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# 秦皇島港股份有限公司 QINHUANGDAO PORT CO., LTD.\*

*(a joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 03369)**

## 2024 INTERIM RESULTS ANNOUNCEMENT

### FINANCIAL HIGHLIGHTS

- The revenue of the Company amounted to RMB3,461,594.2 thousand for the Reporting Period, representing a decrease of 3.42% as compared to the corresponding period of last year.
- The gross profit of the Company amounted to RMB1,392,308.2 thousand for the Reporting Period, representing a decrease of 2.64% as compared to the corresponding period of last year. The Company's gross profit margin for the Reporting Period was 40.22%, representing an increase of 0.32% as compared to the corresponding period of last year.
- 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.
- The earnings per share of the Company amounted to RMB0.18 for the Reporting Period, representing an increase of 12.50% as compared to the corresponding period of last year.

The Board announces the unaudited consolidated results of the Company for the Reporting Period prepared pursuant to relevant requirements under the Listing Rules, together with the comparative figures for the corresponding period of 2023.

\* For identification purpose only

## CONSOLIDATED BALANCE SHEET

RMB

Assets	Notes	30 June 2024 (Unaudited)	31 December 2023
Current assets			
Cash and bank balances	1	2,943,437,678.91	2,838,023,456.57
Bills receivable		65,125,635.00	49,965,475.00
Accounts receivable	2	87,808,633.20	67,817,955.73
Accounts receivable financing		48,232,044.89	74,502,289.57
Prepayments		22,732,166.73	30,560,118.08
Other receivables		19,300,810.94	131,647,857.46
Inventories	3	154,931,226.04	145,739,815.70
Other current assets		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>
Non-current assets			
Long-term equity investments		4,055,446,097.34	3,821,426,321.81
Other equity instruments investments		778,748,965.46	1,091,562,136.20
Fixed assets	4	11,715,038,937.52	12,934,816,515.53
Construction in progress	5	1,589,077,471.63	815,220,131.65
Right-of-use assets		109,120,028.86	120,254,978.12
Intangible assets		2,888,718,788.30	2,928,202,819.21
Long-term prepaid expenses		4,770,031.69	4,797,193.38
Deferred income tax assets		344,219,921.69	365,511,874.01
Other non-current assets		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>

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

*RMB*

<b>Liabilities and shareholders' equity</b>	<i>Notes</i>	<b>30 June 2024 (Unaudited)</b>	31 December 2023
<b>Current liabilities</b>			
Short-term borrowings	6	<b>500,370,833.34</b>	500,252,083.33
Accounts payable	7	<b>323,632,250.53</b>	253,421,149.43
Contract liabilities	8	<b>615,186,667.60</b>	564,480,062.57
Employee benefits payable		<b>549,244,644.94</b>	583,280,527.61
Taxes payable	9	<b>30,957,544.51</b>	21,764,786.44
Other payables		<b>965,053,657.05</b>	603,776,486.76
Non-current liabilities due within one year		<b>780,388,328.74</b>	633,718,528.57
<b>Total current liabilities</b>		<b>3,764,833,926.71</b>	3,160,693,624.71
<b>Non-current liabilities</b>			
Long-term borrowings	10	<b>4,676,108,515.00</b>	4,995,881,608.50
Lease liabilities		–	7,219.53
Long-term payable		<b>32,000,000.00</b>	32,000,000.00
Long-term employee benefits payable		<b>227,921,980.02</b>	267,844,523.45
Deferred income		<b>100,731,536.69</b>	108,099,841.75
Deferred income tax liabilities		<b>31,739,151.86</b>	89,471,967.06
<b>Total non-current liabilities</b>		<b>5,068,501,183.57</b>	5,493,305,160.29
<b>Total liabilities</b>		<b>8,833,335,110.28</b>	8,653,998,785.00
<b>Shareholders' equity</b>			
Share capital		<b>5,587,412,000.00</b>	5,587,412,000.00
Capital reserve		<b>5,240,626,795.21</b>	5,241,882,136.35
Other comprehensive income		<b>547,290,190.00</b>	645,070,189.30
Special reserve		<b>129,743,282.01</b>	119,947,727.76
Surplus reserve		<b>1,749,990,784.71</b>	1,754,087,442.20
Retained profit		<b>5,658,816,590.32</b>	5,075,119,932.68
<b>Total equity attributable to shareholders of the parent</b>		<b>18,913,879,642.25</b>	18,423,519,428.29
Minority interests		<b>950,142,417.55</b>	948,588,746.48
<b>Total shareholders' equity</b>		<b>19,864,022,059.80</b>	19,372,108,174.77
<b>Total liabilities and shareholders' equity</b>		<b>28,697,357,170.08</b>	28,026,106,959.77

**CONSOLIDATED INCOME STATEMENT**

*RMB*

Item	Notes	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
I. Revenue	11	3,461,594,202.34	3,584,196,340.31
Less: Operating costs	11	2,069,285,986.70	2,154,113,240.41
Tax and surcharges		67,699,515.07	68,254,260.56
Administrative expenses		323,910,765.75	303,049,013.18
Research and development expenses		43,204,191.74	43,058,280.77
Financial costs	12	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		8,050,493.39	31,327,078.52
Investment income	13	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		(1,431,863.39)	7,618,031.35
Gains from the disposal of assets		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	14	6,857,197.85	4,469,076.46
Less: Non-operating expenses		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	15	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 (CONTINUED)**

RMB

Item	Notes	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		<b>(58,491,296.22)</b>	59,246,885.66
(I) Other comprehensive income attributable to shareholders of the parent, net of tax		<b>(56,711,614.84)</b>	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		<b>33,826,144.80</b>	30,825,169.52
(2) Changes in fair value of investments in other equity instruments		<b>(90,892,520.11)</b>	24,634,425.16
2. Other comprehensive income to be reclassified into profit or loss			
(1) Exchange differences on foreign currency translation		<b>354,760.47</b>	1,534,407.97
(II) Other comprehensive income attributable to minority shareholders, net of tax		<b>(1,779,681.38)</b>	2,252,883.01
VI. Total comprehensive income		<b>973,195,367.94</b>	1,010,388,748.97
(I) Total comprehensive income attributable to shareholders of the parent		<b>953,578,064.42</b>	969,722,147.18
(II) Total comprehensive income attributable to minority shareholders		<b>19,617,303.52</b>	40,666,601.79
VII. Earnings per share	16		
(I) Basic earnings per share		<b>0.18</b>	0.16
(II) Diluted earnings per share		<b>0.18</b>	0.16

## **NOTES TO FINANCIAL STATEMENTS**

*For the period from 1 January 2024 to 30 June 2024*

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### **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 Principle 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.

## NOTES TO FINANCIAL STATEMENTS

*For the period from 1 January 2024 to 30 June 2024*

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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 2024 to 30 June 2024

### III. 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 Mineral Port and Caofeidian Coal Port, subsidiaries of the Company, land use tax will be reduced by 50%. Pursuant to the Announcement on the Extended Implementation of the Preferential Policies on Land Use Tax in respect of Urban and Town Land for Bulk Commodity Storage Facilities of Logistics Companies (《關於繼續實施物流企業大宗商品倉儲設施用地城鎮土地使用稅優惠政策的公告》) (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 Port and Caofeidian Coal Port, subsidiaries of the Company, still enjoyed the above-mentioned preferential policies in the first half of 2024.

##### *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.



## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

### Enterprise income tax

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

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

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

### 1. CASH AND BANK BALANCES

	<i>RMB</i>	
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
Total	<u>2,943,437,678.91</u>	<u>2,838,023,456.57</u>

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

### 2. ACCOUNTS RECEIVABLE

(1) Disclosure by aging:

	<i>RMB</i>	
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
Total	<u>96,600,066.02</u>	<u>75,573,726.30</u>

(2) Disclosure by credit loss method:

#### 30 June 2024 (Unaudited)

	<i>RMB</i>				
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	<u>93,347,702.02</u>	<u>96.63</u>	<u>5,539,068.82</u>	<u>5.93</u>	<u>87,808,633.20</u>
Total	<u>96,600,066.02</u>	<u>100.00</u>	<u>8,791,432.82</u>	<u>--</u>	<u>87,808,633.20</u>

31 December 2023

	<i>RMB</i>				
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	<u>72,321,362.30</u>	<u>95.70</u>	<u>4,503,406.57</u>	<u>6.23</u>	<u>67,817,955.73</u>
Total	<u>75,573,726.30</u>	<u>100.00</u>	<u>7,755,770.57</u>	<u>--</u>	<u>67,817,955.73</u>

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

(2) Disclosure by credit loss method: (Continued)

Individual provision for credit loss:

RMB

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	<u>3,252,364.00</u>	<u>3,252,364.00</u>	<u>--</u>		<u>3,252,364.00</u>	<u>3,252,364.00</u>	<u>--</u>	

Provision for credit loss made by portfolio:

**30 June 2024 (Unaudited)**

RMB

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	<u>93,347,702.02</u>	<u>5,539,068.82</u>	<u>--</u>

(3) Provision for credit loss:

RMB

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
Total	<u>7,755,770.57</u>	<u>1,577,317.01</u>	<u>(541,654.76)</u>	<u>–</u>	<u>8,791,432.82</u>

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

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

**30 June 2024 (Unaudited)**

RMB

Item	Balance		Provision for credit loss	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Hebei Xinshenggang 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公司)	4,600,966.29	4.76	230,048.31	5.00
Total	<u>63,984,579.35</u>	<u>66.22</u>	<u>3,199,228.96</u>	<u>5.00</u>

### 3. INVENTORIES

RMB

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
Total	<u>176,960,286.27</u>	<u>22,029,060.23</u>	<u>154,931,226.04</u>	<u>167,789,069.90</u>	<u>22,049,254.20</u>	<u>145,739,815.70</u>

Change in provision for impairment of inventories is as follows:

RMB

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
Total	<u>22,049,254.20</u>	<u>-</u>	<u>-</u>	<u>(20,193.97)</u>	<u>22,029,060.23</u>

**NOTES TO FINANCIAL STATEMENTS**  
For the period from 1 January 2024 to 30 June 2024

**4. FIXED ASSETS**

**4.1 Summary of Fixed Assets**

*RMB*

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

**4.2 Fixed Assets**

(1) Fixed assets:

*RMB*

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
I. Carrying amount						
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)	<b>6,956,121,091.82</b>	<b>8,221,942,100.48</b>	<b>11,411,299,683.05</b>	<b>94,686,097.17</b>	<b>252,643,751.17</b>	<b>26,936,692,723.69</b>
II. Accumulated depreciation						
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)	<b>3,010,165,272.37</b>	<b>3,419,419,961.77</b>	<b>8,413,067,736.25</b>	<b>65,138,388.54</b>	<b>194,094,774.78</b>	<b>15,101,886,133.71</b>

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
III. Provision for impairment						
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)	<u>20,552,470.15</u>	<u>34,402,929.19</u>	<u>69,909,910.18</u>	<u>18,091.61</u>	<u>843,661.60</u>	<u>125,727,062.73</u>
IV. Carrying amount						
30 June 2024 (Unaudited)	<u>3,925,403,349.30</u>	<u>4,768,119,209.52</u>	<u>2,928,322,036.62</u>	<u>29,529,617.02</u>	<u>57,705,314.79</u>	<u>11,709,079,527.25</u>
31 December 2023	<u>4,180,604,026.68</u>	<u>5,448,364,436.27</u>	<u>3,147,470,196.00</u>	<u>94,658,201.98</u>	<u>59,684,512.18</u>	<u>12,930,781,373.11</u>

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

(3) Fixed assets under operating leases:

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

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

Item	<i>RMB</i>	<b>Reason for not obtaining the title certificate</b>
	<b>30 June 2024 (Unaudited)</b>	
Properties and buildings	<b><u>8,805,083.99</u></b>	In progress

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

### 5. CONSTRUCTION IN PROGRESS

(1) Construction in progress:

RMB

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
Total	<u>1,613,493,937.88</u>	<u>24,416,466.25</u>	<u>1,589,077,471.63</u>	<u>839,636,597.90</u>	<u>24,416,466.25</u>	<u>815,220,131.65</u>

**NOTES TO FINANCIAL STATEMENTS**  
For the period from 1 January 2024 to 30 June 2024

(2) Movements of significant construction in progress:

Item	<i>RMB</i>											
	Budget	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	<i>RMB</i>		
	31 December 2023	Increase in the period	Decrease in the period
Basement Treatment Engineering	24,416,466.25	-	-
	<b>24,416,466.25</b>	<b>24,416,466.25</b>	<b>24,416,466.25</b>

Reason for provision  
Recoverable amount lower than carrying amount



## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

### 6. SHORT-TERM BORROWINGS

RMB

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

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.

### 7. ACCOUNTS PAYABLE

(1) Accounts payable:

RMB

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

(2) Accounts payable listed by aging:

RMB

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	<u>777,033.40</u>	<u>818,529.30</u>
Total	<u>323,632,250.53</u>	<u>253,421,149.43</u>

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

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

### 8. CONTRACT LIABILITIES

(1) Contract liabilities:

	<i>RMB</i>	
	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	<u>615,186,667.60</u>	<u>564,480,062.57</u>

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).

### 9. TAXES PAYABLE

	<i>RMB</i>	
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	<u>30,957,544.51</u>	<u>21,764,786.44</u>

### 10. LONG-TERM BORROWINGS

	<i>RMB</i>	
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
Total	<u>4,676,108,515.00</u>	<u>4,995,881,608.50</u>

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

For the period from 1 January 2024 to 30 June 2024

### 11. OPERATING REVENUE AND COST

- (1) Operating revenue and operating cost:

RMB

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	<u>3,461,594,202.34</u>	<u>2,069,285,986.70</u>	<u>3,584,196,340.31</u>	<u>2,154,113,240.41</u>

- (2) The operating revenue is set out as follows:

RMB

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
Rental income	6,274,449.74	8,153,905.21
Total	<u>3,461,594,202.34</u>	<u>3,584,196,340.31</u>

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

- (3) The breakdown of operating revenue from contracts with customers is as follows:

Item	RMB	
	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Service types		
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
Total	<u>3,455,319,752.60</u>	<u>3,576,042,435.10</u>
Places of business		
Qinhuangdao	2,063,433,950.35	2,138,135,188.00
Others	1,391,885,802.25	1,437,907,247.10
Total	<u>3,455,319,752.60</u>	<u>3,576,042,435.10</u>

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

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

### 12. FINANCIAL COST

RMB

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
Total	<u>34,885,182.45</u>	<u>83,256,173.02</u>

### 13. Investment Income

RMB

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	<u>223,774,464.83</u>	<u>172,114,476.21</u>

### 14. NON-OPERATING INCOME

RMB

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	<u>6,857,197.85</u>	<u>4,469,076.46</u>	<u>6,857,197.85</u>

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

### 15. Income Tax Expense

(1) Table of income tax expense:

Item	RMB	
	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
Total	<u>205,325,903.77</u>	<u>202,368,919.08</u>

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

Item	RMB	
	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)
Income tax expenses	<u>205,325,903.77</u>	<u>202,368,919.08</u>

## NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

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### 16. 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	<i>RMB</i>	
	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)	<u>0.18</u>	<u>0.16</u>

- (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).

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. Overview of Industry Economy in the First Half of 2024

#### 1. 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.

#### 2. 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%.

### II. DISCUSSION AND ANALYSIS OF OPERATIONS

#### 1. 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.

#### 2. 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.

#### 3. 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.

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

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	<u>202.16</u>	<u>100.00</u>	<u>196.48</u>	<u>100.00</u>	<u>5.68</u>	<u>2.89</u>

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			
	Throughput (million tonnes)	Percentage of total throughput (%)	Throughput (million tonnes)	Percentage of total throughput (%)	Increase/ (decrease) (million tonnes)	Increase/ (decrease) (%)
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	<u>202.16</u>	<u>100.00</u>	<u>196.48</u>	<u>100.00</u>	<u>5.68</u>	<u>2.89</u>

(1) *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.

(2) *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.

*(3) 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.

*(4) 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.

*(5) 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.

*(6) 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.

**5. 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.

**6. 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.

## **7. Financial Costs**

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.

## **8. 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.

## **9. 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.

## **10. 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.

## **11. 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.

## **12. 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.

## **13. Earnings Per Share**

Earnings per share are calculated by dividing the net profit attributable to owners of the parent company for the Reporting Period by the weighted average number of ordinary shares in issue during the Reporting Period. The Company's earnings per share for the Reporting Period amounted to RMB0.18, representing an increase of 12.50% as compared to the corresponding period of last year. Please refer to Note 16 to the financial statements for the calculation of earnings per share.

#### **14. Capital Structure, Cash Flows and Financial Resources**

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.

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.

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.

As at 30 June 2024, the Company held a balance of cash and cash equivalents of approximately RMB2,532,643.9 thousand, representing an increase of RMB843,376.0 thousand or 49.93% from RMB1,689,267.9 thousand as at 31 December 2023.

As at 30 June 2024, the gearing ratio (total liabilities divided by total assets) of the Company was 30.78%, representing a decrease of 0.1 percentage point as compared to the gearing ratio of 30.88% as at 31 December 2023.

#### **15. 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.

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

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

#### **17. Management of Working Capital**

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

#### **18. Overview of Major Investments**

During the Reporting Period, there was no major investment by the Company.

#### **19. Material Acquisition and Disposal**

During the Reporting Period, there was no material acquisition and disposal by the Company.

#### **20. Future Plans Relating to Material Investment or Capital Assets**

As of the date of this announcement, save for the information as already disclosed, the Company did not enter into any agreement in respect of any proposed acquisitions and did not have any other future plans relating to material investment or capital assets.

### **III. 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 cargos to enhance the growth of throughput.

#### **IV. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

There were no subsequent events after the Reporting Period of the Company.

#### **V. PURCHASE, SALE AND REDEMPTION OF LISTED SHARES OF QHD PORT**

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

#### **VI. COMPLIANCE WITH THE LISTING RULES AND THE CORPORATE GOVERNANCE CODE**

During the Reporting Period, save as disclosed below, so far as the Directors of QHD Port are aware, the Company has complied with the Listing Rules and the Corporate Governance Code and there has been no deviation from the provisions.

#### **VII. COMPLIANCE WITH THE MODEL CODE**

During the Reporting Period, QHD Port has adopted the Model Code as the code of conduct for securities transactions by the Directors and the Supervisors of QHD Port to regulate the securities transactions made by the Directors and Supervisors. Upon specific enquiries made to each Director and Supervisor by the Company, all the Directors and Supervisors confirmed that they have complied with the requirements under the provisions of the Model Code during the relevant period.

#### **VIII. INTERIM DIVIDENDS**

The Board did not recommend the payment of interim dividends for the six months ended 30 June 2024.

#### **IX. INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE**

As at 30 June 2024, QHD Port has four independent non-executive Directors, representing more than one third of the Board, one of whom is professional in the accounting field and has experience in financial management.

The Company has established the Audit Committee with written terms of reference in accordance with the provisions of the Listing Rules. The Audit Committee has reviewed the unaudited interim financial report of the Company for the six months ended 30 June 2024.

#### **X. PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The announcement of the interim results of the Company for the six months ended 30 June 2024 is published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.portqhd.com>). The interim report of 2024 will be published on the Hong Kong Stock Exchange and on the Company's websites in a timely manner in accordance with the requirements of the Listing Rules as well as the articles of association of the Company, and will be despatched to shareholders of the Company in hard copy upon request.

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“A Share(s)”	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 Shanghai Stock Exchange
“Audit Committee”	the audit committee of the Board
“berth”	the place of a dock designated for a vessel to moor
“Board”	the board of Directors of QHD Port
“bulk cargo”	loose commodity cargo that is transported in volume size including dry bulk cargo and liquid bulk cargo
“Cangzhou Mineral Port”	Cangzhou Huanghuagang Mineral Port Co., Ltd.* (滄州黃驩港礦石港務有限公司), a company established in the PRC with limited liability on 10 April 2012, with 97.59% of its equity interest held by the Company as at the date of this announcement
“Caofeidian Coal Port”	Tangshan Caofeidian Coal Port Co., Ltd.* (唐山曹妃甸煤炭港務有限公司), a company incorporated in the PRC with limited liability on 29 October 2009, with 51.00% of its equity interest held by the Company as at the date of this announcement
“Caofeidian Port”	Caofeidian Port Zone in Tangshan Port, Tangshan City, Hebei Province
“Company, the Company”	Qinhuangdao Port Co., Ltd.* and its subsidiaries
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules of the Hong Kong Stock Exchange
“corresponding period of 2023”	the six months ended 30 June 2023



“Daqin Railway”	the railway line from Hanjialing Station in Datong County, Shanxi Province to the Liucun South Station in Qinhuangdao City, Hebei Province
“Director(s)”	the director(s) of QHD Port
“Economic hinterland” or “Hinterland”	hinterland connected with the port by means of transportation, a territory scope in the port where cargoes are generated from or cargoes to be transhipped through the port are consumed
“general cargo”	a general terms for cargoes of various varieties, nature and packaging forms
“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 Hong Kong Stock Exchange
“harbor”	land and water surface of the port within the territory of the port and demarcated by the administrative agency of local government
“Hebei Port Group”, “controlling shareholder”, “QHD Port Group”	Hebei Port Group Co., Ltd.* (河北港口集團有限公司), a limited liability company incorporated under the laws of the PRC, previously known as Qinhuangdao Port Group Co., Ltd.* (秦皇島港務集團有限公司), which directly holds 56.27% equity interest of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huanghua Port”	Huanghua Port in Cangzhou City, Hebei Province
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules of the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“QHD Port”	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC on 31 March 2008
“Qinhuangdao Port”	Qinhuangdao Port in Qinhuangdao City, Hebei Province
“Reporting Period”	the six months ended 30 June 2024

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“terminal”	designated for mooring vessels, loading and unloading cargoes and boarding travelers
“TEU”	a statistical conversion unit for containers, a container of twenty feet in length (i.e. one TEU)
“throughput”	a measure of the volume of cargo handled by a port. Where cargoes are transshipped, each unloading and loading process is measured separately as part of throughput

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

Qinhuangdao, Hebei Province, the PRC  
29 August 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. ZHANG Xiaoqiang, Mr. NIE Yuzhong and Mr. GAO Feng; the non-executive Directors of the Company are Mr. LI Yingxu and Ms. XIAO Xiang; and the independent non-executive Directors of the Company are Mr. ZHAO Jinguang, Ms. ZHU Qingxiang, Mr. LIU Li and Mr. ZHOU Qing.*

\* *For identification purpose only*