, their recoverable amount will be estimated.

The Group estimates the recoverable amount of an asset on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. The recoverable amount is the higher of the net amount of the fair value of an asset or asset group minus disposal costs and the present value of its estimated future cash flows.

When the recoverable amount of an asset or asset group is less than its carrying amount, a provision for asset impairment is made according to their difference and recognized in profit or loss for the current period.

Once the above asset impairment loss is recognized, it cannot be reversed in the subsequent accounting periods.



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 19. Long-term Prepaid Expenses

Long-term prepaid expenses are expenses which have incurred but shall be amortized over the current period and subsequent periods of more than one year. Long-term prepaid expenses are amortized evenly over the estimated benefit period.

### 20. Contract Liabilities

Contract liabilities refer to the Group's obligations to transfer goods or services to customers for the consideration received or receivable from customers. Contract assets and contract liabilities under the same contract are presented at their net amount.

### 21. Employee Benefits

#### 21.1 Accounting Treatment Method for Short-term Employee Benefits

During the accounting period when services are rendered by the employees, the Group recognizes short-term employee benefits actually incurred as liabilities and charged to profit or loss or related costs of assets for the current period. Employee welfare expenses incurred by the Group are recognized in profit or loss or cost of relevant assets, depending on the actual amount incurred.

The Group pays social insurance premiums including medical insurance, work-related injury insurance, maternity insurance, etc. and housing provident fund for employees, as well as provides for the trade union funds and employee education funds in accordance with the regulations. During the accounting period when employees provide services to the Group, the corresponding amount of employee remunerations shall be calculated and determined on the prescribed provision basis and provision ratio, and the corresponding liabilities shall be recognized and recorded in profit or loss or cost of relevant assets for the current period.

#### 21.2 Accounting Treatment Method for Post-employment Benefits

Post-employment benefits are all defined contribution plans.

During the accounting period when services are rendered by the employees, the Group recognizes the amount of contributions payable calculated in accordance with the defined contribution plan as a liability and includes it in profit or loss or cost of relevant assets.

#### 21.3 Accounting Treatment Method for Termination Benefits

Where the Group provides termination benefits to its employees, the employee remuneration liabilities arising from termination benefits are recognized in profit or loss for the current period upon the occurrence of the earlier of the following: termination benefits provided as a result of termination of employment plan or downsizing proposal cannot be unilaterally withdrawn by the Group; reorganization-related costs or expenses involving payment of termination benefits are recognized by the Group.

For the employee's internal retirement plan, the Group will use the salary of the early retired employee to be paid by the enterprise on a monthly basis and the social insurance premium as the termination benefits from the period when the employee stops providing the service to the normal retirement date, and account for them adopting the same principle as the above-mentioned termination benefits. The specific terms of each termination benefit and the employee's internal retirement plan vary according to the relevant employee's position, service years and regions and other factors.

#### 21.4 Other Long-term Employee Benefits

Other long-term benefits provided to the employees are net liabilities or net assets of other long-term employee benefits recognized or measured according to the requirements applicable to post-employment benefits. Changes arising from the measurement will be recognized in profit or loss or cost of relevant assets for the current period.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 22. Estimated Liabilities

The Group recognizes an obligation related to a contingency as an estimated liability when it is a present obligation of the Group, it is probable that an outflow of economic benefits from the Group will be required to settle the obligation, and the amount of the obligation can be measured reliably.

On the balance sheet date, an estimated liability is measured at the best estimate of the expenditure required to settle the related present obligation, with comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. If the time value of money has a material impact, the best estimate is determined by discounting the expected future cash outflows.

### 23. Revenue

#### 23.1 Accounting Policies Used for Revenue Recognition and Measurement Based on Business Types

The Group recognizes revenue based on the transaction price apportioned to the performance obligation when the Group has fulfilled its performance obligation under the contract, i.e. when the customer obtains control over relevant goods or services. Performance obligation refers to the commitment made by the Group in the contract to transfer clearly distinguishable goods or services to the customer.

The Group assesses a contract on the start date, identifies each individual performance obligation included in that contract and determines whether each individual performance obligation is to be performed within a certain period of time or at a certain point of time. When one of the following conditions is met, it is considered as a performance obligation to be fulfilled within a certain period of time, and the Group recognizes revenue within a period of time based on the progress of performance: (1) The customer acquires and consumes the economic benefits arising from the Group's performance of a contract while the Group performs the contract; (2) The customer is able to control the goods under construction during the Group's performance of a contract; (3) The goods produced during the Group's performance of a contract have irreplaceable usages, and the Group is entitled to receive payments for the cumulative completed performance portion throughout the term of the contract. Otherwise, the Group recognizes revenue at a point of time when the customer obtains control over relevant goods or services.

Transaction price refers to the expected amount of consideration that the Group is entitled to receive for the transfer of goods or services to customers, excluding amounts collected on behalf of third parties and amounts that the Group expects to refund to customers. In determining the transaction price, the Group considers factors such as impact of variable consideration, significant financing components present in the contract, non-cash consideration and consideration payable to customers.

#### 23.1.1 Contracts for the rendering of services

The Group performs its obligations by providing port operation services to customers. The Group conducts an analysis based on the terms of the contract and the substance of the transaction. The comprehensive judgment service is performed within a certain period of time or at a certain point of time. For the performance obligations to be fulfilled within a certain period of time, the Group recognizes the revenue based on the progress of the performance, except for the progress of the performance that cannot be reasonably determined. The Group determines the progress of the performance of the services provided in accordance with the input method. For the progress of the performance that cannot be reasonably determined, when the costs incurred by the Group are expected to be compensated, the revenue is recognized based on the amount of costs incurred until the progress of the performance can be reasonably determined. For performance obligations performed at a certain point of time, the Group recognizes the revenue when the customer obtains relative control right of the service.

#### 23.1.2 Contracts for the sales of goods

The contract for the sale of goods between the Group and the customers usually includes only performance obligations of transferring the goods. The Group recognizes revenue at a point of time when the customer obtains the control of the relevant goods.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 24. Government Grants

Government grants refer to monetary and non-monetary assets acquired by the Group from the government at no cost. Government grants are recognized when the accompanying conditions can be met and such grants can be received.

Where government grants are monetary assets, they shall be measured at the amount received or receivable.

#### 24.1 Basis of Judgment and Accounting Treatment Method for Government Grants Related to Assets

Government grants related to assets are either offset against the carrying amount of related assets or recognized as deferred income; those recognized as deferred income shall be evenly distributed over the useful life of related assets and recorded in profit or loss for the current period.

#### 24.2 Basis of Judgment and Accounting Treatment Method for Government Grants Related to Income

Government grants related to income which are used to compensate relevant cost expenses or losses in subsequent periods shall be recognized as deferred income and recorded in profit or loss for the current period when relevant cost expenses or losses are recognized; those used to compensate relevant cost expenses or losses already incurred are directly recorded in profit or loss for the current period.

Government grants related to the Group's daily activities are recorded in other income based on the substance of economic operations. Government grants unrelated to the Group's daily activities are recognized as non-operating income.

### 25. Leases

A lease refers to a contract in which the lessor transfers the right to use an asset to the lessee in return for consideration during a certain period of time.

On the contract start date, the Group assesses whether the contract is a lease or contains a lease. Unless there is any change in the terms and conditions of the contract, the Group does not reassess whether a contract is a lease or contains a lease.

#### 25.1 The Group as a Lessee

##### 25.1.1 Right-of-use assets

The Group recognizes right-of-use assets for leases on the commencement date of the lease term, except for short-term leases and low-value asset leases. The commencement date of the lease term is the starting date on which the lessor provides the leased assets for use by the Group. Right-of-use assets are initially measured at cost, which includes:

- the initial measurement amount of the lease liability;
- the amount of the lease payment on or before the commencement date of the lease term, deducting the relevant amount of the lease incentives already enjoyed;
- the initial direct expenses incurred by the Group;
- the cost expected to be incurred by Group for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed upon under the lease terms.

The Group depreciates the right-of-use assets with reference to relevant depreciation provisions in the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. If it is reasonable to determine that the ownership of the leased assets can be obtained at the expiration of the lease term, the Group will provide for depreciation during the remaining useful life of the leased assets. If it is not reasonable to determine that the ownership of the leased assets can be obtained at the expiration of the lease term, the Group will provide for depreciation during the shorter of the lease term and the remaining useful life of the leased assets.

The Group determines whether the right-of-use assets have been impaired in accordance with the provisions of the Accounting Standards for Business Enterprises No. 8 – Impairment of Assets, and applies accounting treatment for identified impairment losses.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 25. Leases (Continued)

#### 25.1 The Group as a Lessee (Continued)

##### 25.1.2 Lease liabilities

On the commencement date of the lease term, the Group initially measures the lease liabilities at the present value of outstanding lease payments, except for short-term leases and low-value asset leases. In calculating the present value of the lease payments, the Group uses the implicit interest rate in the lease as the discount rate; if the implicit interest rate of the lease cannot be determined, the incremental borrowing rate is used as the discount rate.

Lease payment amount refers to the amount paid by the Group to the lessor in respect of the right to use the leased assets during the lease term, including:

- fixed payment amount and substantial fixed payment amount, less the amount related to lease incentives if any;
- variable lease payment amount subject to an index or ratio;
- exercise price of purchase options to be exercised as reasonably determined by the Group;
- payments required for exercising the option to terminate a lease, if the lease term reflects that the Group will exercise the option to terminate the lease; and
- amount expected to be paid under residual value guarantees provided by the Group.

Variable lease payments subject to an index or ratio are initially measured based on the index or ratio on the commencement date of the lease term. The variable lease payments that are not included in the measurement of lease liabilities are recognized in profit or loss for the current period or cost of relevant assets when incurred.

After the commencement date of the lease term, the Group calculates the interest expenses of the lease liabilities for each period of the lease term based on the fixed periodic interest rate and include such expenses in profit or loss for the current period or cost of relevant assets.

After the commencement date of the lease term, the Group re-measures the lease liability and adjusts the corresponding right-of-use asset if any of the following circumstances occurs. If the carrying amount of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the Group recognizes the difference in profit or loss for the current period:

- where there is a change in the lease term or a change in the assessment results of the purchase option, the Group re-measures the lease liability at the present value calculated according to the changed lease payments and the revised discount rate;
- where there is a change in the expected amount payable of the guarantee residual value or a change in the index or ratio used to determine the lease payment amount, the Group re-measures the lease liability at the present value calculated according to the changed lease payments and the original discount rate.

##### 25.1.3 Judgment basis and accounting treatment method for simplified treatment of short-term leases and low-value asset leases by the Group as a lessee

The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases. Short-term lease refers to a lease that has a lease term of no more than 12 months from the commencement date and that does not include purchase options. Low-value asset lease refers to a lease that has a lower value when the individual leased asset is a brand-new asset. The Group includes lease payments for short-term leases and low-value asset leases in profit or loss or in the cost of relevant assets for the current period on a straight-line basis during each period of the lease term.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 25. Leases (Continued)

#### 25.2 The Group as a Lessor

##### 25.2.1 Classification standards and accounting treatment methods for leases by the Group as a lessor

Leases that transfer substantially all of the risks and rewards associated with the ownership of the leased asset are finance leases. Leases other than finance leases are operating leases.

##### 25.2.2 Operating leases recorded by the Group as a lessor

During each period of the lease term, the Group recognizes lease receipts under operating leases as rental income using the straight-line method. Initial direct costs incurred by the Group related to operating leases are capitalized when incurred and are amortized over the lease term on the same basis of recognition for rental income, and recorded in profit or loss for the current period by installments.

Variable lease receipts obtained by the Group related to operating leases that are not included in lease receipts shall be recorded in profit or loss for the current period when they are actually incurred.

### 26. Deferred Income Tax Assets/Deferred Income Tax Liabilities

Income tax expenses include current income tax and deferred income tax.

#### 26.1 Current Income Tax

On the balance sheet date, current income tax liabilities (or assets) arising from current and prior periods are measured at the expected amount of income tax payable (or refundable) calculated in accordance with the tax laws.

#### 26.2 Deferred Income Tax Assets and Deferred Income Tax Liabilities

Deferred income tax assets and deferred income tax liabilities are recognized using the balance sheet liability method for differences between the carrying amount of some asset or liability items and their tax bases, as well as for temporary differences arising from the differences between the carrying amounts and tax bases of items not recognized as assets or liabilities but the tax bases can be determined in accordance with tax laws.

Deferred income taxes are generally recognized for all temporary differences. However, for deductible temporary differences, the Group recognizes relevant deferred income tax assets to the extent that it is probable that taxable income will be obtained to offset the deductible temporary differences. In addition, the Group will not recognize relevant deferred income tax assets or liabilities where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income (or deductible loss) and the initial recognition of the asset or liability incurs no equal taxable temporary differences and deductible temporary differences.

Deferred income tax assets are recognized for deductible losses and tax credits that can be carried forward to future years to the extent that it is likely that future taxable income will be obtained to offset the deductible losses and tax credits.

The Group recognizes deferred income tax liabilities arising from taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, unless the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. In respect of the deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred income tax asset is only recognized to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and that the taxable income will be obtained to offset the deductible temporary differences in the future.

On the balance sheet date, deferred income tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when relevant assets are recovered or relevant liabilities are settled according to the requirements of tax laws.

Current income tax and deferred income tax expenses or gains are recognized in profit or loss for the current period, except for current income tax and deferred income tax related to transactions and events directly recorded in other comprehensive income or shareholders' equity, which are recognized in other comprehensive income or shareholders' equity, as well as deferred income tax arising from business combinations, which is adjusted to the carrying amount of goodwill.

The carrying amount of deferred income tax assets is reviewed on the balance sheet date. If it is likely that sufficient taxable income will not be obtained in the future to offset the benefits of deferred income tax assets, the carrying amount of deferred income tax assets shall be written down. The written-down amount shall be reversed when it is likely to obtain sufficient taxable income.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Deferred Income Tax Assets/Deferred Income Tax Liabilities (Continued)

#### 26.3 Offsetting of Income Tax

When the Group has a legal right to settle current income tax assets and liabilities on a net basis and intends to settle them on a net basis or simultaneously obtain assets and pay off the liabilities, the current income tax assets and current income tax liabilities of the Group are listed at net amount after offsetting.

The deferred income tax assets and deferred income tax liabilities of the Group are listed at net amount after offsetting when the Group has a legal right to settle current income tax assets and liabilities on a net basis; the deferred income tax assets and liabilities are related to the same taxpayer and the same taxation authority or related to different taxpayers, but during the period when each of the significant deferred income tax assets and liabilities is reversed, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or simultaneously obtain assets and pay off the liabilities.

### 27. Production Safety Expense

Production safety expenses appropriated pursuant to related regulations shall be recognized in the cost of relevant products or in profit or loss for the current period, and also in the specialized reserve. The cost shall be handled respectively according to whether a fixed asset is formed: The cost incurred through expenditure will be reduced directly from the specialized reserve; the cost incurred for a fixed asset shall be pooled and recognized as a fixed asset when it reaches its intended usable state; meanwhile an equivalent amount shall be deducted from the specialized reserve and recognized as accumulated depreciation.

### 28. Other Significant Accounting Policies and Accounting Estimates

In the process of applying the accounting policies described above, the Group is required to make judgments, estimates and assumptions about the book value of statement items that cannot be measured accurately due to the inherent uncertainties in operating activities. These judgments, estimates and assumptions are based on the past historical experience of the Group's management and on consideration of other relevant factors. The actual results may differ from the Group's estimates.

The Group regularly reviews the aforementioned judgments, estimates and assumptions on a going concern basis. Where any change in accounting estimates affects only the current period of the change, its effects shall be recognized in the current period of such change; or if the change affects both the current and future periods, its effects shall be recognized in both the current and future periods of the change.

#### Key assumptions and uncertainties used in accounting estimates

On the balance sheet date, the key assumptions and uncertainties in the accounting estimates that are likely to cause a material adjustment to the carrying amount of assets and liabilities during the future accounting periods mainly include:

##### Impairment of non-current assets other than financial assets

The Group assesses whether there is any indication of impairment for all non-current assets other than financial assets on the balance sheet date. Impairment test is carried out when there is an indication that the carrying amount is not recoverable. Where the carrying amount of an asset or asset group is higher than its recoverable amount (i.e., the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from it), it is indicated that such asset or asset group is impaired. The fair value less costs to sell is determined with reference to the price in the relevant sales agreement or an observable market price of similar assets in an arm's length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the asset or asset group. When calculating the present value of expected future cash flows from an asset or asset group, management shall estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate to determine the present value of future cash flows.

##### Fair value of unlisted equity investments

The Group determines the fair value of unlisted equity investments by market method. This requires the Group to identify comparable listed companies, select market multiples and estimate liquidity discounts, so the fair value is uncertain.

##### Deferred income tax assets

Deferred income tax assets are recognized for all unused deductible losses to the extent that it is probable that sufficient taxable income could be generated against deductible losses. Significant management judgments are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

# NOTES TO FINANCIAL STATEMENTS

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## III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Other Significant Accounting Policies and Accounting Estimates (Continued)

Key assumptions and uncertainties used in accounting estimates (Continued)

#### Useful lives and residual values of fixed assets

The Group's management determines the estimated useful lives and residual values of fixed assets and the corresponding depreciation charges. This accounting estimate is based on the historical information of the actual useful lives and residual values of fixed assets with similar nature and functions. However, it can change significantly as a result of technical innovations and competitor actions in response to severe market environment changes. Management will increase the depreciation charges where useful lives and residual values are less than previous estimations, or it will write off or write down the fixed assets technically obsolete or abandoned or sold.

## IV. TAXATION

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

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

The description of taxpayers with different corporate income tax rates:

Name of taxpayer	Income tax rate
Qinhuangdao Port GangSheng (Hong Kong) Co., Limited	16.5%

### 2. Tax Concessions

#### Land use tax

Pursuant to the Provisional Regulations of the People's Republic of China on Land Use Tax in respect of Urban and Town Land (《中華人民共和國城鎮土地使用稅暫行條例》) and the Announcement of the Ministry of Finance and the State Taxation Administration on the Extended Implementation of the Preferential Policies on Land Use Tax in respect of Urban and Town Land for Bulk Commodity Storage Facilities of Logistics Companies (《財政部、國家稅務總局關於繼續實施物流企業大宗商品倉儲設施用地城鎮土地使用稅優惠政策的公告》) (Cai Shui [2020] No. 16), during the period from 1 January 2020 to 31 December 2022, urban and town land use tax will be reduced by 50% of the rate applicable to the standards of such land owned in respect of bulk commodity storage facilities owned by logistics companies (including self-owned and leased land). In respect of land used for bulk commodity storage facilities owned by the Company and Cangzhou Huanghuagang Mineral Port Co., Ltd. (hereinafter referred to as "Cangzhou Mineral") and Tangshan Caofeidian Coal Port Co., Ltd. (hereinafter referred to as "Caofeidian Coal"), subsidiaries of the Company, land use tax will be reduced by 50%. Pursuant to the Announcement on the Extended Implementation of the Preferential Policies on Land Use Tax in respect of Urban and Town Land for Bulk Commodity Storage Facilities of Logistics Companies (《關於繼續實施物流企業大宗商品倉儲設施用地城鎮土地使用稅優惠政策的公告》) (the Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 5), the implementation term for the preferential policies on land use tax in respect of urban and town land for bulk commodity storage facilities of logistics companies shall be extended to 31 December 2027. The Company and Cangzhou Mineral and Caofeidian Coal, subsidiaries of the Company, still enjoyed the above-mentioned preferential policies in the first half of 2024.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## IV. TAXATION (CONTINUED)

### 2. Tax Concessions (Continued)

#### VAT

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

According to the Announcement of the Ministry of Finance and the State Taxation Administration on the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers (the Announcement of the Ministry of Finance and the State Taxation Administration, [2023] No. 19), some subsidiaries of the Company are allowed to apply a 3% tax rate on taxable sales revenue and pay the VAT at a reduced tax rate of 1%; and apply a 3% pre-tax rate on prepaid VAT items and prepay the VAT at a reduced pre-tax rate of 1% from 1 August 2023 to 31 December 2027.

#### Enterprise income tax

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

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



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash and Bank Balances

Item	30 June 2024 (Unaudited)	31 December 2023
Cash on hand	2,501.51	11,334.47
Bank deposits	1,006,836,476.16	762,221,357.30
Other cash and bank balances	500.00	500.00
Deposits with finance companies	1,936,598,201.24	2,075,790,264.80
<b>Total</b>	<b>2,943,437,678.91</b>	<b>2,838,023,456.57</b>

### 2. Bills Receivable

Item	30 June 2024 (Unaudited)	31 December 2023
Bank acceptance notes	52,125,635.00	47,181,075.00
Commercial acceptance notes	13,000,000.00	2,784,400.00
<b>Total</b>	<b>65,125,635.00</b>	<b>49,965,475.00</b>

As at 30 June 2024, no bank acceptance notes of the Group was pledged.

As at 30 June 2024, the bills receivable which were endorsed but undue as at the balance sheet date are as follows:

Item	Derecognized	Not derecognized
Bank acceptance notes	–	17,346,978.00
Commercial acceptance notes	–	13,000,000.00
<b>Total</b>	<b>–</b>	<b>30,346,978.00</b>

The Group believes that the bills receivable held are not exposed to significant credit risk and will not incur material losses due to default of the bill acceptors, so no provision for credit losses has been made.

### 3. Accounts Receivable

#### (1) Disclosure by aging

Aging	30 June 2024 (Unaudited)	31 December 2023
Within 1 year	92,360,135.39	71,028,396.67
1 to 2 years	3,043,217.00	3,629,733.00
2 to 3 years	283,041.00	1,924.00
Over 5 years	913,672.63	913,672.63
<b>Total</b>	<b>96,600,066.02</b>	<b>75,573,726.30</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
RMB

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Accounts Receivable (Continued)

(2) Disclosure by credit loss method

30 June 2024 (Unaudited)

Item	Balance	Percentage (%)	Provision for credit loss	Percentage of provision (%)	Carrying amount
Individual provision for credit loss	3,252,364.00	3.37	3,252,364.00	100.00	–
Provision for credit loss made by portfolio of credit risk characteristics	93,347,702.02	96.63	5,539,068.82	5.93	87,808,633.20
Total	96,600,066.02	100.00	8,791,432.82	–	87,808,633.20

31 December 2023

Item	Balance	Percentage (%)	Provision for credit loss	Percentage of provision (%)	Carrying amount
Individual provision for credit loss	3,252,364.00	4.30	3,252,364.00	100.00	–
Provision for credit loss made by portfolio of credit risk characteristics	72,321,362.30	95.70	4,503,406.57	6.23	67,817,955.73
Total	75,573,726.30	100.00	7,755,770.57	–	67,817,955.73

Individual provision for credit loss

Item	30 June 2024 (Unaudited)				31 December 2023			
	Balance	Provision for credit loss	Percentage of provision (%)	Reason for provision	Balance	Provision for credit loss	Percentage of provision (%)	Reason for provision
China Ocean Shipping Agency Qinhuangdao Co., Ltd. (中國秦皇島外輪代理有限公司)	61,460.00	61,460.00	100.00	Debtor involved in litigation	61,460.00	61,460.00	100.00	Debtor involved in litigation
Penavico QHD Logistics Co., Ltd. (秦皇島外代物流有限公司)	3,190,904.00	3,190,904.00	100.00	Debtor involved in litigation	3,190,904.00	3,190,904.00	100.00	Debtor involved in litigation
Total	3,252,364.00	3,252,364.00	–		3,252,364.00	3,252,364.00	–	

Provision for credit loss made by portfolio

30 June 2024 (Unaudited)

Item	Balance	Provision for credit loss	Percentage of provision (%)
Within 1 year	92,360,135.39	4,618,006.79	5.00
1 to 2 years	73,894.00	7,389.40	10.00
Over 3 years	913,672.63	913,672.63	100.00
Total	93,347,702.02	5,539,068.82	–

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Accounts Receivable (Continued)

#### (3) Provision for credit loss

Item	31 December 2023	Provision for the period	Recover or reversal in the period	Write-off in the period	30 June 2024 (Unaudited)
Individual provision for credit loss	3,252,364.00	-	-	-	3,252,364.00
Provision for credit loss made by aging group	4,503,406.57	1,577,317.01	(541,654.76)	-	5,539,068.82
<b>Total</b>	<b>7,755,770.57</b>	<b>1,577,317.01</b>	<b>(541,654.76)</b>	<b>-</b>	<b>8,791,432.82</b>

#### (4) The top five balances of account receivables classified by debtor

30 June 2024 (Unaudited)

Item	Balance		Provision for credit loss	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Hebei Xinchenggang International Logistics Co., Ltd. (河北新盛港國際物流有限公司)	39,832,605.61	41.23	1,991,630.28	5.00
Qinhuangdao Jinhai Oil Industrial Co., Ltd. (秦皇島金海糧油工業有限公司)	8,569,482.05	8.87	428,474.10	5.00
China National Coal Imp. and Exp. Group (Tianjin) Company Limited (天津中煤進出口有限公司)	5,703,680.00	5.90	285,184.00	5.00
Tangshan Port Hede Shipping Co., Ltd. (唐山港合德海運有限公司)	5,277,845.40	5.46	263,892.27	5.00
Angang Group International Trade Co., Ltd. (安鋼集團國際貿易有限責任公司)	4,600,966.29	4.76	230,048.31	5.00
<b>Total</b>	<b>63,984,579.35</b>	<b>66.22</b>	<b>3,199,228.96</b>	<b>5.00</b>

### 4. Accounts Receivable Financing

Item	30 June 2024 (Unaudited)	31 December 2023
Bank acceptance notes	48,232,044.89	74,502,289.57

As at 30 June 2024, no bank acceptance notes of the Group was pledged.

As at 30 June 2024, the accounts receivable financing which was endorsed but undue as at the balance sheet date are as follows:

Item	Derecognized	Not derecognized
Bank acceptance notes	44,778,637.55	-

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
RMB

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other Receivables

#### 5.1 Presentation of other receivables

Item	30 June 2024 (Unaudited)	31 December 2023
Dividend receivables	–	110,950,000.00
Other receivables	19,300,810.94	20,697,857.46
<b>Total</b>	<b>19,300,810.94</b>	<b>131,647,857.46</b>

#### 5.2 Dividend receivables

Investee	30 June 2024 (Unaudited)	31 December 2023
Tangshan Caofeidian Shiye Port Co., Ltd. (唐山曹妃甸實業港務有限公司)	–	110,950,000.00

#### 5.3 Other receivables

##### (1) Disclosure by aging:

Aging	30 June 2024 (Unaudited)	31 December 2023
Within 1 year	12,151,353.73	12,995,573.09
1 to 2 years	4,010,558.72	4,129,751.51
2 to 3 years	5,924,397.15	6,166,051.46
3 to 4 years	6,920,979.81	6,717,849.26
4 to 5 years	23,308,912.73	38,615,810.13
Over 5 years	15,307,841.08	936.50
<b>Total</b>	<b>67,624,043.22</b>	<b>68,625,971.95</b>

##### (2) Classification by nature:

Nature	30 June 2024 (Unaudited)	31 December 2023
Assets transfer consideration receivable	27,816,839.00	27,816,839.00
Utilities receivable	21,831,931.63	22,494,380.47
Equity transfer consideration receivable	10,712,597.91	10,712,597.91
Other	7,262,674.68	7,602,154.57
<b>Total</b>	<b>67,624,043.22</b>	<b>68,625,971.95</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
RMB

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other Receivables (Continued)

#### 5.3 Other receivables (Continued)

#### (3) Details of provision for credit loss

##### Individual provision for credit loss

Item	30 June 2024 (Unaudited)				31 December 2023			
	Balance	Provision for credit loss	Percentage of provision (%)	Reason for provision	Balance	Provision for credit loss	Percentage of provision (%)	Reason for provision
Bohai New Zone Sub-bureau of the Cangzhou Municipal Bureau of Land and Resources (沧州市国土资源局渤海新区分局)	23,222,539.00	23,222,539.00	100.00	Expectation of unable to recover	23,222,539.00	23,222,539.00	100.00	Expectation of unable to recover
Han Huang Railway Co., Ltd. (邯黄铁路有限责任公司)	4,594,300.00	4,594,300.00	100.00	Expectation of unable to recover	4,594,300.00	4,594,300.00	100.00	Expectation of unable to recover
<b>Total</b>	<b>27,816,839.00</b>	<b>27,816,839.00</b>	<b>—</b>		<b>27,816,839.00</b>	<b>27,816,839.00</b>	<b>—</b>	

##### Provision for credit loss made by portfolio

Item	Balance	Provision for credit loss	Percentage of provision (%)
Provision for credit loss on aging group basis	39,807,204.22	20,506,393.28	51.51

Changes in credit loss provision for other receivables based on the expected credit loss in the next 12 months and the entire lifetime were as follows respectively:

Item	Stage 1 12m ECL	Stage 2 Lifetime ECL (the credit impairment has not occurred)	Stage 3 Lifetime ECL (the credit impairment has occurred)	Total
31 December 2023	20,111,275.49	—	27,816,839.00	47,928,114.49
Provision for the period	437,675.64	—	—	437,675.64
Reversal for the period	(41,474.50)	—	—	(41,474.50)
Other changes	(1,083.35)	—	—	(1,083.35)
<b>30 June 2024 (Unaudited)</b>	<b>20,506,393.28</b>	<b>—</b>	<b>27,816,839.00</b>	<b>48,323,232.28</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
RMB

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other Receivables (Continued)

#### 5.3 Other receivables (Continued)

##### (4) Provision for credit loss:

Item	31 December 2023	Provision for the period	Reversal during the period	Other changes	30 June 2024 (Unaudited)
Individual provision for credit loss	27,816,839.00	-	-	-	27,816,839.00
Provision for credit loss made by aging group	20,111,275.49	437,675.64	(41,474.50)	(1,083.35)	20,506,393.28
<b>Total</b>	<b>47,928,114.49</b>	<b>437,675.64</b>	<b>(41,474.50)</b>	<b>(1,083.35)</b>	<b>48,323,232.28</b>

##### (5) The top five balances of other receivables classified by debtor

30 June 2024 (Unaudited)

Item	Balance	Percentage of total balance of other receivables (%)	Aging	Provision for credit loss	Percentage of provision (%)
Bohai New Zone Sub-bureau of the Cangzhou Municipal Bureau of Land and Resources (滄州市國土資源局渤海新區分局)	23,222,539.00	34.34	4 to 5 years	23,222,539.00	100.00
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	20,518,779.47	30.34	Within 1 year, 1 to 2 years, 2 to 3 years and 3 to 4 years	8,733,951.49	42.57
Bohai Jinji Port Investment Development Co., Ltd. (渤海津冀港口投資發展有限公司)	10,712,597.91	15.84	Over 5 years	10,712,597.91	100.00
Han Huang Railway Co., Ltd. (邯黃鐵路有限責任公司)	4,594,300.00	6.79	Over 5 years	4,594,300.00	100.00
China Certification & Inspection Group Hebei Co., Ltd. (中國檢驗認證集團河北有限公司)	3,729,800.37	5.52	Within 1 year	186,490.02	5.00
<b>Total</b>	<b>62,778,016.75</b>	<b>92.83</b>		<b>47,449,878.42</b>	<b>75.58</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
RMB

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Inventories

Item	30 June 2024 (Unaudited)			31 December 2023		
	Balance	Provision for impairment	Carrying amount	Balance	Provision for impairment	Carrying amount
Materials	69,381,810.82	7,242,740.48	62,139,070.34	55,563,643.76	7,242,740.48	48,320,903.28
Fuels	452,488.75	–	452,488.75	1,916,204.65	–	1,916,204.65
Spare parts	104,719,546.64	14,647,312.91	90,072,233.73	106,886,995.23	14,667,218.88	92,219,776.35
Low-cost consumables	2,406,440.06	139,006.84	2,267,433.22	3,422,226.26	139,294.84	3,282,931.42
<b>Total</b>	<b>176,960,286.27</b>	<b>22,029,060.23</b>	<b>154,931,226.04</b>	<b>167,789,069.90</b>	<b>22,049,254.20</b>	<b>145,739,815.70</b>

Change in provision for impairment of inventories is as follows:

Item	31 December 2023	Provision for the period	Decrease during the period		30 June 2024 (Unaudited)
			Reversal	Write-off	
Materials	7,242,740.48	–	–	–	7,242,740.48
Spare parts	14,667,218.88	–	–	(19,905.97)	14,647,312.91
Low-cost consumables	139,294.84	–	–	(288.00)	139,006.84
<b>Total</b>	<b>22,049,254.20</b>	<b>–</b>	<b>–</b>	<b>(20,193.97)</b>	<b>22,029,060.23</b>

### 7. Other Current Assets

Item	30 June 2024 (Unaudited)	31 December 2023
Prepaid enterprise income tax	99,553,567.03	98,235,428.75
Outstanding VAT credit	31,226,575.49	62,214,750.80
Input VAT to be certified	10,361,217.90	17,973,090.59
Others	–	354,800.00
<b>Total</b>	<b>141,141,360.42</b>	<b>178,778,070.14</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8. Long-term Equity Investments

#### (1) Long-term equity investments

Equity method	31 December 2023	Changes within the period					30 June 2024 (Unaudited)	Including: Closing provision for impairment
		Additional investment	Investment gain or loss under the equity method	Other comprehensive income	Other equity movements	Other changes		
I. Joint ventures								
Bohai Jih-ji Port Investment and Development Company Limited (渤海津冀港口投资发展有限公司)	46,378,851.69	-	(18,370,239.95)	-	-	-	28,008,612.34	81,850,806.99
Jinji International Container Terminal Co., Ltd. (津冀国际集装箱码头有限公司)	6,554,918.51	-	(4,052,048.27)	-	5,424.70	-	2,508,294.94	18,119,045.54
Cangzhou Bohai New Area Port Real Estate Development Co., Ltd. (沧州渤海新区港口房地产发展有限公司)	53,496,924.71	-	(114,497.45)	-	-	-	53,382,427.26	-
Sub-total	106,430,694.91	-	(22,536,785.07)	-	5,424.70	-	83,899,334.54	99,989,852.53
II. Associates								
Hebei Port Group Finance Company Limited (河北港口集团财务有限公司)	715,530,249.20	-	13,492,755.63	-	-	-	729,023,004.83	-
Tangshan Caoledian Shiyue Port Co., Ltd. (唐山曹妃甸实业港务有限公司)	2,227,715,452.17	-	175,787,146.89	33,826,144.80	(1,116,423.48)	-	2,436,212,314.38	-
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇岛兴澳秦港能源储运有限公司)	-	-	-	-	-	-	-	20,800,000.00
Handan International Land Port Co., Ltd. (邯郸国际陆港有限公司)	191,590,874.67	-	(10,562,928.27)	-	5,905.25	-	181,033,851.65	-
Tangshan Jingtang Railway Co., Ltd. (唐山京唐铁路有限公司)	280,000,000.00	-	-	-	-	-	280,000,000.00	-
Cangzhou Bohai New Zone Gangxing Tugboat Co., Ltd. (沧州渤海新区港兴拖船有限公司)	170,287,158.98	-	5,511,678.94	-	(161,904.14)	-	175,636,833.78	-
Xin Licheng Tally Co., Ltd. of Tangshan Caoledian Comprehensive Bonded Zone (唐山曹妃甸综合保税区鑫利成理货有限责任公司)	1,865,989.82	-	35,929.10	-	11,718.03	-	1,913,636.95	-
Zhejiang Yuehua Energy Detection Co., Ltd. (浙江越华能源检测有限公司)	12,369,833.54	4,500,000.00	331,664.06	-	-	-	17,201,497.60	-
Yantai Kerry (Qinhuangdao) Grain & Oil Industry Co., Ltd. (益海嘉里(秦皇岛)粮油工业有限公司)	115,636,088.52	-	(1,048,588.89)	-	-	-	114,587,479.63	-
Cangzhou Huanghuaguang Crude Oil Port Co., Ltd. (沧州黄骅原油港务有限公司) ("Cangzhou Crude Oil") (Note 1)	-	18,130,000.00	(62,412.02)	-	-	17,970,456.00	35,938,043.98	-
Sub-total	3,714,995,626.90	22,630,000.00	183,383,245.44	33,826,144.80	(1,280,710.34)	17,970,456.00	3,971,546,762.80	20,800,000.00
Total	3,821,426,321.81	22,630,000.00	160,848,460.37	33,826,144.80	(1,255,295.64)	17,970,456.00	4,055,446,097.34	120,789,852.53

Note 1: At the end of April 2024, the Company entered into an equity transfer agreement with Cangzhou Port Group Development Co., Ltd. to transfer 16% equity interest in our subsidiary, Cangzhou Crude Oil at a price of RMB5,867,904.00. As a result, the Company lost control over Cangzhou Crude Oil and converted its accounting of the financial statements to equity method.



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8. Long-term Equity Investments (Continued)

#### (2) Provision for impairment of the long-term equity investments

Item	Opening balance	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇島興奧秦港能源儲運有限公司)	20,800,000.00	-	-	20,800,000.00
Bohai Jin-Ji Port Investment and Development Company Limited (渤海津冀港口投資發展有限公司)	81,850,806.99	-	-	81,850,806.99
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	18,119,045.54	-	-	18,119,045.54
Total	120,769,852.53	-	-	120,769,852.53

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. Other Equity Instruments Investments

#### (1) Other equity instruments investments

Item	Opening balance	Changes during the period				Closing balance (Unaudited)	Dividend income recognized for the period	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Reasons for designated as at fair value through other comprehensive income
		Decrease in investment	Gains in other comprehensive income for the period	Losses in other comprehensive income for the period	Losses in other comprehensive income for the period					
SDIC Caofeidian Port Co., Ltd. (山东曹妃甸港口有限公司)	790,933,937.65	-	-	117,524,648.22	673,409,289.43	61,918,200.00	175,409,289.43	-	Non-tradable equity instrument	
Qinhuangdao Ruigang Coal Logistics Co., Ltd. (秦皇岛曹妃甸煤炭物流有限公司)	16,832,918.41	-	202,673.90	-	17,035,592.31	-	-	16,964,407.69	Non-tradable equity instrument	
Cangzhou Huanghuagang Steel Logistics Co., Ltd. (沧州黄骅港钢铁物流有限公司)	36,944,606.14	-	-	399,559.66	36,545,046.48	-	5,792,688.53	-	Non-tradable equity instrument	
China National Coal Exchange Co., Ltd. (全国煤炭交易中心有限公司)	17,746,601.72	-	-	998,730.92	16,747,870.80	-	-	7,252,129.20	Non-tradable equity instrument	
Tangshan Caofeidian Coal Stacking and Blending Co., Ltd. (唐山曹妃甸动力煤配有限公司)	39,853,836.87	-	-	4,842,670.43	35,011,166.44	-	-	30,028,833.56	Non-tradable equity instrument	
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航发展股份有限公司) (former name: Tangshan Caofeidian Tugboat Co., Ltd. (唐山曹妃甸海港有限公司))	189,250,235.41	189,250,235.41	-	-	-	-	-	-	Non-tradable equity instrument	
<b>Total</b>	<b>1,091,562,136.20</b>	<b>189,250,235.41</b>	<b>202,673.90</b>	<b>123,765,609.23</b>	<b>778,748,965.46</b>	<b>61,918,200.00</b>	<b>181,201,977.96</b>	<b>54,245,370.45</b>	<b>/</b>	

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. Other Equity Instruments Investments (Continued)

(2) Investments derecognised during the period

Item	Accumulated gains transferred to retained profit due to derecognition	Accumulated losses transferred to retained profit due to derecognition	Reason for derecognition
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司)	41,068,384.46	-	Equity transfer

### 10. Fixed Assets

10.1 Summary of fixed assets

Item	30 June 2024 (Unaudited)	31 December 2023
Fixed assets	11,709,079,527.25	12,930,781,373.11
Disposal of fixed assets	5,959,410.27	4,035,142.42
Total	11,715,038,937.52	12,934,816,515.53

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Fixed Assets (Continued)

#### 10.2 Fixed assets

##### (1) Fixed assets

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
<b>I. Carrying amount</b>						
31 December 2023	7,145,375,528.35	9,185,624,100.84	11,496,972,888.06	488,613,211.59	253,129,990.73	28,569,715,719.57
Increase in the period						
(1) Purchase	-	-	-	5,283.19	-	5,283.19
(2) Transferred from construction in progress	25,719,605.04	18,943,589.81	54,136,243.62	3,078,124.90	5,890,671.98	107,768,235.35
Decrease in the period						
(1) Decrease arising from disposal of subsidiaries	-	-	-	780,316.01	357,638.89	1,137,954.90
(2) Disposal or retirement	8,551,817.00	66,000.00	139,809,448.63	396,230,206.50	6,019,272.65	550,676,744.78
(3) Transferred to construction in progress	206,422,224.57	982,559,590.17	-	-	-	1,188,981,814.74
30 June 2024 (Unaudited)	6,956,121,091.82	8,221,942,100.48	11,411,299,683.05	94,686,097.17	252,643,751.17	26,936,692,723.69
<b>II. Accumulated depreciation</b>						
31 December 2023	2,944,219,031.52	3,702,856,735.38	8,277,034,225.07	393,936,918.00	192,601,477.73	15,510,648,387.70
Increase in the period						
(1) Provision	147,320,879.90	165,103,142.75	268,724,361.49	7,838,234.79	7,625,577.94	596,612,196.87
Decrease in the period						
(1) Decrease arising from disposal of subsidiaries	-	-	-	754,337.79	341,631.00	1,095,968.79
(2) Disposal or retirement	6,410,086.45	57,936.03	132,690,850.31	335,882,426.46	5,790,649.89	480,831,949.14
(3) Transferred to construction in progress	74,964,552.60	448,481,980.33	-	-	-	523,446,532.93
30 June 2024 (Unaudited)	3,010,165,272.37	3,419,419,961.77	8,413,067,736.25	65,138,388.54	194,094,774.78	15,101,886,133.71
<b>III. Provision for impairment</b>						
31 December 2023	20,552,470.15	34,402,929.19	72,468,466.99	18,091.61	844,000.82	128,285,958.76
(1) Provision						
(2) Disposal or retirement	-	-	2,558,556.81	-	339.22	2,558,896.03
30 June 2024 (Unaudited)	20,552,470.15	34,402,929.19	69,909,910.18	18,091.61	843,661.60	125,727,062.73
<b>IV. Carrying amount</b>						
30 June 2024 (Unaudited)	3,925,403,349.30	4,768,119,209.52	2,928,322,036.62	29,529,617.02	57,705,314.79	11,709,079,527.25
31 December 2023	4,180,604,026.68	5,448,364,436.27	3,147,470,196.00	94,658,201.98	59,684,512.18	12,930,781,373.11

(2) As at 30 June 2024, the Group had no fixed assets which were temporarily idle.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Fixed Assets (Continued)

#### 10.2 Fixed assets (Continued)

##### (3) Fixed assets under operating leases

Item	30 June 2024 (Unaudited)
Properties and buildings	24,073,295.08
Office and other equipment	318,234.03
<b>Total</b>	<b>24,391,529.11</b>

##### (4) As at 30 June 2024, fixed assets without title certificate are as follows:

Item	30 June 2024 (Unaudited)	Reason for not obtaining the title certificate
Properties and buildings	8,805,083.99	In progress

### 11. Construction in Progress

#### (1) Construction in progress

Item	30 June 2024 (Unaudited)			31 December 2023		
	Balance	Provision for impairment	Carrying amount	Balance	Provision for impairment	Carrying amount
Upgrading and reconstruction of multi-functional Port 1 and 2# berth	1,140,911,281.42	-	1,140,911,281.42	388,078,829.63	-	388,078,829.63
Reconstruction of bucket reclaimer for Phase Four coal project	62,015,948.64	-	62,015,948.64	61,440,288.26	-	61,440,288.26
Upgrading of reclaimer for Phase Three coal project and No. 2 reclaimer	55,546,852.00	-	55,546,852.00	55,546,852.00	-	55,546,852.00
Upgrading of No. 1 and No. 3 reclaimer for Phase Three coal project	51,489,861.57	-	51,489,861.57	51,489,861.57	-	51,489,861.57
Upgrading of stacker for Phase Two coal project	41,477,460.18	-	41,477,460.18	631,000.00	-	631,000.00
Reconstruction of intelligent single unit and stacking yards for Phase Five coal project	34,557,791.61	-	34,557,791.61	33,486,389.75	-	33,486,389.75
Upgrading of S3 and S4 stacker for Phase Four coal project	20,888,614.47	-	20,888,614.47	20,888,614.47	-	20,888,614.47
40T Gantry Crane Project	18,586,865.21	-	18,586,865.21	18,586,865.21	-	18,586,865.21
Qinhuangdao Port East Harbor Area Grain Corridor Project	18,253,100.27	-	18,253,100.27	7,290,462.97	-	7,290,462.97
The sixth and seventh coal terminal in Caofeidian	15,926,535.10	-	15,926,535.10	15,091,814.70	-	15,091,814.70
Others	153,839,627.41	24,416,466.25	129,423,161.16	187,105,619.34	24,416,466.25	162,689,153.09
<b>Total</b>	<b>1,613,493,937.88</b>	<b>24,416,466.25</b>	<b>1,589,077,471.63</b>	<b>839,636,597.90</b>	<b>24,416,466.25</b>	<b>815,220,131.65</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Construction in Progress (Continued)

(2) Movements of significant construction in progress for the period

Item	Budget	Balance for 31 December 2023	Increase in the period	Transferred from fixed assets during the period	Transferred to fixed assets and intangible assets during the period	Other decrease	30 June 2024 (Unaudited)	Source of funds	Accumulated amounts of capitalized interest	Including: Capitalized interest for the period	Ratio of capitalized interest for the period (%)	Percentage of accumulated project input to budget (%)
Upgrading and reconstruction of multi-functional Port 1 and 2# berth	1,912,024,773.86	388,078,829.63	93,583,433.03	659,249,018.76	-	-	1,140,911,281.42	Loans from financial institutes and self-owned capital	250,277.78	250,277.78	2.65	59.67

(3) Provision for impairment of construction in progress:

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)	Reason for provision
Basement Treatment Engineering	24,416,466.25	-	-	24,416,466.25	Recoverable amount lower than carrying amount

### 12. Right-of-use Assets

(1) Right-of-use assets

Items	Houses and buildings	Terminal facilities	Machinery and equipment	Total
<b>I. Original book value</b>				
31 December 2023	153,603,715.91	10,632,435.04	18,809,905.12	183,046,056.07
Decrease in the current period	819,570.39	1,174,174.20	-	1,993,744.59
30 June 2024 (unaudited)	152,784,145.52	9,458,260.84	18,809,905.12	181,052,311.48
<b>II. Accumulated depreciation</b>				
31 December 2023	43,162,851.15	7,088,290.07	12,539,936.73	62,791,077.95
Provision	5,895,601.78	1,772,072.48	3,134,984.21	10,802,658.47
Decrease	682,975.30	978,478.50	-	1,661,453.80
30 June 2024 (unaudited)	48,375,477.63	7,881,884.05	15,674,920.94	71,932,282.62
<b>III. Book value</b>				
30 June 2024 (unaudited)	104,408,667.89	1,576,376.79	3,134,984.18	109,120,028.86
31 December 2023	110,440,864.76	3,544,144.97	6,269,968.39	120,254,978.12

(2) As at 30 June 2024, the management of the Group was of the opinion that no provision for impairment of right-of-use assets was necessary.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Intangible Assets

#### (1) Intangible assets

Items	Land use rights	Software	Sea area use rights	Total
<b>I. Original book value</b>				
31 December 2023	2,581,243,473.98	239,266,673.37	729,579,486.95	3,550,089,634.30
Increase in the current period				
(1) Purchase	-	310,939.14	-	310,939.14
(2) Transferred from construction in progress	-	5,668,532.93	-	5,668,532.93
Decrease in the current period				
(1) Disposal or obsolescence	-	1,418,179.43	-	1,418,179.43
30 June 2024 (unaudited)	2,581,243,473.98	243,827,966.01	729,579,486.95	3,554,650,926.94
<b>II. Accumulated amortization</b>				
31 December 2023	461,466,220.34	100,420,852.28	59,999,742.47	621,886,815.09
Increase in the current period				
(1) Provision	27,546,633.18	10,226,358.18	7,362,209.70	45,135,201.06
Decrease in the current period				
(1) Disposal or obsolescence	-	1,089,877.51	-	1,089,877.51
30 June 2024 (unaudited)	489,012,853.52	109,557,332.95	67,361,952.17	665,932,138.64
<b>III. Book value</b>				
30 June 2024 (unaudited)	2,092,230,620.46	134,270,633.06	662,217,534.78	2,888,718,788.30
31 December 2023	2,119,777,253.64	138,845,821.09	669,579,744.48	2,928,202,819.21

(2) As at 30 June 2024, the Group has no intangible assets which were from internal research and development.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Long-term Prepaid Expenses

Item	31 December 2023	Increase in the period	Amortisation in the period	30 June 2024 (Unaudited)
Renovation costs	4,374,374.16	944,082.49	548,424.96	4,770,031.69
Afforestation fee	422,819.22	–	422,819.22	–
Total	4,797,193.38	944,082.49	971,244.18	4,770,031.69

### 15. Deferred Income Tax Assets/Liabilities

(1) Deferred income tax assets without taking into consideration the offsetting balance

Item	30 June 2024 (Unaudited)		31 December 2023	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Government grants	100,756,036.55	25,189,009.14	107,566,461.07	26,891,615.27
Asset impairment provision	202,690,583.48	50,670,041.04	201,666,514.31	50,415,651.47
Employee bonus	308,640,000.00	77,160,000.00	308,640,000.00	77,160,000.00
Accrued early retirement schemes	421,332,816.89	105,139,611.88	498,440,941.08	124,463,719.71
Recoverable loss	269,742,217.62	67,435,554.40	269,742,217.62	67,435,554.40
Difference between tax base and accounting base of fixed assets	65,141,021.16	16,285,255.29	68,126,816.04	17,031,704.01
Temporary differences on lease liabilities	11,073,580.41	2,768,395.10	19,043,438.23	4,760,859.56
Unrealized profits from internal transactions	6,510,204.00	1,627,551.00	6,510,204.00	1,627,551.00
Changes in fair value of other equity instrument investments	54,245,370.45	13,561,342.62	48,606,643.00	12,151,660.75
Total	1,440,131,830.56	359,836,760.47	1,528,343,235.35	381,938,316.17

(2) Deferred income tax liabilities without taking into consideration the offsetting balance

Item	30 June 2024 (Unaudited)		31 December 2023	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Difference between tax base and accounting base of right-of-use assets	8,221,984.70	2,055,496.18	17,099,125.68	4,274,781.41
Changes in fair value of other equity instrument investments	181,201,977.96	45,300,494.46	406,494,511.25	101,623,627.81
Total	189,423,962.66	47,355,990.64	423,593,636.93	105,898,409.22



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Deferred Income Tax Assets/Liabilities (Continued)

(3) Deferred income tax assets and deferred income tax liabilities are offset on a net basis as follows:

Item	30 June 2024 (Unaudited)		31 December 2023	
	Eliminations	Remaining balance	Eliminations	Remaining balance
Deferred income tax assets	(15,616,838.78)	344,219,921.69	(16,426,442.16)	365,511,874.01
Deferred income tax liabilities	(15,616,838.78)	31,739,151.86	(16,426,442.16)	89,471,967.06

(4) Deductible temporary differences and deductible losses of deferred income tax assets which are not recognized are as follows:

Item	30 June 2024 (Unaudited)	31 December 2023
Deductible temporary differences	97,607,788.32	161,491,508.00
Deductible losses	258,849,481.48	298,262,395.87
Total	356,457,269.80	459,753,903.87

(5) The deductible losses of the deferred income tax assets which are not recognized will expire in the following years:

Item	30 June 2024 (Unaudited)	31 December 2023
2024	74,429,068.69	115,898,340.25
2025	96,549,198.81	96,549,198.81
2026	10,448,815.67	10,448,815.67
2027	45,726,124.06	45,726,124.06
2028	29,639,917.08	29,639,917.08
2029	2,056,357.17	–
Total	258,849,481.48	298,262,395.87

### 16. Other Non-current Assets

Item	30 June 2024 (Unaudited)	31 December 2023
Time deposits with maturity over one year and interest	3,532,417,095.39	2,330,035,082.78
Prepayments for engineering equipment expenses	196,908,755.84	95,837,875.79
Outstanding VAT credit	181,520.23	1,406,993.04
Total	3,729,507,371.46	2,427,279,951.61

As at 30 June 2024, the interest rate of the above time deposits was 2.15% to 3.27% per annum, and the deposit terms range from one to three years.

### 17. Assets with Restricted Ownership or Right-of-use

Item	30 June 2024 (Unaudited)	31 December 2023
Cash and bank balances (Note 1)	500.00	500.00
Bills receivable (Note 2)	30,346,978.00	5,625,541.00
Total	30,347,478.00	5,626,041.00

Note 1: As at 30 June 2024, the Group's other deposits were RMB500.00.

Note 2: As at 30 June 2024, bills receivable represented bank acceptance notes which were endorsed but undue with a carrying value of RMB30,346,978.00 in aggregate. Please refer to Note V. 2 for details.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Short-term Borrowings

Item	30 June 2024 (Unaudited)	31 December 2023
Unsecured borrowings	500,370,833.34	500,252,083.33

As at 30 June 2024, the Group had no overdue borrowings, and the interest rate of the above borrowings was 2.55% to 2.75% (31 December 2023: 2.55% to 2.75%) per annum.

### 19. Accounts Payable

#### (1) Accounts payable

Item	30 June 2024 (Unaudited)	31 December 2023
Accounts payable	323,632,250.53	253,421,149.43

#### (2) Accounts payable listed by aging

Item	30 June 2024 (Unaudited)	31 December 2023
Within 1 year	292,858,310.07	210,450,324.92
1 to 2 years	11,214,115.75	22,746,375.74
2 to 3 years	18,782,791.31	19,405,919.47
Over 3 years	777,033.40	818,529.30
Total	323,632,250.53	253,421,149.43

As at 30 June 2024, the Group had no significant accounts payable aging more than one year.

### 20. Contract Liabilities

#### (1) Contract liabilities

Item	30 June 2024 (Unaudited)	31 December 2023
Port handling fees	613,079,887.89	562,413,448.07
Others	2,106,779.71	2,066,614.50
Total	615,186,667.60	564,480,062.57

Contract liabilities mainly represent the payment received by the Group for providing port operation services to customers. There is no significant change in contract liabilities as at the end of the period as compared to those as at the end of the previous year, which is expected to be recognized as revenue within one year.

#### (2) Revenue recognized during the period and included in the opening carrying amount of contract liabilities

For the period from 1 January to 30 June 2024, the revenue included in the opening carrying amount of contract liabilities recognized by the Group was RMB402,794,814.80 (for the period from 1 January to 30 June 2023: RMB443,069,746.20).

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 21. Employee Benefits Payable

(1) Presentation of employee benefits payable

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
1. Short-term employee benefits	324,370,706.08	728,654,117.35	727,264,958.92	325,759,864.51
2. Post-employment benefits – defined contribution plans	20,353,367.51	127,271,327.55	126,286,803.50	21,337,891.56
3. Early retirement schemes due within one year (Note V. 28)	238,556,454.02	78,834,077.21	115,243,642.36	202,146,888.87
<b>Total</b>	<b>583,280,527.61</b>	<b>934,759,522.11</b>	<b>968,795,404.78</b>	<b>549,244,644.94</b>

(2) Short-term employee benefits are as follows

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
Salaries, bonuses, allowances and subsidies	308,640,000.00	535,080,409.36	535,080,409.36	308,640,000.00
Staff welfare	901,566.32	38,740,738.32	38,752,328.91	889,975.73
Social insurance	–	62,862,690.86	62,853,724.16	8,966.70
Including: Medical insurance	–	58,249,998.56	58,241,815.52	8,183.04
Work-related injury insurance	–	4,612,692.30	4,611,908.64	783.66
Housing funds	7,549,546.92	67,682,324.72	66,067,927.80	9,163,943.84
Union fund and employee education fund	7,279,592.84	12,647,422.30	14,096,452.01	5,830,563.13
Short-term paid leaves	–	9,679,048.99	9,679,048.99	–
Other short-term employee benefits	–	1,961,482.80	735,067.69	1,226,415.11
<b>Total</b>	<b>324,370,706.08</b>	<b>728,654,117.35</b>	<b>727,264,958.92</b>	<b>325,759,864.51</b>

(3) Defined contribution plans are as follows

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
Basic pension	–	78,384,251.68	78,375,307.72	8,943.96
Unemployment insurance	–	3,420,835.52	3,420,104.12	731.40
Enterprise annuity contribution (Note 1)	20,353,367.51	45,466,240.35	44,491,391.66	21,328,216.20
<b>Total</b>	<b>20,353,367.51</b>	<b>127,271,327.55</b>	<b>126,286,803.50</b>	<b>21,337,891.56</b>

Note 1: The Group entrusts an independent third party to operate a defined contribution pension scheme, which requires payments of fixed contribution to independent fund. According to the pension scheme, the highest payment shall not exceed the national regulations, which is within 8% of prior year's total payroll. The total payment made by the enterprise and employees shall not exceed 12% of prior year's total payroll. Since January 2017, the payment was calculated at 8% of prior year's total payroll.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Taxes Payable

Item	30 June 2024 (Unaudited)	31 December 2023
Environmental protection tax	13,675,336.41	12,619,702.42
Enterprise income tax	12,259,510.99	5,236,686.50
Individual income tax	797,476.64	3,604,309.07
Stamp duty	355,254.80	212,256.47
VAT	3,466,757.36	84,409.49
Others	403,208.31	7,422.49
Total	30,957,544.51	21,764,786.44

### 23. Other Payables

#### 23.1 Presentation of other payables

Item	30 June 2024 (Unaudited)	31 December 2023
Dividend payable	463,757,426.55	3,474.48
Other payables	501,296,230.50	603,773,012.28
Total	965,053,657.05	603,776,486.76

#### 23.2 Dividend payable

Item	30 June 2024 (Unaudited)	31 December 2023
Dividends of ordinary shares	463,757,426.55	3,474.48

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 23. Other Payables (Continued)

#### 23.3 Other payables

##### (1) Other payables by nature

Item	30 June 2024 (Unaudited)	31 December 2023
Engineering equipment expenses	225,225,290.63	339,250,670.95
Equity repurchase consideration	206,000,000.00	206,000,000.00
Others	70,070,939.87	58,522,341.33
<b>Total</b>	<b>501,296,230.50</b>	<b>603,773,012.28</b>

##### (2) Significant other payables aging more than 1 year or past due

Item	30 June 2024 (Unaudited)	Reasons for non-repayment or non-carryover
Equity repurchase	200,000,000.00	Not yet settled
<b>Total</b>	<b>200,000,000.00</b>	

### 24. Non-current Liabilities Due within One Year

Item	30 June 2024 (Unaudited)	31 December 2023
Long-term borrowings due within one year (Note V. 25)	767,314,748.33	612,520,215.15
Lease liabilities due within one year (Note V. 26)	11,073,580.41	19,198,313.42
Long-term payables due within one year (Note V. 27)	2,000,000.00	2,000,000.00
<b>Total</b>	<b>780,388,328.74</b>	<b>633,718,528.57</b>

### 25. Long-term Borrowings

Item	30 June 2024 (Unaudited)	31 December 2023
Unsecured borrowings	5,443,423,263.33	5,608,401,823.65
Less: Long-term borrowings due within one year	767,314,748.33	612,520,215.15
<b>Total</b>	<b>4,676,108,515.00</b>	<b>4,995,881,608.50</b>

As at 30 June 2024, the interest rate of the above borrowings ranged from 2.55% to 3.45% (31 December 2023: 2.65% to 3.55%) per annum.

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26. Lease Liabilities

Item	30 June 2024 (Unaudited)	31 December 2023
Lease Liabilities	11,073,580.41	19,205,532.95
Less: lease liabilities due within one year	11,073,580.41	19,198,313.42
Total	-	7,219.53

### 27. Long-term Payables

Item	30 June 2024 (Unaudited)	31 December 2023
Long-term payables	34,000,000.00	34,000,000.00
Less: amount due within one year	2,000,000.00	2,000,000.00
Total	32,000,000.00	32,000,000.00

As at 30 June 2024, the long-term payables represented the Group's equity repurchase of RMB34,000,000.00 from Tangshan Jingtang Railway Co., Ltd.

### 28. Long-term Employee Remuneration Payables

#### Other long-term employee benefits

Item	30 June 2024 (Unaudited)	31 December 2023
Early retirement schemes payable	430,068,868.89	506,400,977.47
Less: amount due within one year	202,146,888.87	238,556,454.02
Non-current portion	227,921,980.02	267,844,523.45

Changes in early retirement schemes payable are as follows:

Item	30 June 2024 (Unaudited)	31 December 2023
Opening balance	506,400,977.47	710,587,236.30
Increase in the period	47,673,376.70	88,217,240.55
Decrease in the period	124,005,485.28	292,403,499.38
Closing balance	430,068,868.89	506,400,977.47

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 28. Long-term Employee Remuneration Payables (Continued)

#### Other long-term employee benefits (Continued)

Expected early retirement schemes payable of the Group in the future are as follows:

Item	30 June 2024 (Unaudited)	31 December 2023
Within 1 year	202,146,888.87	238,556,454.02
1 year to 2 years	106,552,771.97	125,161,961.97
2 years to 3 years	65,337,447.90	81,604,021.69
Over 3 years	92,916,838.78	97,963,618.42
Total undiscounted amount	466,953,947.52	543,286,056.10
Unrecognized financing cost	(36,885,078.63)	(36,885,078.63)
Total	430,068,868.89	506,400,977.47

The Group has optimized and adjusted the posts of the employees who met certain conditions on a voluntary basis, and has formulated and implemented the policy of “Leaving Posts and Waiting for Retirement”. The Group has the obligation to pay the costs on employees who leave their posts and wait for retirement in the next 1 year to 10 years until the employees reach their statutory retirement age. The costs on employees who leave their posts and wait for retirement are determined with reference to certain proportion of the average monthly wages of the previous year before the employees officially leave their posts and wait for retirement. In the meantime, the Group will make provision and pay for insurance and housing fund for those employees under local requirements for social insurance. Taking into account future payment obligations of the costs on employees who leave their posts and wait for retirement, such costs will be accounted into the administrative expenses as incurred in accordance with discounted China bond and government bond yields for the corresponding period.

### 29. Deferred Income

Item	31 December 2023	Increase in the period	Recognized in other revenue in the period	30 June 2024 (Unaudited)
Government grants (Note IX)	108,099,841.75	–	7,368,305.06	100,731,536.69

### 30. Share Capital

Item	31 December 2023	Changes during the period			30 June 2024 (Unaudited)
		Issuance of new shares	Others	Sub-total	
RMB-denominated ordinary shares	4,757,559,000.00	–	–	–	4,757,559,000.00
Overseas listed foreign share	829,853,000.00	–	–	–	829,853,000.00
Total of shares	5,587,412,000.00	–	–	–	5,587,412,000.00

### 31. Capital Reserve

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
Share premium	5,196,156,925.69	–	–	5,196,156,925.69
Other capital reserve (Note)	45,725,210.66	–	1,255,341.14	44,469,869.52
Total	5,241,882,136.35	–	1,255,341.14	5,240,626,795.21

Note: Other decrease of capital reserve during the period represents special reserve of production safety expenses used by the joint ventures and associates.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Other Comprehensive Income

Item	Amount in the period						30 June 2024 (Unaudited)
	31 December 2023	Amount before income tax during the period	Less: Income tax expense	Attributable to the parent company, net of tax	Attributable to minority interest, net of tax	Less: Other comprehensive income previously recognized to be transferred to current retained profit	
I. Other comprehensive income which will not be reclassified to profit and loss	639,746,054.27	(89,736,790.53)	(30,890,733.84)	(57,066,375.31)	(1,779,681.38)	41,068,384.46	541,611,294.50
Including: Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss	401,532,097.70	33,826,144.80	-	33,826,144.80	-	-	435,358,242.50
Changes in fair value of other equity instruments investment	238,213,956.57	(123,562,935.33)	(30,890,733.84)	(90,892,520.11)	(1,779,681.38)	41,068,384.46	106,253,052.00
II. Other comprehensive income which will be reclassified to profit and loss	5,324,135.03	354,760.47	-	354,760.47	-	-	5,678,895.50
Including: Exchange differences on foreign currency translation	5,324,135.03	354,760.47	-	354,760.47	-	-	5,678,895.50
Total other comprehensive income	645,070,189.30	(89,382,030.06)	(30,890,733.84)	(56,711,614.84)	(1,779,681.38)	41,068,384.46	547,290,190.00

### 33. Special Reserve

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
Production safety expense	119,947,727.76	33,330,366.58	23,534,812.33	129,743,282.01

Pursuant to the Administrative Measures of Withdrawal and Use of Corporate Production Safety Expenses 《企業安全生產費用提取和使用管理辦法》(Cai Zi [2022] No.136) jointly issued by the Ministry of Finance of the PRC and Ministry of Emergency Management of the PRC, the Group started to accrue the safety production expenses.

### 34. Surplus Reserve

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
Statutory surplus reserve	1,754,087,442.20	-	4,096,657.49	1,749,990,784.71

According to the requirements of the Company Law and the Articles of Association of the Company, the Company is required to appropriate 10% of its net profits to the statutory surplus reserve. In the event that the accumulated statutory surplus reserve of the Company has reached above 50% of the registered capital of the Company, additional appropriation will not be needed.

After the appropriation to statutory surplus reserve, the Company may make appropriation to the discretionary surplus reserves. Upon approval, discretionary surplus reserves can be used to make up for accumulated losses or to increase the share capital.



# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 35. Retained Profits

Item	30 June 2024 (Unaudited)	31 December 2023
Retained profits at the beginning of the period/year	5,075,119,932.68	4,060,508,205.81
Net profit attributable to shareholders of the parent	1,010,289,679.26	1,531,202,403.96
Add: Disposal of other equity instruments investments	33,065,516.89	–
Disposal of the equity interests of subsidiaries	4,096,657.49	–
Less: Appropriation to statutory surplus reserve	–	119,884,425.09
Cash dividend payable for common shares (Note 1)	463,755,196.00	396,706,252.00
Retained profits at the end of the period/year	5,658,816,590.32	5,075,119,932.68

Note 1: Pursuant to the Resolution on 2023 Profit Distribution deliberated at the 18th meeting of the five session of the Board held on 28 March 2024, the Company proposed to pay a cash dividend totaling RMB463,755,196.00 to all the Shareholders, which is calculated based on 5,587,412,000 Shares in issue and RMB0.083 per share (inclusive of tax). The abovementioned proposal was approved on the 2023 annual general meeting held by the Company on 25 June 2024.

### 36. Operating Revenue and Operating Cost

#### (1) Operating revenue and operating cost

Item	For the period from 1 January to 30 June 2024 (Unaudited)		For the period from 1 January to 30 June 2023 (Unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operations	3,451,709,173.13	2,064,791,778.17	3,575,207,931.38	2,150,168,669.09
Other operations	9,885,029.21	4,494,208.53	8,988,408.93	3,944,571.32
Total	3,461,594,202.34	2,069,285,986.70	3,584,196,340.31	2,154,113,240.41

#### (2) Presentation of the operating revenue

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Revenue from contracts with customers	3,455,319,752.60	3,576,042,435.10
Rental income	6,274,449.74	8,153,905.21
Total	3,461,594,202.34	3,584,196,340.31

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 36. Operating Revenue and Operating Cost (Continued)

#### (3) Breakdown of revenue from contracts with customers

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>Service types</b>		
Service in relation to coal and relevant products	2,270,746,659.54	2,487,802,244.20
Service in relation to metal ore and relevant products	968,638,028.61	680,539,655.80
Service in relation to general and other cargoes	111,086,066.10	308,691,140.61
Container service	47,422,980.25	44,525,136.16
Service in relation to liquefied cargoes	16,955,977.28	18,187,905.56
Others	40,470,040.82	36,296,352.77
<b>Total</b>	<b>3,455,319,752.60</b>	<b>3,576,042,435.10</b>
<b>Places of business</b>		
Qinhuangdao	2,063,433,950.35	2,138,135,188.00
Others	1,391,885,802.25	1,437,907,247.10
<b>Total</b>	<b>3,455,319,752.60</b>	<b>3,576,042,435.10</b>

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

#### (4) Descriptions on allocation to remaining performance obligations

Item	30 June 2024 (Unaudited)	31 December 2023
Within 1 year	615,186,667.60	564,480,062.57
<b>Total</b>	<b>615,186,667.60</b>	<b>564,480,062.57</b>

### 37. Tax and Surcharges

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Environmental protection tax	26,866,800.51	27,093,567.46
Land use tax	24,129,924.74	24,523,707.60
Real estate tax	9,562,573.25	9,494,485.24
Urban maintenance and construction tax and education surcharge	6,059,134.79	6,552,771.29
Stamp duty	836,830.58	339,515.63
Vehicles and vessels use tax	228,457.70	228,752.34
Water resources tax	15,793.50	21,461.00
<b>Total</b>	<b>67,699,515.07</b>	<b>68,254,260.56</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38. Administrative Expenses

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Payroll and cost of outsourcing labor	203,236,150.77	199,105,715.39
Early retirement schemes	47,673,376.70	36,574,307.60
Depreciation and amortization	25,172,964.74	23,933,388.07
Rental expenses	14,303,945.88	10,587,038.48
Office charges	5,143,262.46	5,776,928.42
Repair and maintenance expenses	1,368,234.61	4,387,946.51
Travel expenses	2,499,615.77	3,311,689.91
Business entertainment expenses	3,350,481.64	2,910,731.27
Epidemic prevention expenses	998,842.60	1,018,734.33
Others	20,163,890.58	15,442,533.20
<b>Total</b>	<b>323,910,765.75</b>	<b>303,049,013.18</b>

### 39. Research and Development Expenses

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Commissioned research and development expense	6,742,684.33	12,251,327.92
Staff labor costs	32,172,370.12	27,934,765.67
Direct investment	4,032,568.88	2,291,535.07
Depreciation and amortization	124,182.82	102,422.16
Others	132,385.59	478,229.95
<b>Total</b>	<b>43,204,191.74</b>	<b>43,058,280.77</b>

### 40. Financial Cost

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Interest expenses	95,461,651.62	126,209,927.90
Including interest expenses incurred on lease liabilities	373,663.53	785,878.03
Less: Interest income	60,333,288.11	41,370,948.34
Less: Capitalized interest	250,277.78	1,025,698.05
Foreign exchange gain or loss	(20,906.76)	(596,999.25)
Others	28,003.48	39,890.76
<b>Total</b>	<b>34,885,182.45</b>	<b>83,256,173.02</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 41. Other Income

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Government subsidy related to daily activities	7,550,946.41	30,955,417.77
Refund of withholding personal income tax	499,546.98	371,660.75
Total	8,050,493.39	31,327,078.52

### 42. Investment Income

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Long-term equity investment income accounted for under the equity method	160,848,460.37	136,114,476.21
Dividend income on other equity instrument investments during the holding period	61,918,200.00	36,000,000.00
Investment income arising from the disposal of long-term equity investment	1,007,804.46	–
Total	223,774,464.83	172,114,476.21

### 43. Credit Impairment (Loss)/Reversal

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Credit impairment loss for accounts receivable	(1,035,662.25)	(1,109,743.69)
Credit impairment (loss)/reversal for other receivables	(396,201.14)	8,727,775.04
Total	(1,431,863.39)	7,618,031.35

### 44. Gains from the Disposal of Assets

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Gains from the disposal of intangible assets	–	6,510,203.74
Gains from the disposal of fixed assets	81,159,943.71	62,971.38
Total	81,159,943.71	6,573,175.12

### 45. Non-operating Income

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)	Non-recurring profit and loss for the period from 1 January to 30 June 2024
Payables waived	–	714,803.27	–
Gains from spoilage and obsolescence of non-current assets	6,685,678.79	3,449,797.84	6,685,678.79
Others	171,519.06	304,475.35	171,519.06
Total	6,857,197.85	4,469,076.46	6,857,197.85

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46. Non-operating Expenses

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)	Non-recurring profit and loss for the period from 1 January to 30 June 2024
Losses from spoilage and obsolescence of non-current assets	3,770,327.67	390,898.93	3,770,327.67
Others	235,901.42	665,528.71	235,901.42
<b>Total</b>	<b>4,006,229.09</b>	<b>1,056,427.64</b>	<b>4,006,229.09</b>

### 47. Income Tax Expense

#### (1) Table of income tax expense

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Current income tax expenses	184,033,951.45	172,043,539.66
Deferred income tax expenses	21,291,952.32	30,325,379.42
<b>Total</b>	<b>205,325,903.77</b>	<b>202,368,919.08</b>

#### (2) Reconciliations of accounting profit and income tax expense

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Total profit	1,237,012,567.93	1,153,510,782.39
Income tax expenses calculated at the statutory tax rate	309,253,141.98	288,377,695.60
Effect of different tax rates of subsidiaries	(38,542,555.87)	(33,199,738.74)
Effect of adjustments to income tax of previous periods	(6,276,453.36)	2,529,506.34
Effect of non-taxable income	(15,479,550.00)	(9,000,000.00)
Effect of share of profits and losses of joint ventures and associates	(40,056,440.44)	(34,028,619.06)
Effect of non-deductible costs, expenses and losses	5,402,233.06	5,947,307.35
Effect of utilization of deductible losses on deferred income tax assets not recognized in previous period	(10,367,317.89)	(18,136,611.31)
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	1,531,044.55	780,106.07
Others	(138,198.26)	(900,727.17)
<b>Income tax expenses</b>	<b>205,325,903.77</b>	<b>202,368,919.08</b>

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 48. Earnings per Share

#### (1) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company, minus cash dividends for the period distributed to holders of restricted share expected to be unlocked in the future, by the weighted average number of ordinary shares in issue (excluding the number of restricted shares and treasury shares).

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Net profit for the period attributable to ordinary shareholders of the Company	1,010,289,679.26	912,728,144.53
Weighted average number of ordinary shares in issue of the Company	5,587,412,000.00	5,587,412,000.00
Basic earnings per share (RMB/Share)	0.18	0.16

(2) The Company had no dilutive potential ordinary shares in issue for the period from 1 January to 30 June 2024 (for the period from 1 January to 30 June 2023: Nil).

### 49. Notes to the Statement of Cash Flows

#### (1) Cash relating to operating activities

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Cash received relating to other operating activities		
Interest income from bank deposit	16,819,974.87	41,370,948.34
Government grants	682,188.33	1,411,877.35
Lease income	6,274,449.74	8,153,905.21
Others	1,156,263.14	304,475.35
Total	24,932,876.08	51,241,206.25

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Cash paid relating to other operating activities		
Rental expenses	52,833,396.78	52,253,766.00
Sanitary charges, afforestation fee	33,990,253.44	32,722,976.62
Research and development expenses	6,742,684.33	12,729,557.87
Insurance	19,786,585.00	21,388,575.36
Professional service fee	4,771,224.19	3,025,058.11
Expenses on guard and firefighting services	5,835,561.16	6,837,286.31
Office charges, conference expenses	5,452,559.43	5,776,928.42
Travel expenses	3,007,161.41	3,810,149.25
Others	4,534,163.57	10,441,226.81
Total	136,953,589.31	148,985,524.75

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49. Notes to the Statement of Cash Flows (Continued)

#### (2) Cash relating to investing activities

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Cash payments relating to other investing activities		
Net cash paid for disposal of subsidiaries and other business units	10,400,888.18	-
Payment of land appreciation tax	-	5,394,523.88
<b>Total</b>	<b>10,400,888.18</b>	<b>5,394,523.88</b>

#### (3) Cash relating to financing activities

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Cash payments relating to other financing activities		
Payment of lease fee of right-of-use assets	9,163,526.70	8,874,888.02

Changes in liabilities arising from financing activities are as follows:

Item	Opening balance	Increase in the period		Decrease in the period		30 June 2024 (Unaudited)
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	500,252,083.33	-	6,749,166.70	6,630,416.69	-	500,370,833.34
Long-term borrowings (including those due within one year)	5,608,401,823.65	300,000,000.00	88,514,553.49	553,493,113.81	-	5,443,423,263.33
Lease liabilities (including those due within one year)	19,205,532.95	-	373,663.53	8,505,616.07	-	11,073,580.41
<b>Total</b>	<b>6,127,859,439.93</b>	<b>300,000,000.00</b>	<b>95,637,383.72</b>	<b>568,629,146.57</b>	<b>-</b>	<b>5,954,867,677.08</b>

#### (4) Major activities not involving current cash receipts and payments

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Endorsed bank acceptance notes	98,693,313.55	73,833,309.00
Endorsed commercial acceptance notes	1,000,000.00	-
External capital contribution by way of land use rights	-	6,510,203.74
<b>Total</b>	<b>99,693,313.55</b>	<b>80,343,512.74</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50. Supplemental Information to Statement of Cash Flows

(1) Supplemental information to statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Net profit	1,031,686,664.16	951,141,863.31
Add: Credit impairment loss/(reversal)	1,431,863.39	(7,618,031.35)
Fixed assets depreciation	596,612,196.87	613,101,833.06
Right-of-use assets depreciation	10,802,658.47	10,807,371.08
Amortization of intangible assets	45,135,201.06	44,192,613.47
Decrease in long-term prepaid expenses	27,161.69	2,695,184.69
Decrease in deferred income	(7,368,305.06)	(17,752,908.47)
Gain on disposal of fixed assets, intangible assets and other long-term assets	(84,075,294.83)	(9,632,074.03)
Financial costs	51,677,153.84	124,587,230.60
Investment income	(223,774,464.83)	(172,114,476.21)
Decrease in deferred income tax assets	21,291,952.32	30,325,379.42
Increase in inventories	(11,676,867.97)	(20,103,234.83)
Decrease in other current assets	37,636,709.72	72,039,345.24
Increase in operating receivables	(97,123,464.21)	(110,799,357.00)
Increase in operating payables	97,451,866.16	65,887,433.48
Others	11,714,272.01	5,058,795.18
Net cash flows from operating activities	1,481,449,302.79	1,581,816,967.64

Net movements in cash and cash equivalents:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Closing balance of cash	2,532,643,862.22	3,562,453,575.90
Less: Opening balance of cash	1,689,267,856.26	3,446,027,714.85
Net increase in cash and cash equivalents	843,376,005.96	116,425,861.05

(2) Disposed of subsidiaries and other business units

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Cash received for disposal of subsidiaries and other business units for the period	-	10,712,597.92

(3) Information on cash flow relating to lease

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Cash inflow relating to lease	6,274,449.74	8,153,905.21
Cash outflow relating to lease	66,751,929.19	65,831,492.96



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50. Supplemental Information to Statement of Cash Flows (Continued)

#### (4) Composition of cash and cash equivalents

Item	30 June 2024 (Unaudited)	31 December 2023
Cash	2,532,643,862.22	1,689,267,856.26
Including: Cash on hand	2,501.51	11,334.47
Bank deposits on demand	2,532,641,360.71	1,689,256,521.79
Balance of cash and cash equivalents	2,532,643,862.22	1,689,267,856.26

#### (5) Monetary capital other than cash and cash equivalents

Item	30 June 2024 (Unaudited)	31 December 2023	Reason
Term deposits over 3 months and interest	410,793,316.69	1,148,755,100.31	Recoverable in more than 3 months
Other deposits	500.00	500.00	The right of use is restricted
Total	410,793,816.69	1,148,755,600.31	

### 51. Foreign Currency Monetary Items

Item	30 June 2024 (Unaudited)		
	Original currency	Exchange rate	Translated RMB
Cash and bank balances	18,455,913.25	–	59,466,704.62
US\$	6,858,948.19	7.1268	48,882,386.55
HK\$	11,596,965.06	0.9127	10,584,318.07
Other payables	61,643.43	–	56,260.72
HK\$	61,643.43	0.9127	56,260.72

### 52. Leases

#### (1) As lessee

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Interest expenses on lease liabilities	373,663.53	785,878.03
Short-term lease payments with simplified processing included in profit or loss for the period	55,347,154.57	52,202,386.62
Lease payments of low-value asset with simplified processing included in profit or loss for the period (other than short-term leases)	50,215.67	82,802.64
Total cash outflow relating to lease	66,751,929.19	65,831,492.96

The leased assets of the Group include premises, buildings, port facilities and machinery equipment, means of transportation and other equipment used in operation, generally with a lease term of one year. Leasing contracts generally stipulate that the Group cannot sublease the leased assets. Certain leasing contracts contain the terms of renewal and termination options.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 52. Leases (Continued)

#### (1) As lessee (Continued)

##### Leases committed but not yet commenced

Expected future cash outflow of leases committed but not yet commenced of the Group is as follows:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	31 December 2023
Within 1 year (including 1 year)	7,278,169.04	936,265.91
1 year to 2 years (inclusive)	181,142.00	193,818.00
2 years to 3 years (inclusive)	193,818.00	207,388.00
Over 3 years	429,293.00	459,344.00
Total	8,082,422.04	1,796,815.91

##### Other information on leases

Please refer to Note V. 12 for details of right-of-use assets; please refer to Note III. 25 for details of simplified processing of short-term leases and leases of low-value assets; please refer to Note V. 26 for details of lease liabilities.

#### (2) As lessor

The Group used some port facilities such as stockpiling and machinery equipment for leasing to constitute operating leases.

##### Operating leases

Profit or loss in relation to the operating leases is set out as follows:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Lease income	6,274,449.74	8,153,905.21

According to the lease contracts entered into with lessees, the undiscounted minimum lease payments are as follows:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	31 December 2023
Within 1 year (including 1 year)	607,947.09	647,096.00
1 year to 2 years (inclusive)	–	233,950.00
Total	607,947.09	881,046.00

Please refer to Note V. 10 for operating leased fixed assets.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## VI. RESEARCH AND DEVELOPMENT EXPENDITURES

The Group has no development expenditure on R&D project eligible for capitalization. The expensed R&D expenditures for the period from 1 January to 30 June 2024 and the period from 1 January to 30 June 2023 are broken down by nature, please refer to Note V. 39.

## VII. CHANGES IN THE SCOPE OF CONSOLIDATION

### 1. Disposed of Subsidiaries

Loss of control over the subsidiary

Name of the subsidiary	Point of loss of control	Disposal price at the point of loss of control	Disposal ratio at the point of loss of control (%)	Disposal method at the point of loss of control	Basis for determining the point of loss of control	Difference between the disposal price and the share of net assets of the subsidiary in the consolidated financial statements corresponding to the disposal investment	Proportion of remaining equity on the date of loss of control (%)	Book value of the remaining equity interest in the consolidated financial statements on the date of loss of control	Fare value of the remaining equity interest in the consolidated financial statements on the date of loss of control	Gains or losses arising from re-measurement of the remaining equity at fair value	Determination methods and major assumptions of fair value of the remaining equity interest in the consolidated financial statements on the date of loss of control	Amount of other comprehensive income related to equity investments in the original subsidiary transferred to investment profit or loss or retained earnings
Cangzhou Crude Oil	30 April 2024	5,867,904.00	16.00%	Sale	The parties involved in the transaction have completed delivery, and the Company has effectively lost control over Cangzhou Crude Oil.	248,074.95	49.00%	17,210,726.49	17,970,456.00	759,729.51	Asset-based approach	-

For details of the disposal of Changzhou Crude Oil, please refer to Note 1 of Note V. 8(1).

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## VIII. INTERESTS IN OTHER ENTITIES

### 1. Interests in Subsidiaries

#### (1) Composition of the corporate group

Item	Place of principal business and place of incorporation	Type of legal entity	Nature of business	Registered capital RMB0'000	Percentage of shareholding (%)		Acquisition method
					Direct	Indirect	
Qinhuangdao Xin'gangwan Container Terminal Co., Ltd. (秦皇島港新港灣集裝箱碼頭有限公司)	Qinhuangdao city	Limited liability company	Loading and unloading services	40,000	55.00	-	Subsidiaries acquired through the equity contribution from HPG during the establishment of the Company
Caofeidian Coal	Tangshan city	Limited liability company	Loading and unloading services	180,000	51.00	-	Subsidiaries acquired through establishment or investment
Cangzhou Mineral	Cangzhou city	Limited liability company	Loading and unloading services	526,635	97.59	-	Subsidiaries acquired through establishment or investment
Cangzhou Ocean Shipping Tally Co., Ltd. (滄州中理外輪理貨有限公司)	Cangzhou city	Limited liability company	Cargo tallying services	500	33.00	23.00	Subsidiaries acquired through establishment or investment
Tangshan Caofeidian Jigang Coal Port Co., Ltd. (唐山曹妃甸冀港煤炭港務有限公司)	Tangshan city	Limited liability company	Loading and unloading services	5,000	99.00	-	Subsidiaries acquired through establishment or investment
Qinhuangdao Port GangSheng (Hong Kong) Co., Limited (秦皇島港港盛(香港)有限公司)	Hong Kong	Private limited company	International trade	HK\$5,000	100.00	-	Subsidiaries acquired through establishment or investment
Tangshan Port Investment & Development Co., Ltd. (唐山港口投資開發有限公司)	Tangshan city	Limited liability company	Port investment	200,000	56.00	-	Subsidiaries acquired through establishment or investment
Cangzhou Huanghua Port Bulk Cargo Port Co., Ltd. (滄州黃驊港散貨港務有限公司)	Cangzhou city	Limited liability company	Loading and unloading services	5,000	100.00	-	Subsidiaries acquired through establishment or investment
Tangshan Caofeidian Ocean Shipping Tally Co., Ltd. (唐山曹妃甸中理外輪理貨有限公司)	Tangshan city	Limited liability company	Cargo tallying services	300	100.00	-	Subsidiaries acquired through establishment or investment
Tangshan Caofeidian Jigang General Port Co., Ltd. (唐山曹妃甸冀港通用港務有限公司)	Tangshan city	Limited liability company	Loading and unloading services	5,000	100.00	-	Subsidiaries acquired through establishment or investment
Hebei Tangshan Caofeidian Jitong Port Co., Ltd. (河北唐山曹妃甸冀同港口有限公司)	Tangshan city	Limited liability company	Loading and unloading services	300,000	59.00	-	Subsidiaries acquired through establishment or investment
Qinhuangdao Port Xinyi Port Co., Ltd. (秦皇島港新益港務有限公司)	Qinhuangdao city	Limited liability company	Loading and unloading services	6,000	100.00	-	Subsidiaries acquired through establishment or investment
Qinhuangdao Ocean Shipping Tally Co., Ltd. (秦皇島中理外輪理貨有限責任公司)	Qinhuangdao city	Limited liability company	Cargo tallying services	1,274	84.00	-	Subsidiaries which are acquired by business merger under common control

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in Subsidiaries (Continued)

#### (2) Significant non-wholly-owned subsidiary

Name of Subsidiary	Percentage of shareholding of minority shareholders	Profit or loss attributable to minority shareholders for the period	Dividends declared to minority shareholders for the period	30 June 2024 (Unaudited)
Caofeidian Coal	49.00%	14,402,639.55	–	617,122,973.49

#### (3) Key financial information of significant non-wholly-owned subsidiary

Item	30 June 2024 (Unaudited)	31 December 2023
Current assets	582,683,046.44	330,677,045.73
Non-current assets	3,760,830,235.18	4,129,607,800.51
Total assets	4,343,513,281.62	4,460,284,846.24
Current liabilities	844,876,724.48	796,269,292.71
Non-current liabilities	2,239,201,917.37	2,418,192,473.11
Total liabilities	3,084,078,641.85	3,214,461,765.82

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Revenue	351,944,729.35	460,860,411.24
Net profit	29,393,141.94	67,659,161.02
Other comprehensive income	(84,158,246.87)	4,597,720.43
Total comprehensive income	(54,765,104.93)	72,256,881.45
Net cash flows from operating activities	233,400,359.17	324,713,328.45

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in Joint Ventures and Associates

#### (1) Joint ventures and associates

Name of joint ventures or associates	Place of principal business and place of incorporation	Nature of business	Registered capital RMB'0000	Percentage of shareholding (%)		Accounting treatment
				Direct	Indirect	
<b>Joint ventures</b>						
Bohai Jin-Ji Port Investment and Development Company Limited (渤海津冀港口投資發展有限公司)	Tianjin City	Investment and development	200,000	50.00	-	Equity method
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	Cangzhou city	Loading and unloading services	45,000	10.00	45.00	Equity method
Cangzhou Bohai New Zone Port Real Estate Development Co., Ltd. (滄州渤海新區港口房地產開發有限公司)	Cangzhou city	Real estate development	12,000	-	50.00	Equity method
<b>Associates</b>						
Hebei Port Group Finance Co., Ltd. (河北港口集團財務有限公司)	Qinhuangdao city	Financial services	150,000	40.00	-	Equity method
Tangshan Caofeidian Shiye Port Co., Ltd. (唐山曹妃甸實業港務有限公司)	Tangshan city	Loading and unloading services	200,000	35.00	-	Equity method
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇島興秦港能源儲運有限公司)	Qinhuangdao city	Energy services	5,000	40.00	-	Equity method
Handan International Land Port Co., Ltd. (邯鄲國際陸港有限公司)	Handan city	Logistic services	107,000	-	21.13	Equity method
Tangshan Jingtang Railway Co., Ltd. (唐山京唐鐵路有限公司)	Tangshan city	Railway construction and operation	140,000	14.23	-	Equity method
Xin Licheng Tally Co., Ltd. of Tangshan Caofeidian Comprehensive Bonded Zone (唐山曹妃甸綜合保稅區鑫理程理貨有限責任公司)	Tangshan city	Cargo tallying services	300	-	30.00	Equity method
Cangzhou Bohai New Zone Gangxing Tugboat Co., Ltd. (滄州渤海新區港興拖輪有限公司)	Cangzhou city	Tugging services	40,573	-	35.00	Equity method
Zhejiang Yuehua Energy Detection Co., Ltd. (浙江越華能源檢測有限公司)	Ningbo City	Retail business	1,379	15.00	-	Equity method
Yihai Kerry (Qinhuangdao) Grain & Oil Industry Co., Ltd. (益海嘉里(秦皇島)糧油工業有限公司)	Qinhuangdao city	Food manufacturing	111,765	15.00	-	Equity method
Cangzhou Crude Oil	Cangzhou city	Loading and unloading services	15,700	49.00	-	Equity method

The following table sets forth the financial information of Tangshan Caofeidian Shiye Port Co., Ltd. (唐山曹妃甸實業港務有限公司) ("Caofeidian Shiye") and Hebei Port Group Finance Company Limited (河北港口集團財務有限公司) ("Finance Company"), which are the significant associates of the Group. Located in Caofeidian Port Zone, Caofeidian Shiye was established in 2002 and it provides strong support to the Group for its development into one of the most important port operators in Bohai Rim. Finance Company was established in 2014 and it provides the Group with financial services including deposit taking, loan-offering and settlement services. The Group adopted equity method to measure as there is no significant difference between the financial policy of these companies and that of the Group.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in Joint Ventures and Associates (Continued)

#### (2) Key financial information of significant associates

30 June 2024 (Unaudited)		
Item	Caofeidian Shiye	Finance Company
Current assets	2,982,085,759.63	8,364,940,965.61
Including: Cash and cash equivalents	1,807,192,830.66	6,913,867,687.13
Non-current assets	5,262,121,848.70	7,179,862,334.13
Total assets	8,244,207,608.33	15,544,803,299.74
Current liabilities	824,637,097.90	13,718,242,641.51
Non-current liabilities	419,852,830.14	4,003,146.17
Total liabilities	1,244,489,928.04	13,722,245,787.68
Minority interest	39,111,067.75	–
Equity attributable to shareholders of the parent company	6,960,606,612.54	1,822,557,512.06
Share of net assets in proportion to shareholding	2,436,212,314.38	729,023,004.83
Carrying amount of investment	2,436,212,314.38	729,023,004.83

For the period from 1 January to 30 June 2024 (Unaudited)		
Item	Caofeidian Shiye	Finance Company
Revenue	1,096,370,158.90	178,047,756.39
Administrative expenses	56,596,444.97	–
Financial cost – interest income	10,309,251.22	–
Financial cost – interest expense	1,343,632.88	–
Income tax expense	159,191,148.09	11,243,963.04
Net profit	502,115,316.82	33,731,889.08
Including: Net profit attributable to the parent company	502,248,991.11	33,731,889.08
Other comprehensive income	96,646,128.02	–
Total comprehensive income	598,761,444.84	33,731,889.08
Dividend received	110,950,000.00	–

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in Joint Ventures and Associates (Continued)

#### (2) Key financial information of significant associates (Continued)

31 December 2023		
Item	Caofeidian Shiye	Finance Company
Current assets	2,709,823,040.50	11,693,597,537.89
Including: Cash and cash equivalents	1,452,283,768.30	3,954,939,400.73
Non-current assets	5,290,914,744.36	1,006,263,496.99
Total assets	8,000,737,784.86	12,699,861,034.88
Current liabilities	1,176,724,296.76	10,908,805,222.22
Non-current liabilities	419,867,454.13	2,230,189.68
Total liabilities	1,596,591,750.89	10,911,035,411.90
Minority interest	39,244,742.04	–
Equity attributable to shareholders of the parent company	6,364,901,291.93	1,788,825,622.98
Share of net assets in proportion to shareholding	2,227,715,452.17	715,530,249.20
Carrying amount of investment	2,227,715,452.17	715,530,249.20
For the period from 1 January to 30 June 2023 (Unaudited)		
Item	Caofeidian Shiye	Finance Company
Revenue	943,301,954.74	107,490,627.42
Administrative expenses	50,051,793.14	8,628,744.61
Financial cost – interest income	4,151,033.05	–
Financial cost – interest expense	4,630,643.12	–
Income tax expense	137,692,240.96	11,962,609.49
Net profit	422,054,651.55	35,887,828.49
Including: Net profit attributable to the parent company	422,224,213.67	35,887,828.49
Other comprehensive income	88,071,912.92	–
Total comprehensive income	510,126,564.47	35,887,828.49
Dividend received	–	–



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in Joint Ventures and Associates (Continued)

(3) The aggregated financial information of joint ventures and associates that are insignificant

Item	30 June 2024 and for the period from 1 January to 30 June 2024 (Unaudited)	31 December 2023 and for the period from 1 January to 30 June 2023 (Unaudited)
Joint ventures		
Total carrying amount of investment	83,899,334.54	106,430,694.91
Total amount of the following items calculated in the Group's equity proportion		
Net loss	(22,536,785.07)	(11,931,638.02)
Total comprehensive income	(22,536,785.07)	(11,931,638.02)
Associates		
Total carrying amount of investment	806,311,443.59	771,749,925.53
Total amount of the following items calculated in the Group's equity proportion		
Net (loss)/profit	(5,757,626.20)	3,879,224.78
Total comprehensive income	(5,757,626.20)	3,879,224.78

## IX. GOVERNMENT GRANTS

### 1. Liabilities Items Related to Government Grants

Items of Grants	Opening balance	Increase in the period	Recognized in other revenue in the period	30 June 2024 (Unaudited)	Related to assets/income
Special environmental subsidy	97,263,758.98	-	5,908,189.26	91,355,569.72	Related to assets
Subsidy for retrofitting of contingency coal storage depot	2,025,000.00	-	675,000.00	1,350,000.00	Related to assets
Technology center project funds	2,527,978.75	-	170,901.92	2,357,076.83	Related to assets/income
Intelligent stacking yard operation transformation system	4,632,445.63	-	557,880.54	4,074,565.09	Related to assets
Others	1,650,658.39	-	56,333.34	1,594,325.05	Related to assets
Total	108,099,841.75	-	7,368,305.06	100,731,536.69	

### 2. Government Grants Recognized in Profit or Loss for the Period

Item of Grants	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Asset-related government grants		
Credited to other income	7,368,305.06	17,752,908.47
Government grants relating to income		
Credited to other income	182,641.35	13,202,509.30
Total	7,550,946.41	30,955,417.77

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## X. RISKS RELATED TO FINANCIAL INSTRUMENTS

Financial instruments of the Group mainly include cash and bank balances, bills receivable, financing receivables, accounts receivable, other receivables, other non-current assets, other equity instruments investments, short-term borrowings, accounts payable, other payables, certain non-current liabilities due within one year, long-term borrowings and long-term payables, etc., and the detailed descriptions of each of these financial instruments are set out in Note (v). The risks arising from such financial instruments and risk management policies adopted by the Group to minimize such risks are summarized below. The management of the Group manages and monitors these exposures to ensure that the above risks are kept within limits.

The Group uses sensitivity analysis techniques to analyze the impact that reasonable and probable changes in risk variables may have on current profit or loss or shareholders' equity. As it is rare for any risk variable to change in isolation and the correlation between the variables will have a significant effect on the amount of the eventual impact of a change in a particular risk variable, the following content is based on the assumption that the change in each variable is independent.

### 1. Risk Management Objectives and Policies

The Group's objective in engaging in risk management is to strike an appropriate balance between risks and returns, minimize the negative impact of risks on the Group's operating results and maximize the benefits of shareholders. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyze various risks to which the Group is exposed, establish an appropriate risk tolerance threshold and conduct risk management, and supervise various risks in a timely and reliable manner so as to control the risks within a limited range.

#### 1.1 Market risk

##### (1) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing liabilities with floating interest rates. The Group manages interest rate risk by closely monitoring changes in interest rates and reviewing its borrowings on a regular basis.

The table below is a sensitivity analysis of interest rate risk. It reflects the impact on net profit or loss (through the impact on floating rate borrowings) and other comprehensive income net of tax when a reasonably possible change in interest rates occurs, with all other variables held constant.

#### 30 June 2024 (Unaudited)

Items	Increase/ (decrease) in basis points	(Decrease)/ increase in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Total (decrease)/ increase in shareholder's equity
Long-term borrowings	50	(20,396,019.77)	–	(20,396,019.77)
Long-term borrowings	(50)	20,396,019.77	–	20,396,019.77

#### 31 December 2023

Items	Increase/ (decrease) in basis points	(Decrease)/ increase in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Total (decrease)/ increase in shareholder's equity
Long-term borrowings	50	(21,009,733.52)	–	(21,009,733.52)
Long-term borrowings	(50)	21,009,733.52	–	21,009,733.52

##### (2) Exchange rate risk

The Group's denomination and settlement are mainly in reporting currency and its exposure to the exchange rate risk relates primarily to the Group's foreign currency bank deposits. There are no significant exchange rate risks.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk Management Objectives and Policies (Continued)

#### 1.2 Credit risk

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the Group's balances of accounts receivable are monitored on an ongoing basis to ensure that the Group's exposure to bad debt is not significant. For transactions that are not settled in the functional currency of the relevant operating unit, the Group does not offer credit transaction terms without the specific approval of the Department of Credit Control in the Group.

Because the counterparties of the cash and bank balances and bank acceptance bills receivables are the creditworthy banks with high credit ratings and related party Finance Company, the credit risk of these financial instruments is lower.

The credit risk of the Group's other financial assets, which comprise accounts receivable and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customers. As at 30 June 2024, there is a concentration of specific credit risk within the Group as 41% and 66% (31 December 2023: 38% and 58%) of the Group's accounts receivables were from the largest and five largest customers in terms of balances of accounts receivable. The Group did not hold any collateral or other credit enhancements over the balances of accounts receivables.

#### (1) Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. Judgement of the Group for significant increase in credit risk is mainly based on whether the number of overdue days exceeds 30, or whether one or more of the following indicators changed significantly: business environment of the debtor, internal and external credit rating, significant changes in actual or expected operating results, etc.

On 30 June 2024, credit risks of other receivables that were overdue for more than 30 days were not considered to increase significantly due to the fact that the probability of default in remaining lifetime at the reporting date has not increased by more than a certain proportion comparing with the initial recognition and no significant adverse change in debtor's operation or financial status, no watchlist, etc. The Group made provision for impairment based on the expected credit loss in the next 12 months.

#### (2) Definition of credit-impaired asset

Judgement of the Group on the occurred credit impairment is mainly based on whether the number of overdue days exceeds 90. However, in certain cases, the Group also considers credit impairment to have occurred when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

#### (3) Credit risk exposures

As at 30 June 2024 and 31 December 2023, the Group made provisions for the credit risk exposure for credit loss of receivables based on the future 12 months or entire remaining lifetime credit loss. Please refer to Note V. 3 Accounts receivable and Note V. 5 Other receivables.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk Management Objectives and Policies (Continued)

#### 1.3 Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of various funding means. The Group funds its operations by revenue from its operating activities and borrowings.

The table below summarizes the maturity profile of financial liabilities based on the undiscounted contractual cash flows:

#### 30 June 2024 (Unaudited)

Item	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	505,680,138.90	–	–	505,680,138.90
Accounts payable	323,632,250.53	–	–	323,632,250.53
Other payables	965,053,657.05	–	–	965,053,657.05
Lease liabilities (including those due within one year)	11,229,206.15	–	–	11,229,206.15
Long-term borrowings (including those due within one year)	919,833,179.23	2,893,913,205.06	2,353,912,488.39	6,167,658,872.68
Long-term payables (including those due within one year)	2,000,000.00	12,000,000.00	20,000,000.00	34,000,000.00
<b>Total</b>	<b>2,727,428,431.86</b>	<b>2,905,913,205.06</b>	<b>2,373,912,488.39</b>	<b>8,007,254,125.31</b>

#### 31 December 2023

Item	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	512,310,555.55	–	–	512,310,555.55
Accounts payable	253,421,149.43	–	–	253,421,149.43
Other payables	603,776,486.76	–	–	603,776,486.76
Lease liabilities (including those due within one year)	19,733,232.45	7,219.53	–	19,740,451.98
Long-term borrowings (including those due within one year)	791,151,245.91	2,054,621,410.60	3,990,561,236.73	6,836,333,893.24
Long-term payables (including those due within one year)	2,000,000.00	12,000,000.00	20,000,000.00	34,000,000.00
<b>Total</b>	<b>2,182,392,670.10</b>	<b>2,066,628,630.13</b>	<b>4,010,561,236.73</b>	<b>8,259,582,536.96</b>

### 2. Capital Management

The primary objective of the Group's capital management is to ensure the Group's ability to operate as a going concern and maintain healthy capital structure so as to support business growth and maximize shareholder value.

The Group manages capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. For the period from 1 January to 30 June 2024 and for the year 2023, there was no change in the capital management objectives, policies or processes.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Capital Management (Continued)

The Group manages its capital using leverage ratio, which is calculated by dividing net debts by the sum of adjusted capital and net debts. Net debts include accounts payable, other payables, short-term borrowings, non-current liabilities due within one year, long-term borrowings, lease liabilities and long-term payables less cash and bank balances and term deposits over one year. It is the Group's policy to maintain its leverage ratio within a reasonable range. The Group's leverage ratio as at the balance sheet dates is as follows:

Item	30 June 2024 (Unaudited)	31 December 2023
Accounts payable	323,632,250.53	253,421,149.43
Other payables	965,053,657.05	603,776,486.76
Short-term borrowings	500,370,833.34	500,252,083.33
Non-current liabilities due within one year	780,388,328.74	633,718,528.57
Lease liabilities	–	7,219.53
Long-term borrowings	4,676,108,515.00	4,995,881,608.50
Long-term payables	32,000,000.00	32,000,000.00
Less: Cash and bank balances	2,943,437,678.91	2,838,023,456.57
Other non-current assets – term deposit and interest	3,532,417,095.39	2,330,035,082.78
Net debt	801,698,810.36	1,850,998,536.77
Equity attributable to shareholders of the parent company	18,913,879,642.25	18,423,519,428.29
Capital and net debt	19,715,578,452.61	20,274,517,965.06
Net debt to equity ratio	4%	9%

### 3. Transfer of Financial Assets

#### (1) Classification of transfer method

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Basis for determining derecognition
Bill endorsement	Bills receivable	30,346,978.00	Not derecognized	Retain substantially all risks and rewards, including associated default risks
Bill endorsement	Financing receivables	44,778,637.55	Derecognized	Transfer substantially all risks and rewards
Total		75,125,615.55		

#### (2) The financial assets derecognized as a result of the transfer

Item	Method for transferring financial assets	Amount of derecognized financial assets	Profit or loss related to derecognition
Financing receivables	Bill endorsement	44,778,637.55	–

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Transfer of Financial Assets (Continued)

- (3) The continuing involvement in transferred financial assets

Item	Method for transferring assets	Amount of continuing involvement in assets	Amount of continuing involvement in liabilities
Bills receivable	Bill endorsement	30,346,978.00	30,346,978.00

- (4) Financial assets transferred but not derecognized generally

As at 30 June 2024, the Group has endorsed bank acceptance notes and commercial acceptance notes with a carrying amount of RMB30,346,978.00 (31 December 2023: RMB5,625,541.00) that have not yet matured to settle the amounts payable. The Group considered that the Group has retained substantially all risks and rewards, including associated default risks. Therefore, it continued to fully recognize its settled payables and those related to them. After endorsement, the Group will not reserve the right of use, including the right to sale, transfer and pledge to other third parties.

- (5) Continuing involvement in transferred financial assets derecognized generally

As at 30 June 2024, the Group has endorsed bank acceptance notes with a carrying amount of RMB44,778,637.55 (31 December 2023: RMB28,766,419.52) that have not yet matured to settle the amounts payable. If acceptance banks dishonored the notes, the holder may exercise the right of recourse against any or several or all of the persons liable for the bill of exchange including the Group in disregard of the order of precedence ("Continuing Involvement") according to relevant provisions of the Law of Bill. The Group considered that these acceptance banks are reputable banks so that the potential risk of dishonoring the notes for recourse is small. Therefore, its settled payables and those related to them are fully derecognized. The maximum loss and the undiscounted cash flow of Continuing Involvement and repurchase equal to the carrying amounts. The Group considers that the fair value of Continuing Involvement is insignificant.

For the period from 1 January to 30 June 2024, the Group did not recognize any profit or loss at the date of transfer. The Group had no current or cumulative recognized income or expense related to Continuing Involvement of financial assets which had been derecognized. The bill endorsement occurred evenly for the period.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XI. DISCLOSURE OF FAIR VALUE

### 1. Closing Fair Value of Assets and Liabilities Measured at Fair Value

30 June 2024 (Unaudited)

Item	Fair value			Total
	Fair Value Measurement of Level 1	Fair Value Measurement of Level 2	Fair Value Measurement of Level 3	
Assets				
Continuous measurement of fair value				
Financing receivables	–	48,232,044.89	–	48,232,044.89
Other equity instruments investments designated at fair value through other comprehensive income	–	–	778,748,965.46	778,748,965.46
Total	–	48,232,044.89	778,748,965.46	826,981,010.35

31 December 2023

Item	Fair value			Total
	Fair Value Measurement of Level 1	Fair Value Measurement of Level 2	Fair Value Measurement of Level 3	
Assets				
Continuous measurement of fair value				
Financing receivables	–	74,502,289.57	–	74,502,289.57
Other equity instruments investments designated at fair value through other comprehensive income	–	–	1,091,562,136.20	1,091,562,136.20
Total	–	74,502,289.57	1,091,562,136.20	1,166,064,425.77

### 2. Fair Value Measurement of Level 2

The fair values of financing receivables are determined at the discount rate of market yields on other financial instruments with similar credit risk and remaining maturities using the discounted future cash flow method, and their fair values approximate their carrying amounts due to the remaining term is not long.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

### 3. Fair Value Measurement of Level 3

The Group's finance team is led by the finance manager, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial officer and the audit committee. At each balance sheet date, the finance team analyses movements in the value of financial instruments and determines the major inputs applicable to the valuation. The valuation must be reviewed and approved by the finance manager. For the purpose of preparing interim and annual financial statements, the finance team meets the audit committee twice a year to discuss the valuation procedures and results.

Certain investments in unlisted equity instruments are estimated at fair value using the market approach based on unobservable market prices or interest rate assumptions. The Group needs to determine comparable public companies based on industry, size, leverage and strategy, and calculates an appropriate market multiple, such as enterprise value multiplier, price to earnings ("P/E") multiplier and price to net assets ("P/B") multiplier, for each comparable public company identified. Adjustments are made based on company-specific facts and circumstances, taking into account factors such as liquidity and size differences between comparable public companies. The Group believes that the fair value and changes thereof estimated using valuation techniques are reasonable and also the most appropriate value as of the balance sheet date.

For the fair value of investment in other unlisted equity instrument, the Group estimated the potential impact of using other reasonable and probable assumptions as inputs to the valuation model.

- (1) Below is a summary of the significant unobservable inputs to the fair value measurement of level 3

Item	End of the period	Fair value at the end of period	Valuation techniques	Unobservable inputs (weighted average)	
					Range
Equity instrument investments	30 June 2024 (unaudited)	778,748,965.46	Listed company comparison method	Liquidity discount	17%-22%
Equity instrument investments	31 December 2023	1,091,562,136.20	Listed company comparison method	Liquidity discount	16%-22%

- (2) The reconciliation of the fair value measurement of level 3

#### 30 June 2024 (Unaudited)

Item	1 January 2024	Total profit or loss for the current period		Settlement	30 June 2024 (Unaudited)	Changes in unrealized gains or losses of the current period of the assets held at the end of the period included in profit or loss
		Included in profit or loss	Included in other comprehensive income			
Other equity instruments investments	1,091,562,136.20	-	(123,562,935.33)	(189,250,235.41)	778,748,965.46	-

#### 31 December 2023

Item	1 January 2023	Total profit or loss for the current period		Settlement	31 December 2023	Changes in unrealized gains or losses of the current period of the assets held at the end of the period included in profit or loss
		Included in profit or loss	Included in other comprehensive income			
Other equity instruments investments	1,136,892,279.11	-	(45,330,142.91)	-	1,091,562,136.20	-

### 4. Financial Assets and Financial Liabilities Not Measured at Fair Value

The fair values of long-term borrowings and long-term payables are determined at the discount rate of market yields on other financial instruments with similar contractual terms, credit risk and remaining maturities using the discounted future cash flow method. As at 30 June 2024, the risk of its own non-performance against long-term borrowings and long-term payables was assessed to be insignificant.



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

### 1. Parent Company of the Company

Item	Place of registration	Nature of business	Registered capital RMB	Proportion of shareholding (%)	Proportion of votes (%)
HPG	Tangshan city	Integrated port service	20 billion	56.27	56.27

HPG is the ultimate holding company of the Company.

### 2. Subsidiaries

For details of the subsidiaries, please refer to Note VIII. 1.

### 3. Joint Ventures and Associates

For details of the joint ventures and associates, please refer to Note VIII. 2.

### 4. Other Related Parties

Company name	Relationship with related parties
Hebei Port Group Port Engineering Limited	A subsidiary of the controlling shareholder
Hebei Port Group Port Machinery Limited	A subsidiary of the controlling shareholder
Hebei Port Group Testing Technology Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Kezheng Engineering Detection Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Fangyu Property Services Management Co., Ltd.	A subsidiary of the controlling shareholder
HPG Health Industry Development Company Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Ocean Shipping Coal Trading Market Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Gangyun Conference Services Co., Ltd. (秦皇島港韻會議服務有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Jingtang Port Area Imports & Exports the Low-tax Storage and Transportation Co., Ltd. (唐山港京唐港區進出口保稅儲運有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Group Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port Group Co., Ltd. (唐山港集團股份有限公司)	A subsidiary of the controlling shareholder
Hebei Port Group Shulian Technology (Xiong'an) Co., Ltd. (河北港口集團數聯科技(雄安)有限公司)	A subsidiary of the controlling shareholder
Tangshan Port (Shanxi) Logistics Co., Ltd. (唐山港(山西)物流有限公司)	A subsidiary of the controlling shareholder
Hebei Port Group International Logistics Co., Ltd.	A subsidiary of the controlling shareholder
HPG (Tianjin) Investment Management Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port Hede Shipping Co., Ltd. (唐山港合德海運有限公司)	A subsidiary of the controlling shareholder
HPG Real Estate Development Co., Ltd.	A subsidiary of the controlling shareholder
Hebei Port Group City Construction and Development Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port Group Tugboat Co., Ltd. (唐山港集團拖輪有限公司)	A subsidiary of the controlling shareholder
Tangshan Haigang Gangxing Construction Engineering Detection Co., Ltd. (唐山海港興建設工程檢測有限公司)	A subsidiary of the controlling shareholder
Qinhuangdao Zhiyuan Shipping Company Limited (秦皇島智遠船舶有限公司)	A subsidiary of the controlling shareholder
Tangshan Port International Logistics Co., Ltd.	A subsidiary of the controlling shareholder
Penavico QHD Logistics Co., Ltd.	A subsidiary of the controlling shareholder
China Ocean Shipping Agency Qinhuangdao Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Caofeidian Comprehensive Bonded Zone Port Co., Ltd. (唐山曹妃甸綜合保稅區港務有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Ore Storage and Transportation Co., Ltd. (唐山曹妃甸礦石儲運有限公司)	A subsidiary of the controlling shareholder

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 4. Other Related Parties (Continued)

Company name	Relationship with related parties
Tangshan Caofeidian Industrial Zone Sea Shipping Agency Co., Ltd.	A subsidiary of the controlling shareholder
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Ore Terminal Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port Industrial Group Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port SHIPPING Freight Agency Co., Ltd. (唐山港船舶貨運代理有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Industrial Zone Joint International Sea Shipping Agency Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Qinren Shipping Co., Ltd.	Other enterprises affected by the controlling shareholder
Hebei Dataport Technology Co., Ltd.	Other enterprises affected by the controlling shareholder
Qinhuangdao Oriental Petroleum Co., Ltd.	Other enterprises affected by the controlling shareholder
Qinhuangdao Huibo Petroleum Co., Ltd.	Other enterprises affected by the controlling shareholder
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	Other enterprises affected by the controlling shareholder
SDIC Caofeidian Port Co., Ltd.	Other enterprises affected by the controlling shareholder
Tanggong Railway Co., Ltd.	Other enterprises affected by the controlling shareholder
Tangshan Caofeidian Steel Logistics Co., Ltd. (唐山曹妃甸鋼鐵物流有限公司)	Other enterprises affected by the controlling shareholder
Huanghua Foreign Ships Agency Co., Ltd.	Other enterprises affected by the controlling shareholder
Qinhuangdao Jinyuan Shipping Agency Co., Ltd.	Other enterprises affected by the controlling shareholder
Huaneng Caofeidian Port Co., Ltd.	Other enterprises affected by the controlling shareholder
Huanghua Foreign Ships Agency International Freight Forwarding Co., Ltd.	Other enterprises affected by the controlling shareholder
Qinhuangdao Water Supply Co., Ltd. (秦皇島市自來水有限公司)	Same key management personnel*
SACF	Same key management personnel*
Jinneng Holding Shanxi Coal Industry Co. Ltd.	Same key management personnel*
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	Same key management personnel****
Qinhuangdao Qinshan Chemical Port Co., Ltd.	Same key management personnel***
Han Huang Railway Co., Ltd.	Same key management personnel*
Cangzhou Huanghuagang Steel Logistics Co., Ltd. (滄州黃驊港鋼鐵物流有限公司)	Same key management personnel**
Hebei Jiantou Transportation Investment Co., Ltd.	Same key management personnel****

\* Director of the Company is also director of the company.

\*\* Senior management of the Company is also director of the company.

\*\*\* Supervisor of the Company is also director of the company.

\*\*\*\* Director of the Company is also senior management of the company.

\*\*\*\*\* Senior management of the controlling shareholder is also director of the company.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties

- (1) Related party transactions for purchase and sale of goods, rendering and receipt of services

#### Purchase of goods/Receipt of services

Item	Related party transaction	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>Transactions with the parent company</b>			
HPG	Integrated service	5,058,635.95	2,792,503.90
<b>Transactions with other related parties</b>			
Hebei Port Group Port Machinery Limited	Repair and maintenance service	106,011,895.66	126,018,635.11
Hebei Port Group Port Engineering Limited	Construction service	47,249,813.95	151,492,920.62
Qinhuangdao Fangyu Property Services Management Co., Ltd.	Logistics service	13,703,303.39	12,676,885.93
Hebei Port Group Testing Technology Co., Ltd.	Examination and test services	7,296,740.31	19,545,142.06
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	Supervisory service	1,365,900.84	1,608,015.78
Qinhuangdao Ocean Shipping Coal Trading Market Co., Ltd.	Logistics service	1,353,880.37	6,603.77
Qinhuangdao Water Supply Co., Ltd. (秦皇島市自來水有限公司)	Water charges	1,003,581.04	-
Hebei Port Group Shulian Technology (Xiong'an) Co., Ltd. (河北港口集團數聯科技(雄安)有限公司)	Repair and maintenance service	551,444.48	-
Qinhuangdao Qinren Shipping Co., Ltd.	Consulting fee	404,665.70	-
Hebei Dataport Technology Co., Ltd.	Research and development expenses	261,509.43	-
Caofeidian Port Group Co., Ltd.	Logistics service	152,060.11	456,180.34
Qinhuangdao Gangyun Conference Services Co., Ltd. (秦皇島港鎮會議服務有限公司)	Business entertainment expenses	146,856.00	-
Tangshan Haigang Gangxing Construction Engineering Detection Co., Ltd. (唐山海港港興建設工程檢測有限公司)	Examination and test services	3,669.90	-
Tangshan Port Jingtang Port Area Imports & Exports the Low-tax Storage and Transportation Co., Ltd. (唐山港京唐港區進出口保稅儲運有限公司)	Logistics service	3,456.00	4,429.80
Qinhuangdao Kezheng Engineering Detection Co., Ltd.	Construction service	2,415.09	12,700.53
HPG Health Industry Development Company Ltd.	Logistics service	240.00	46,534.65
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	Safety fund	-	8,000.00
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	Examination and test services	-	2,373.58
SDIC Caofeidian Port Co., Ltd.	Production service	-	5,013.21
Huaneng Caofeidian Port Co., Ltd.	Production service	-	188.68
Sub-total		179,511,432.27	311,883,624.06
Total		184,570,068.22	314,676,127.96

Note 1: Purchase of goods and receipt of services from related parties by the Group are carried out according to the terms of the agreements entered into between the Group and related parties.

Note 2: Integrated service represents the General Services Agreement entered into by the Group and HPG to provide service to the Group. The scope of services include office leasing, port engineering maintenance, supervising, maintenance and repair of equipment etc.

Note 3: On 16 December 2021, the Group held the first extraordinary general meeting of Qinhuangdao Port Co., Ltd. in 2021 to consider and approve the Resolution Regarding the Entering into of the General Services Agreement, and agreed the Group to enter into new General Services Agreement with HPG, and to the proposed caps for the related transactions under the General Services Agreement from 2022 to 2024. On 28 June 2023, the Group held 2022 annual general meeting of Qinhuangdao Port Co., Ltd. to consider and approve the Resolution Regarding the Adjustment of the Caps for Continuing Connected Transactions under the General Services Agreement from 2023 to 2024. The approved annual caps for the related transactions of the goods procured or the services received between the Group and HPG and its subsidiaries were RMB1,363,340,000.00 for the year 2024, and the related transactions between the Group and such companies for the current period were limited to the caps of the related transactions.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties (Continued)

- (1) Related party transactions for purchase and sale of goods, rendering and receipt of services (Continued)

#### Sales of goods/Rendering of services

Item	Related party transaction	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>Transactions with the parent company</b>			
HPG	Electricity supply service etc.	3,431,727.14	1,617,496.62
<b>Transactions with joint ventures and associates</b>			
Jinji International Container Terminal Co., Ltd.	Electricity supply service	17,752.36	836,475.03
<b>Transactions with other related parties</b>			
Hebei Port Group International Logistics Co., Ltd.	Sales of goods	20,753,909.45	29,875,271.27
Tangshan Port Hede Shipping Co., Ltd. (唐山港合德海運有限公司)	Tallying service etc.	12,237,567.65	4,686,058.43
Qinhuangdao Qinren Shipping Co., Ltd.	Sales of goods etc.	7,678,864.88	8,293,636.44
Qinhuangdao Huibo Petroleum Co., Ltd.	Sales of goods	2,880,730.32	2,458,479.24
Tangshan Port Group Tugboat Co., Ltd. (唐山港集團拖輪有限公司)	Tugboat fees	2,830,188.66	-
SDIC Caofeidian Port Co., Ltd.	Draft survey service	1,733,662.70	2,202,115.16
Tanggang Railway Co., Ltd.	Electricity supply service	1,085,551.63	914,039.82
Hebei Port Group Port Engineering Limited	Electricity supply service etc.	961,695.44	281,282.84
Qinhuangdao Oriental Petroleum Co., Ltd.	Sales of goods	537,426.52	2,925,113.20
Hebei Port Group Port Machinery Limited	Electricity supply service	444,123.99	505,449.90
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	Labor services etc.	271,348.51	314,735.05
Qinhuangdao Fangyu Property Services Management Co., Ltd.	Electricity supply service	53,817.82	77,476.87
Hebei Port Group Testing Technology Co., Ltd.	Electricity supply service	18,526.55	15,725.98
SACF	Sales of goods	7,601.89	274,104.72
HPG (Tianjin) Investment Management Co., Ltd.	Electricity supply service	3,534.58	-
Tangshan Port (Shanxi) Logistics Co., Ltd. (唐山港(山西)物流有限公司)	Tallying service etc.	3,491.51	-
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司)	Labor services etc.	-	979,856.63
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	Electricity supply service	-	43,813.53
Sub-total		51,502,042.10	53,847,159.08
Total		54,951,521.60	56,301,130.73

#### Disposal of fixed assets

Item	Type of goods or services	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>Transactions with other related parties</b>			
Qinhuangdao Zhiyuan Shipping Company Limited (秦皇島智遠船舶有限公司)	Disposal of fixed assets	171,312,892.89	-

Sale of goods and render of services to related parties by the Group are carried out according to the terms of the agreements entered into between the Group and related parties.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties (Continued)

#### (2) Management entrusted by related parties

30 June 2024 (Unaudited)

Entrusting party	Entrusted party	Type of entrusted assets	Beginning of the trust	End of the trust	Custody profits recognized
HPG	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	43.0257% equity of Qinhuangdao Qinshan Chemical Port Co., Ltd.	14 July 2023	14 July 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	40% equity of Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	29 December 2023	29 December 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	23% equity of Huaneng Caofeidian Port Co., Ltd.	29 December 2023	29 December 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	21% equity of Caofeidian Coal	29 December 2023	29 December 2026	-
Tangshan Port Industrial Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	20% equity of SDIC Zhongmei Tongmei Jingtang Port Co., Ltd.	31 December 2022	31 December 2025	-

31 December 2023

Entrusting party	Entrusted party	Type of entrusted assets	Beginning of the trust	End of the trust	Custody profits recognized
HPG	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	43.0257% equity of Qinhuangdao Qinshan Chemical Port Co., Ltd.	14 July 2023	14 July 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	40% equity of Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	29 December 2023	29 December 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	23% equity of Huaneng Caofeidian Port Co., Ltd.	29 December 2023	29 December 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	21% equity of Caofeidian Coal	29 December 2023	29 December 2026	-
Tangshan Port Industrial Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	20% equity of SDIC Zhongmei Tongmei Jingtang Port Co., Ltd.	31 December 2022	31 December 2025	-

In 2023, the Company entered into Equity Custodian Agreement with HPG, pursuant to which 43.0257% equity of Qinhuangdao Qinshan Chemical Port Co., Ltd. was entrusted by the Company on behalf of HPG. The parties acknowledged that this agreement is for the purpose of resolving and avoiding trade competition between the entrusted party and the controlling shareholder and its subsidiaries, and that the entrusted party will not charge any custody fees from the entrusting party.

In 2023, the Company entered into Equity Custodian Agreement with Caofeidian Port Group Co., Ltd., pursuant to which 40% equity of Hebei Huadian Caofeidian Storage and Transportation Co., Ltd., 23% equity of Huaneng Caofeidian Port Co., Ltd. and 21% equity of Caofeidian Coal were entrusted by the Company on behalf of Caofeidian Port Group Co., Ltd., respectively. The parties acknowledged that this agreement is for the purpose of resolving and avoiding trade competition, and that the entrusted party will not charge any custody fees from the entrusting party.

In 2022, the Company entered into Equity Custodian Agreement with Tangshan Port Industrial Group Co., Ltd. ("Tangshan Port Industrial"), pursuant to which 20% equity of SDIC Zhongmei Tongmei Jingtang Port Co., Ltd. was entrusted by the Company on behalf of Tangshan Port Industrial. The parties acknowledged that this agreement is for the purpose of resolving and avoiding trade competition between the entrusted party and the controlling shareholder and its subsidiaries, and that the entrusted party will not charge any custody fees from the entrusting party.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties (Continued)

#### (3) Leases with related parties

##### The Group as lessor

Item	Category of leased assets	Rental income for the period from 1 January to 30 June 2024 (Unaudited)	Rental income for the period from 1 January to 30 June 2023 (Unaudited)
Hebei Port Group Port Engineering Limited	Building	561,055.04	326,710.58
Qinhuangdao Oriental Petroleum Co., Ltd.	Heating pipeline usage fee	184,888.07	-
Qinhuangdao Huibo Petroleum Co., Ltd.	Heating pipeline usage fee	113,612.05	-
Cangzhou Bohai New Area Port Real Estate Development Co., Ltd. (滄州渤海新區港口房地產開發有限公司)	Building	102,385.32	-
Cangzhou Crude Oil	Building	95,238.10	-
Jinneng Holding Shanxi Coal Industry Co. Ltd.	Building	53,234.78	81,750.46
Hebei Port Group International Logistics Co., Ltd.	Building	16,819.57	16,819.57
Jinji International Container Terminal Co., Ltd.	Storage facilities	-	325,023.81
HPG Real Estate Development Co., Ltd.	Building	-	102,385.32
Zhejiang Yuehua Energy Detection Co., Ltd.	Building	-	96,187.16
Huanghua Foreign Ships Agency Co., Ltd.	Building	-	42,150.86
HPG	Machinery and equipment	-	18,912.75
Hebei Port Group Port Machinery Limited	Machinery and equipment	-	18,649.79
Total		1,127,232.93	1,028,590.30

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties (Continued)

#### (3) Leases with related parties (Continued)

##### The Group as lessee

##### For the period from 1 January to 30 June 2024 (Unaudited)

Item	Category of leased assets	Lease fees of short-term leasing and low-asset leasing with simplified processing	The variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expenses incurred on lease liabilities	Increased right-of-use assets
HPG	Machinery and equipment	52,928,755.65	-	59,624,855.42	373,007.25	-
Hebei Port Group City Construction and Development Co., Ltd.	Building	807,350.46	-	880,012.00	-	-
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	Land use rights	118,402.57	-	129,058.80	-	-
Qinhuangdao Qinshan Chemical Port Co., Ltd.	Land use rights	159,724.77	-	174,100.00	-	-
Total		54,014,233.45	-	60,808,026.22	373,007.25	-

##### For the period from 1 January to 30 June 2023 (Unaudited)

Item	Category of leased assets	Lease fees of short-term leasing and low-asset leasing with simplified processing	The variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expenses incurred on lease liabilities	Increased right-of-use assets
HPG	Machinery and equipment	51,170,405.52	-	65,567,113.64	781,396.17	-
Hebei Port Group Testing Technology Co., Ltd.	Port facilities	12,519.20	-	14,146.70	-	-
Total		51,182,924.72	-	65,581,260.34	781,396.17	-

The Group and HPG entered into the lease contracts, respectively, pursuant to which the Group leased the land, buildings and port facilities and equipment from HPG for production and operation.

The rentals from the assets leased out to or leased from related parties by the Group are based on the terms of the agreements entered into between the Group and related parties.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties (Continued)

#### (4) Borrowings from related parties

##### Capital repayment

For the period from 1 January to 30 June 2024 (Unaudited)

Item	Borrowing amount	Commencement date	Maturity date
Finance Company	58,000,000.00	4/2/2024	20/8/2025
Finance Company	1,000,000.00	28/5/2024	20/12/2025
Finance Company	1,000,000.00	28/5/2024	20/6/2026
Finance Company	1,000,000.00	28/5/2024	20/12/2026
Finance Company	1,000,000.00	28/5/2024	20/6/2027
Finance Company	1,000,000.00	28/5/2024	20/12/2027
Finance Company	1,000,000.00	28/5/2024	20/6/2028
Finance Company	1,000,000.00	28/5/2024	20/12/2028
Finance Company	1,000,000.00	28/5/2024	20/6/2029
Finance Company	4,500,000.00	28/5/2024	20/12/2029
Finance Company	4,500,000.00	28/5/2024	20/6/2030
Finance Company	4,500,000.00	28/5/2024	20/12/2030
Finance Company	4,500,000.00	28/5/2024	20/6/2031
Finance Company	4,500,000.00	28/5/2024	20/12/2031
Finance Company	4,500,000.00	28/5/2024	20/6/2032
Finance Company	4,500,000.00	28/5/2024	20/12/2032
Finance Company	4,500,000.00	28/5/2024	20/6/2033
Finance Company	4,500,000.00	28/5/2024	20/12/2033
Finance Company	4,500,000.00	28/5/2024	20/6/2034
Finance Company	4,500,000.00	28/5/2024	20/12/2034
Finance Company	4,500,000.00	28/5/2024	20/6/2035
Finance Company	4,500,000.00	28/5/2024	20/12/2035
Finance Company	4,500,000.00	28/5/2024	20/6/2036
Finance Company	4,500,000.00	28/5/2024	20/12/2036
Finance Company	4,500,000.00	28/5/2024	20/6/2037
Finance Company	4,500,000.00	28/5/2024	20/12/2037
Finance Company	4,500,000.00	28/5/2024	20/6/2038
Finance Company	4,500,000.00	28/5/2024	20/12/2038
Finance Company	4,500,000.00	28/5/2024	27/5/2039
Finance Company	1,000,000.00	4/2/2024	20/8/2024
Finance Company	1,000,000.00	4/2/2024	20/2/2025
Finance Company	140,000,000.00	4/2/2024	20/10/2024
Finance Company	1,000,000.00	28/5/2024	20/6/2025
Finance Company	1,000,000.00	28/5/2024	20/12/2024

For the period from 1 January to 30 June 2023, there was no capital income from the related parties to the Group.



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties (Continued)

#### (4) Borrowings from related parties (Continued)

##### Interest expenses paid

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Finance Company	22,928,658.10	10,689,980.85
Total	22,928,658.10	10,689,980.85

##### Capital repayment

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Finance Company	71,350,000.00	85,100,000.00
Total	71,350,000.00	85,100,000.00

The interest rate of loans on which the Group borrowed from the above-mentioned related parties shall be agreed by parties after negotiation with reference to the interest rate stipulated by People's Bank of China in respect of loans of such kind.

#### (5) Equity transaction

For details of equity transactions between the Group and related parties for the period, please refer to Note V. 8.

#### (6) Transactions with other related parties

##### Trademark use right

In December 2008, the Company entered into an agreement with HPG, pursuant to which, the Company had the exclusive right to use HPG's trademark for free with a term of ten years commencing on 31 March 2008. Upon expiry, it will unconditional automatically renew for ten years until maturity at 31 March 2028.

##### Centralized management of funds

As at 30 June 2024, the balance of the Group's deposits in Finance Company amounted to RMB5,284,902,553.49 (31 December 2023: RMB4,293,652,722.58) with the interest rate of 1.20%-3.27% per annum. The interest income received from Finance Company by the Group amounted to RMB50,528,999.37 for the period from 1 January to 30 June 2024 (for the period from 1 January to 30 June 2023: RMB36,012,293.57).

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Major Transactions between the Group and Related Parties (Continued)

#### (6) Transactions with other related parties (Continued)

##### Key management personnel

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Remuneration for key management personnel	3,117,180.77	2,129,382.26

##### Agency business

Related agencies accept the port services provided by the Group on behalf of non-related third parties shipping companies, and pay port services fee on behalf of these shipping companies to the Group. Relevant agencies derive service income from non-related third parties they serve. Below is the amount settled between related agencies serving non-related third parties and the Group:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	24,239,671.15	30,516,107.27
Tangshan Caofeidian Industrial Zone Joint International Sea Shipping Agency Co., Ltd.	7,480.19	2,696.23
Huanghua Foreign Ships Agency International Freight Forwarding Co., Ltd.	–	21,093,377.41
Tangshan Port SHIPPING Freight Agency Co., Ltd. (唐山港船舶貨運代理有限公司)	–	3,152,658.43
Huanghua Foreign Ships Agency Co., Ltd.	–	1,025,280.81
Qinhuangdao Jinyuan Shipping Agency Co., Ltd.	–	121,357.52
Total	24,247,151.34	55,911,477.67

### 6. Commitments Made between the Group and Related Parties

#### Capital commitments

Item	30 June 2024 (Unaudited)	31 December 2023
Contracted, but not provided for		
Hebei Port Group Port Engineering Limited	253,746,541.64	76,138,619.75
Qinhuangdao Fangyuan Port Project Supervision Co.,Ltd.	17,549,711.70	10,130,122.09
Hebei Dataport Technology Co.,Ltd.	1,984,640.00	–
Hebei Port Group Testing Technology Co.,Ltd.	435,463.58	284,073.58
Qinhuangdao Kezheng Engineering Detection Co.,Ltd.	47,086.65	47,271.63
Tangshan Haigang Gangxing Construction Engineering Detection Co.,Ltd. (唐山海港港興建設工程檢測有限公司)	17,460.00	–
Total	273,780,903.57	86,600,087.05

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 6. Commitments Made between the Group and Related Parties (Continued)

Investment commitments

Item	30 June 2024 (Unaudited)	31 December 2023
Contracted, but not provided for		
Tangshan Jingtang Railway Co.,Ltd.	540,000,000.00	540,000,000.00
Bohai Jin-Ji Port Investment and Development Company Limited	519,000,000.00	519,000,000.00
Yihai Kerry (Qinhuangdao) Grain & Oil Industry Co.,Ltd. (益海嘉里(秦皇島)糧油工業有限公司)	52,914,300.00	52,914,300.00
Total	1,111,914,300.00	1,111,914,300.00

### 7. Balances of Accounts Due from and to Related Parties

(1) Accounts receivable

Item	30 June 2024 (Unaudited)		31 December 2023	
	Carrying amount	Provision for credit loss	Carrying amount	Provision for credit loss
<u>Due from the parent company</u>				
HPG	38,894.00	3,889.40	40,818.00	4,466.60
<u>Due from joint ventures and associates</u>				
Caofeidian Shiye	2,117,795.20	105,889.76	3,617,751.37	195,086.32
<u>Due from other related parties</u>				
Tangshan Port Hede Shipping Co., Ltd. (唐山港合德海運有限公司)	5,277,845.40	263,892.27	1,057,549.20	52,877.46
Penavico QHD Logistics Co., Ltd.	3,190,904.00	3,190,904.00	3,190,904.00	3,190,904.00
Qinhuangdao Qinren Shipping Co., Ltd.	1,908,077.50	95,403.88	3,034,055.00	151,702.75
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	861,915.09	43,095.75	4,900,354.00	245,017.70
Hebei Port Group Port Engineering Limited	540,690.38	27,034.52	-	-
SDIC Caofeidian Port Co., Ltd.	354,699.54	17,734.98	431,523.29	21,576.16
Tanggang Railway Co., Ltd.	301,421.99	15,071.10	237,344.55	11,867.23
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	153,091.52	7,654.58	143,536.12	7,176.81
Qinhuangdao Huibo Petroleum Co., Ltd.	123,837.13	6,191.85	-	-
China Ocean Shipping Agency Qinhuangdao Co., Ltd.	61,460.00	61,460.00	61,460.00	61,460.00
Tangshan Caofeidian Comprehensive Bonded Zone Port Co., Ltd. (唐山曹妃甸綜合保稅區港務有限公司)	12,960.00	648.00	-	-
Tangshan Port International Logistics Co., Ltd.	-	-	3,617,824.00	180,891.20
Qinhuangdao Oriental Petroleum Co., Ltd.	-	-	19,500.00	1,950.00
Sub-total	12,786,902.55	3,729,090.93	16,694,050.16	3,925,423.31
Total	14,943,591.75	3,838,870.09	20,352,619.53	4,124,976.23

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 7. Balances of Accounts Due from and to Related Parties (Continued)

#### (2) Other receivables

Item	30 June 2024 (Unaudited)		31 December 2023	
	Carrying amount	Provision for credit loss	Carrying amount	Provision for credit loss
<b>Due from the parent company</b>				
HPG	324,059.92	16,203.00	-	-
<b>Due from joint ventures and associates</b>				
Jinji International Container Terminal Co., Ltd.	20,518,779.47	8,733,951.49	19,590,176.56	8,664,923.41
Bohai Jin-Ji Port Investment and Development Company Limited	10,712,597.91	10,712,597.91	10,712,597.91	10,712,597.91
Cangzhou Bohai New Zone Gangxing Tugboat Co., Ltd. (滄州渤海新區港興拖輪有限公司)	83,680.24	4,184.01	627,500.00	31,375.00
Sub-total	31,315,057.62	19,450,733.41	30,930,274.47	19,408,896.32
<b>Due from other related parties</b>				
Han Huang Railway Co., Ltd.	4,644,721.00	4,596,821.05	4,594,300.00	4,594,300.00
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	260,000.00	78,000.00	310,000.00	41,000.00
Hebei Port Group Port Engineering Limited	117,724.81	5,886.24	178,182.04	8,909.10
Hebei Port Group City Construction and Development Co., Ltd.	100,000.00	5,000.00	-	-
Tangshan Port Group Co., Ltd. (唐山港集團股份有限公司)	50,000.00	5,000.00	50,000.00	2,500.00
Hebei Port Group Port Machinery Limited	31,030.06	1,551.50	54,620.11	2,731.01
Cangzhou Huanghuagang Steel Logistics Co., Ltd. (滄州黃驊港鋼鐵物流有限公司)	20,000.00	2,000.00	20,000.00	1,000.00
SDIC Caofeidian Port Co., Ltd.	20,000.00	6,000.00	20,000.00	6,000.00
Caofeidian Port Ore Terminal Co., Ltd.	20,000.00	1,000.00	-	-
Tangshan Caofeidian Ore Storage and Transportation Co., Ltd. (唐山曹妃甸礦石儲運有限公司)	8,881.50	-	9,331.50	-
Qinhuangdao Fangyu Property Services Management Co., Ltd.	1,282.03	64.10	-	-
Sub-total	5,273,639.40	4,701,322.89	5,236,433.65	4,656,440.11
<b>Total</b>	<b>36,912,756.94</b>	<b>24,168,259.30</b>	<b>36,166,708.12</b>	<b>24,065,336.43</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 7. Balances of Accounts Due from and to Related Parties (Continued)

#### (3) Prepayments

Item	30 June 2024 (Unaudited)		31 December 2023	
	Carrying amount	Provision for credit loss	Carrying amount	Provision for credit loss
<u>Advances to parent company</u>				
HPG	462,709.80	-	397,067.38	-
<u>Advances to other related parties</u>				
Hebei Port Group Port Engineering Limited	2,467,633.00	-	4,351,358.80	-
Qinhuangdao Qinren Shipping Co., Ltd.	1,000,000.00	-	-	-
Qinhuangdao Ocean Shipping Coal Trading Market Co., Ltd.	500,000.00	-	-	-
SDIC Caofeidian Port Co., Ltd.	100.00	-	-	-
Sub-total	3,967,733.00	-	4,351,358.80	-
Total	4,430,442.80	-	4,748,426.18	-

#### (4) Dividend receivables

Item	30 June 2024 (Unaudited)	31 December 2023
<u>Due from associates</u>		
Caofeidian Shiye	-	110,950,000.00

#### (5) Accounts payable

Item	30 June 2024 (Unaudited)	31 December 2023
<u>Due to the parent company</u>		
HPG	255,156.77	4,442.00
<u>Due to other related parties</u>		
Hebei Port Group Port Machinery Limited	44,067,123.82	41,539,931.12
Hebei Port Group Port Engineering Limited	39,963,010.99	55,120,861.89
Hebei Port Group Testing Technology Co., Ltd.	5,142,429.75	9,110,824.17
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	1,369,282.85	1,503,792.27
Qinhuangdao Fangyu Property Services Management Co., Ltd.	11,434.20	409,900.26
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd. (河北華電曹妃甸儲運有限公司)	7,448.80	7,448.80
Sub-total	90,560,730.41	107,692,758.51
Total	90,815,887.18	107,697,200.51

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 7. Balances of Accounts Due from and to Related Parties (Continued)

#### (6) Contract liabilities

Item	30 June 2024 (Unaudited)	31 December 2023
<u>Advance from associates</u>		
Zhejiang Yuehua Energy Detection Co., Ltd.	–	50,862.47
<u>Advance from other related parties</u>		
Hebei Port Group International Logistics Co., Ltd.	9,846,521.70	12,048,121.77
SACF	818,434.00	30,059.00
Penavico QHD Logistics Co., Ltd.	565,911.00	285,678.00
Qinhuangdao Huibo Petroleum Co., Ltd.	83,265.80	1,892.00
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司)	34,716.40	3,738.00
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	25,901.00	75,072.00
Qinhuangdao Qinren Shipping Co., Ltd.	7,889.00	778.00
Tangshan Caofeidian Industrial Zone Joint International Sea Shipping Agency Co., Ltd.	4,592.00	1,021.00
Qinhuangdao Oriental Petroleum Co., Ltd.	3,448.00	167,155.00
Tangshan Caofeidian Industrial Zone Sea Shipping Agency Co., Ltd.	2,827.00	2,827.00
Tangshan Port (Shanxi) Logistics Co., Ltd. (唐山港(山西)物流有限公司)	609.00	–
Huanghua Foreign Ships Agency International Freight Forwarding Co., Ltd.	–	892,557.15
Jinneng Holding Coal Industry Group Co., Ltd.	–	310,213.66
Hebei Port Group Port Engineering Limited	–	1,605.50
Huanghua Foreign Ships Agency Co., Ltd.	–	1.00
<b>Sub-total</b>	<b>11,394,114.90</b>	<b>13,820,719.08</b>
<b>Total</b>	<b>11,394,114.90</b>	<b>13,871,581.55</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 7. Balances of Accounts Due from and to Related Parties (Continued)

#### (7) Other payables

Item	30 June 2024 (Unaudited)	31 December 2023
<u>Due to the parent company</u>		
HPG	6,488,065.26	–
<u>Due to associates</u>		
Tangshan Jingtang Railway Co., Ltd.	6,000,000.00	6,000,000.00
Bohai Jin-Ji Port Investment and Development Company Limited	1,452,215.57	–
Zhejiang Yuehua Energy Detection Co., Ltd.	35,000.00	35,000.00
Cangzhou Crude Oil	16,667.00	–
Cangzhou Bohai New Area Port Real Estate Development Co., Ltd. (滄州渤海新區港口房地產開發有限公司)	9,300.00	–
Xin Licheng Tally Co., Ltd. of Tangshan Caofeidian Comprehensive Bonded Zone (唐山曹妃甸綜合保稅區鑫理程理貨有限責任公司)	9,015.92	–
Sub-total	7,522,198.49	6,035,000.00
<u>Due to other related parties</u>		
Hebei Port Group Port Engineering Limited	98,338,583.97	114,261,380.46
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	3,718,576.07	4,253,083.15
Hebei Port Group Testing Technology Co., Ltd.	193,996.50	1,150,671.21
Qinhuangdao Kezheng Engineering Detection Co., Ltd.	173,475.46	174,060.37
Tangshan Caofeidian Steel Logistics Co., Ltd. (唐山曹妃甸鋼鐵物流有限公司)	67,332.80	67,332.80
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	60,000.00	–
Hebei Port Group Port Machinery Limited	50,100.00	136,950.00
Tangshan Port Group Co., Ltd. (唐山港集團股份有限公司)	9,417.42	–
Hebei Port Group International Logistics Co., Ltd.	1,000.00	1,000.00
Qinhuangdao Fangyu Property Services Management Co., Ltd.	–	262,646.40
HPG Real Estate Development Co., Ltd.	–	9,300.00
Sub-total	102,612,482.22	120,316,424.39
Total	116,622,745.97	126,351,424.39

#### (8) Dividend payables

Item	30 June 2024 (Unaudited)	31 December 2023
<u>Due to the parent company</u>		
HPG	260,974,250.47	–
<u>Due to other related parties</u>		
Hebei Jiantou Transportation Investment Co., Ltd.	17,418,940.83	–
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	3,548,250.00	–
Sub-total	20,967,190.83	–
Total	281,941,441.30	–

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 7. Balances of Accounts Due from and to Related Parties (Continued)

(9) Lease liabilities (including those due within one year)

Item	30 June 2024 (Unaudited)	31 December 2023
<u>The parent company</u>		
HPG	11,073,580.41	19,205,532.95

(10) Short-term borrowings

Item	30 June 2024 (Unaudited)	31 December 2023
<u>Loans to associates</u>		
Finance Company	400,000,000.00	400,000,000.00

(11) Long-term borrowings (including those due within one year)

Item	30 June 2024 (Unaudited)	31 December 2023
<u>Loans to associates</u>		
Finance Company	1,315,150,000.00	1,086,500,000.00

Accounts due from and to related parties are non-interest bearing and unsecured except short-term borrowings and long-term borrowings.



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XIII. COMMITMENTS AND CONTINGENCIES

### 1. Significant Commitments

Item	30 June 2024 (Unaudited)	31 December 2023
Investment commitments	1,111,914,300.00	1,111,914,300.00
Capital commitments	1,173,696,128.85	1,151,111,197.55
Total	2,285,610,428.85	2,263,025,497.55

As the lease commitment of the lessee, please refer to Note V. 52.

### 2. Contingencies

#### Formation of Major Pending Litigations and Arbitrations of the Company

From August 2022 to December 2023, Shaanxi Blower (Group) Co., Ltd., China National Chemical Fiber Corp., Anhui Blazers Trade Co., Ltd., Jiangxi Copper International Trading Co., Ltd. and Ningbo ETDZ Holdings Ltd. have successively appealed to courts and designated the Company as co-defendants in respect of copper concentrate trade disputes (“copper concentrate case”) with the related parties including Qinhuangdao Waidai Logistics Co., Ltd. (“Waidai Logistics”) for import and export agency contract dispute, admiralty and maritime dispute, contract dispute or maritime tortious dispute. For more details, please refer to the Announcement on Litigations Involving the Company (Ann No. 2022-045) published by the Company on 30 December 2022. As of the date of approval of the financial statements, the total amount of litigations related to the above-mentioned copper concentrate case by the Company is approximately RMB1.780 billion.

On 31 July 2024, Tianjin Maritime Court issued a ruling on the case of China National Chemical Fiber Corp., Anhui Blazers Trade Co., Ltd. and Jiangxi Copper International Trading Co., Ltd. as plaintiffs, the main content of which was as follows: As the basic facts of the case were the same as those of the criminal case of Huludao Ruisheng Trading Co., Ltd. and Ningbo Harsion International Trade Co., Ltd., which suspected of contract fraud being tried by the Qinhuangdao Intermediate People’s Court. The plaintiffs also participated in the criminal trial proceedings as the victim, so the court dismissed the plaintiffs’ lawsuit. If relevant parties do not appeal within the appeal period, the relevant materials will be transferred to the public security department or the procuratorial department. If the plaintiffs still suffer losses after the conclusion of the criminal case, they may lodge an appeal in accordance with the civil legal relations. For more details, please refer to the Announcement on Progress of the Litigations Involving the Company (Ann No. 2024-029) published by the Company on 8 August 2024

In practical business, Waidai Logistics and the Company have entered into the Qinhuangdao Foreign Trade General Cargo Port Operation Contract and Qinhuangdao Domestic Trade General Cargo Port Operation Contract, the Company provides unloading and outbound services for the relevant cargoes based on the agreement in the aforesaid port operation contract and the instructions of Waidai Logistics, the operation trustor.

In light of the evidence collected by the Company and the professional opinions from the representing lawyer, the management of the Company considers that the Company has entered into port operation contract with Waidai Logistics only, and has no contractual relationship with any other parties. The Company carried out relevant port operation in strict accordance with the agreement in port operation contract with Waidai Logistics and carefully fulfilled contractual obligation without any violation. Based on contractual agreement and industry practice, the Company as the port operator has no obligation to verify the actual possession of the ownership of cargo nor has been committed to provide guarantee or assume any joint liability to the parties. As of 30 June 2024, the Company make no provision related to the aforesaid litigations.

Save for the aforesaid contingencies, the Company has no other significant guarantee or other contingencies required to be explained as at 30 June 2024.

## XIV. EVENTS AFTER THE BALANCE SHEET DATE

As of the date of approval of the financial statements, the Group has no events after the balance sheet date to be disclosed.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XV. OTHER IMPORTANT ITEMS

### 1. Segment Reporting

Operating segments

The Group is primarily engaged in provision of integrated port services for customers. The Management manages the operating results of its business units as a whole for the purpose of making decisions on resources allocation and performance assessment.

Other information

#### Information about products and services

For the revenue classified by services category, please refer to Note V. 36.

#### Geographical information

100% of the Group's operations and customers are located in Mainland China; 100% of its revenue is generated from Mainland China; and all the non-current assets are located in Mainland China.

#### Information about major customers

Operating revenue (revenue generated that reached or exceeded 10% of the Group's revenue) of RMB472,955,120.76 (for the period from 1 January to 30 June 2023: RMB391,793,575.51) was attributed to the Group's revenue from a single customer.

### 2. Remunerations of Directors, Supervisors and Senior Management

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Fees	200,000.00	100,000.00
Other emoluments:		
Salaries and allowances	2,514,572.75	1,719,054.41
Pension scheme contributions	402,608.02	310,327.85
Sub-total	2,917,180.77	2,029,382.26
Total	3,117,180.77	2,129,382.26

#### (1) Independent non-executive Directors

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
CHEN Ruihua*	50,000.00	50,000.00
XIAO Zuhe*	50,000.00	50,000.00
ZHAO Jinguang	50,000.00	50,000.00
ZHU Qingxiang	50,000.00	50,000.00
Total	200,000.00	200,000.00

\* The term of office of CHEN Ruihua expired in June 2024, and the term of office of XIAO Zuhe expired in June 2024.

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XV. OTHER IMPORTANT ITEMS (CONTINUED)

### 2. Remunerations of Directors, Supervisors and Senior Management (Continued)

#### (2) Executive Directors, non-executive Directors and Supervisors

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Salaries and allowances		
Executive Directors		
NIE Yuzhong	366,265.30	235,348.06
ZHANG Xiaoqiang	403,841.16	226,371.35
GAO Feng	296,755.28	136,054.68
MA Xiping	–	84,275.51
Sub-total	1,066,861.74	682,049.60
Supervisors		
PEI Baowen	184,541.62	81,036.22
LI Yufeng	193,916.76	80,990.75
Sub-total	378,458.38	162,026.97
Pension scheme contributions		
Executive Directors		
NIE Yuzhong	47,485.92	42,795.70
ZHANG Xiaoqiang	47,485.92	35,676.95
GAO Feng	47,485.92	26,660.84
MA Xiping	–	7,118.75
Sub-total	142,457.76	112,252.24
Supervisors		
PEI Baowen	40,845.06	18,334.29
LI Yufeng	40,381.08	17,851.95
Sub-total	81,226.14	36,186.24
Total	1,669,004.02	992,515.05

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XV. OTHER IMPORTANT ITEMS (CONTINUED)

### 2. Remunerations of Directors, Supervisors and Senior Management (Continued)

#### (3) Senior Management

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Salaries and allowances		
XIA Zhixin*	44,993.01	234,623.76
YANG Xuejun**	222,575.54	225,346.62
BU Zhouqing	293,605.18	165,762.64
HU Zhaohui*	180,882.03	151,080.12
CAO Dong	–	64,023.78
CHEN Lixin	–	34,140.92
SUN Jinggang***	145,179.96	–
DING Xiaoping****	109,071.33	–
MAO Dewei*****	72,945.58	–
Total	1,069,252.63	874,977.84

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Pension scheme contributions		
XIA Zhixin*	7,897.92	42,795.70
YANG Xuejun**	31,628.53	42,795.70
BU Zhouqing	47,485.92	28,555.60
HU Zhaohui*	23,713.06	26,383.52
CAO Dong	–	14,240.10
CHEN Lixin	–	7,118.75
SUN Jinggang***	28,568.44	–
DING Xiaoping****	23,772.86	–
MAO Dewei*****	15,857.39	–
Total	178,924.12	161,889.37

\* XIA Zhixin resigned as Vice President in February 2024, and HU Zhaohui resigned as Vice President in April 2024.

\*\* YANG Xuejun resigned as Vice President in May 2024.

\*\*\* SUN Jinggang was appointed as Vice President in February 2024.

\*\*\*\* DING Xiaoping was appointed as Vice President in April 2024.

\*\*\*\*\* MAO Dewei was appointed as Vice President in May 2024.

There was no agreement under which a director, supervisor or senior management waived or agreed to waive any remuneration during the period (for the period from 1 January to 30 June 2023: Nil).

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XV. OTHER IMPORTANT ITEMS (CONTINUED)

### 3. Five Highest Paid Senior Management

The five highest paid employees during the period included three Director (for the period from 1 January to 30 June 2023: two), details of whose remuneration are set out in 2. Remunerations of Directors, Supervisors and Senior Management of Note XV. Details of remunerations of the remaining two non-directors and non-supervisor employees (for the period from 1 January to 30 June 2023: three) during the period are as follows:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Salaries and allowances	516,180.72	625,733.02
Pension scheme contributions	79,114.45	114,147.00
Total	595,295.17	739,880.02

The number of non-directors and non-supervisor highest paid employees whose remunerations fell within the following bands is as follows:

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
HK\$0 to HK\$1,000,000	2	3

## XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

### 1. Accounts receivable

(1) Disclosure by aging

Item	30 June 2024 (Unaudited)	31 December 2023
Within 1 year	26,800,271.65	27,644,396.95
1 to 2 years	2,573,588.00	3,100,779.00
2 to 3 years	223,716.00	1,924.00
Over 5 years	913,672.63	913,672.63
Total	30,511,248.28	31,660,772.58

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Accounts receivable (Continued)

#### (2) Disclosure by credit loss method

30 June 2024 (Unaudited)

Item	Carrying amount		Provision for credit loss		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Individual provision for credit loss	2,723,410.00	8.93	2,723,410.00	100.00	–
Provision for credit loss made by portfolio of credit risk characteristics	27,787,838.28	91.07	2,261,075.61	8.14	25,526,762.67
Total	30,511,248.28	100.00	4,984,485.61	–	25,526,762.67

31 December 2023

Item	Carrying amount		Provision for credit loss		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Individual provision for credit loss	2,723,410.00	9.00	2,723,410.00	100.00	–
Provision for credit loss made by portfolio of credit risk characteristics	28,937,362.58	91.00	2,334,206.58	8.00	26,603,156.00
Total	31,660,772.58	100.00	5,057,616.58	–	26,603,156.00

Accounts receivable which are subject to provision for credit loss on individual basis are as follows:

Item	30 June 2024 (Unaudited)				31 December 2023			
	Carrying amount	Provision for credit loss	Percentage of provision (%)	Reason for provision	Carrying amount	Provision for credit loss	Percentage of provision (%)	Reason for provision
China Ocean Shipping Agency Qinhuangdao Co., Ltd.	61,460.00	61,460.00	100.00	Debtor involved in litigation	61,460.00	61,460.00	100.00	Debtor involved in litigation
Penavico QHD Logistics Co., Ltd.	2,661,950.00	2,661,950.00	100.00	Debtor involved in litigation	2,661,950.00	2,661,950.00	100.00	Debtor involved in litigation
Total	2,723,410.00	2,723,410.00	–		2,723,410.00	2,723,410.00	–	

Accounts receivable which are subject to provision for credit loss made by credit risk characteristics group are as follows:

Item	Carrying amount	Provision for credit impairment	Percentage of provision (%)
Within 1 year	26,800,271.65	1,340,013.58	5.00
1 to 2 years	73,894.00	7,389.40	10.00
Over 3 years	913,672.63	913,672.63	100.00
Total	27,787,838.28	2,261,075.61	–

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Accounts receivable (Continued)

#### (3) Provision for credit loss

Item	Balance at 31 December 2023	Provision for the period	Recovery or reversal in the period	Write-off in the period	Balance at 30 June 2024 (Unaudited)
Individual provision for credit loss	2,723,410.00	-	-	-	2,723,410.00
Provision for credit loss made by aging group	2,334,206.58	-	(73,130.97)	-	2,261,075.61
Total	5,057,616.58	-	(73,130.97)	-	4,984,485.61

#### (4) The top five balances of account receivables classified by debtor

30 June 2024 (Unaudited)

Item	Carrying amount		Provision for credit loss	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Caofeidian Coal	9,378,526.51	30.74	468,926.33	5.00
Qinhuangdao Jinhai Oil Industrial Co., Ltd. (秦皇島金海糧油工業有限公司)	8,569,482.05	28.09	428,474.10	5.00
Penavico QHD Logistics Co., Ltd.	2,661,950.00	8.72	2,661,950.00	100.00
Caofeidian Shiye	2,117,795.20	6.94	105,889.76	5.00
Sanhe HOPE Full Grain Oil Group FEED & PROTEIN Co., Ltd.	2,070,953.00	6.79	103,547.65	5.00
Total	24,798,706.76	81.28	3,768,787.84	15.20

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

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## XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Long-term Equity Investments

#### (1) Changes in long-term equity investments

Item	Balance at 31 December 2023	Change within the period								Balance at 30 June 2024 (Unaudited)	Including: Provision for impairment at 30 June 2024
		Additional investment	Decrease in investment	Investment gain or loss under the equity method	Other comprehensive income	Other equity movements	Other changes	Declaration of cash dividend	Provision for impairment		
I. Subsidiaries											
Cangzhou Mineral	5,213,212,300.00	-	-	-	-	-	-	-	-	5,213,212,300.00	-
Caofeidian Coal	918,000,000.00	-	-	-	-	-	-	-	-	918,000,000.00	-
Qinghuangdao Port Xinyi Port Co., Ltd. (秦皇島港新益港務有限公司)	60,000,000.00	168,509,131.68	-	-	-	-	-	-	-	228,509,131.68	-
Qinghuangdao Xin'gangwan Container Terminal Co., Ltd. (秦皇島港新灣集裝箱碼頭有限公司)	219,521,347.15	-	-	-	-	-	-	-	-	219,521,347.15	-
Hebei Tangshan Caofeidian Jitong Port Co., Ltd. (河北唐山曹妃甸黃河港口有限公司)	118,000,000.00	-	-	-	-	-	-	-	-	118,000,000.00	-
Tangshan Port Investment & Development Co., Ltd. (唐山港口投資開發有限公司)	56,000,000.00	-	-	-	-	-	-	-	-	56,000,000.00	-
Cangzhou Huanghua Port Bulk Cargo Port Co., Ltd. (滄州黃驊港散貨港務有限公司)	50,000,000.00	-	-	-	-	-	-	-	-	50,000,000.00	-
Tangshan Caofeidian Jigang Coal Port Co., Ltd. (唐山曹妃甸黃港煤炭港務有限公司)	49,500,000.00	-	-	-	-	-	-	-	-	49,500,000.00	-
Qinghuangdao Port GangSheng (Hong Kong) Co., Limited (秦皇島港港盛(香港)有限公司)	40,115,000.00	-	-	-	-	-	-	-	-	40,115,000.00	-
Qinghuangdao Ocean Shipping Tally Co., Ltd. (秦皇島中理外輪理貨有限責任公司)	12,085,383.72	-	-	-	-	-	-	-	-	12,085,383.72	-
Tangshan Caofeidian Ocean Shipping Tally Co., Ltd. (唐山曹妃甸中理外輪理貨有限公司)	9,915,228.64	-	-	-	-	-	-	-	-	9,915,228.64	-
Tangshan Caofeidian Jigang General Port Co., Ltd. (唐山曹妃甸黃港通用港務有限公司)	5,000,000.00	-	-	-	-	-	-	-	-	5,000,000.00	-
Cangzhou Crude Oil	78,000,000.00	-	78,000,000.00	-	-	-	-	-	-	-	-
Sub-total	6,829,349,259.51	168,509,131.68	78,000,000.00	-	-	-	-	-	-	6,919,858,391.19	-



# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Long-term Equity Investments (Continued)

#### (1) Changes in long-term equity investments (Continued)

Item	Balance at 31 December 2023	Change within the period								Balance at 30 June 2024 (Unaudited)	Including: Provision for impairment at 30 June 2024
		Additional investment	Decrease in investment	Investment gain or loss under the equity method	Other comprehensive income	Other equity movements	Other changes	Declaration of cash dividend	Provision for impairment		
<b>II. Joint ventures</b>											
Bohai Jin-Ji Port Investment and Development Company Limited (渤海津冀港口投資發展有限公司)	46,378,851.69	-	-	(18,370,239.35)	-	-	-	-	-	28,008,612.34	81,850,806.99
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	8,431,228.51	-	-	(4,052,048.27)	-	5,424.70	-	-	-	4,384,604.94	18,119,045.54
<b>Sub-total</b>	<b>54,810,080.20</b>	<b>-</b>	<b>-</b>	<b>(22,422,287.62)</b>	<b>-</b>	<b>5,424.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,393,217.28</b>	<b>99,969,852.53</b>
<b>III. Associates</b>											
Finance Company	715,530,249.20	-	-	13,492,755.63	-	-	-	-	-	729,023,004.83	-
Caofeidian Shiye	2,227,715,452.17	-	-	175,787,146.89	33,826,144.80	(1,116,429.48)	-	-	-	2,436,212,314.38	-
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇島興奧秦港能源儲運有限公司)	-	-	-	-	-	-	-	-	-	-	20,800,000.00
Tangshan Jingtang Railway Co., Ltd. (唐山京唐鐵路有限公司)	280,000,000.00	-	-	-	-	-	-	-	-	280,000,000.00	-
Cangzhou Ocean Shipping Tally Co., Ltd. (滄州中理外輪理貨有限公司)	3,988,482.85	-	-	587,829.11	-	17,440.41	-	-	-	4,593,752.37	-
Zhejiang Yuehua Energy Detection Co., Ltd. (浙江越華能源檢測有限公司)	12,369,833.54	4,500,000.00	-	331,664.06	-	-	-	-	-	17,201,497.60	-
Yihai Kerry (Qinhuangdao) Grain & Oil Industry Co., Ltd. (益海嘉里(秦皇島)糧油工業有限公司)	115,636,068.52	-	-	(1,048,588.89)	-	-	-	-	-	114,587,479.63	-
Cangzhou Crude Oil	-	18,130,000.00	-	(162,412.02)	-	-	17,210,726.49	-	-	35,178,314.47	-
<b>Sub-total</b>	<b>3,355,240,086.28</b>	<b>22,630,000.00</b>	<b>-</b>	<b>188,988,394.78</b>	<b>33,826,144.80</b>	<b>(1,098,989.07)</b>	<b>17,210,726.49</b>	<b>-</b>	<b>-</b>	<b>3,616,796,363.28</b>	<b>20,800,000.00</b>
<b>Total</b>	<b>10,239,399,425.99</b>	<b>191,139,131.68</b>	<b>78,000,000.00</b>	<b>166,566,107.16</b>	<b>33,826,144.80</b>	<b>(1,093,564.37)</b>	<b>17,210,726.49</b>	<b>-</b>	<b>-</b>	<b>10,569,047,971.75</b>	<b>120,769,852.53</b>

For details of the disposal of Changzhou Crude Oil, please refer to Note 1 of Note V. 8(1).

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024  
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## XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Long-term Equity Investments (Continued)

#### (2) Provision for impairment of long-term equity investments

Item	31 December 2023	Increase in the period	Decrease in the period	30 June 2024 (Unaudited)
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇島興奧秦港能源儲運有限公司)	20,800,000.00	-	-	20,800,000.00
Bohai Jin-Ji Port Investment and Development Company Limited (渤海津冀港口投資發展有限公司)	81,850,806.99	-	-	81,850,806.99
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	18,119,045.54	-	-	18,119,045.54
<b>Total</b>	<b>120,769,852.53</b>	<b>-</b>	<b>-</b>	<b>120,769,852.53</b>

### 3. Other Equity Instruments Investments

Item	30 June 2024 (Unaudited)	31 December 2023
SDIC Caofeidian Port Co., Ltd. (國投曹妃甸港口有限公司)	673,409,289.43	790,933,937.65
Qinhuangdao Ruigang Coal Logistics Co., Ltd. (秦皇島睿港煤炭物流有限公司)	17,035,592.31	16,832,918.41
Cangzhou Huanghuagang Steel Logistics Co., Ltd. (滄州黃驊港鋼鐵物流有限公司)	36,545,046.48	36,944,606.14
China National Coal Exchange Co., Ltd. (全國煤炭交易中心有限公司)	16,747,870.80	17,746,601.72
<b>Total</b>	<b>743,737,799.02</b>	<b>862,458,063.92</b>

### 4. Operating Revenue and Cost

#### (1) Operating revenue and cost

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Revenue from the principal operations	2,011,954,548.13	2,099,582,462.15
Cost of the principal operations	1,114,370,964.70	1,111,456,899.68

#### (2) Presentation of operating revenue

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Income from contracts with customers	2,009,105,291.14	2,096,453,387.13
Lease income	2,849,256.99	3,129,075.02
<b>Total</b>	<b>2,011,954,548.13</b>	<b>2,099,582,462.15</b>

# NOTES TO FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2024

RMB

## XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 4. Operating Revenue and Cost (Continued)

#### (3) Breakdown of revenue from contracts with customers

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>Service type</b>		
Service in relation to coal and relevant products	1,892,075,586.50	1,973,116,654.35
Service in relation to general and other cargoes	76,994,607.59	76,237,722.69
Service in relation to liquefied cargoes	8,034,632.05	18,187,905.56
Others	32,000,465.00	28,911,104.53
<b>Total</b>	<b>2,009,105,291.14</b>	<b>2,096,453,387.13</b>
<b>Operating area</b>		
Qinhuangdao	2,009,105,291.14	2,096,453,387.13

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

#### (4) Revenue recognized in the current period included in the book value of contract liabilities at the beginning of the period

The revenue recognized by the Company for the period from 1 January to 30 June 2024 included in the book value of the contract liabilities at the beginning of the period was RMB242,541,594.83 (for the period from 1 January to 30 June 2023: RMB291,805,816.54).

#### (5) Statement of allocation to remaining performance obligations

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

Item	30 June 2024 (Unaudited)	31 December 2023
Within one year	379,811,349.75	365,429,232.20
<b>Total</b>	<b>379,811,349.75</b>	<b>365,429,232.20</b>

### 5. Investment Income

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Income from long-term equity investments under equity method	166,566,107.16	134,425,153.69
Dividend income on other equity instruments investments held	61,918,200.00	36,000,000.00
Investment loss from disposal of long-term equity investments	(13,954,794.62)	–
<b>Total</b>	<b>214,529,512.54</b>	<b>170,425,153.69</b>

# SUPPLEMENTARY INFORMATION

For the period from 1 January to 30 June 2024  
RMB

## 1. SCHEDULE OF EXTRAORDINARY PROFIT AND LOSS

Item	For the period from 1 January to 30 June 2024 (Unaudited)
Gain on disposal of non-current assets	86,634,190.86
Government grants credited to profit or loss for the current period (Note)	1,084,876.61
Gain on disposal of subsidiary and associates	1,007,804.46
Other non-operating income and expenses other than above	(64,382.36)
Sub-total	88,662,489.57
Less: Effect of income tax	21,525,898.39
Less: Effect of non-controlling interests (after tax)	(29,108.44)
<b>Total</b>	<b>67,165,699.62</b>

Notes: Among the government grants credited to profit or loss for the current period, the special environmental subsidies amounted to RMB5,908,189.26 and the intelligent stacking yard operation transformation subsidies amounted to RMB557,880.54, which were recognized as recurring gains and losses as they were closely related to normal business operations and continuously enjoyed in line with national policies and regulations and according to certain standards, quotas or quantities.

The Group recognizes non-recurring profit and loss according to Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Their Securities to the Public – Non-recurring Profit and Loss (CSRC Announcement [2023] No. 65).

## 2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Item	Weighted Average Return on Net Assets (%)	Earnings Per Share for the Period from 1 January to 30 June 2024 (Unaudited)	
		Basic (RMB/share)	Diluted (RMB/share)
Net profit for the year attributable to ordinary shareholders of the Company	5.35	0.18	0.18
Net profit attributable to the ordinary shareholders of the Company after deducting non-recurring gains and losses	4.99	0.17	0.17