



# 青岛港国际股份有限公司

QINGDAO PORT INTERNATIONAL CO.,LTD.

(A joint stock company established in the People's Republic of China with limited liability)

Stock Code: 06198.HK 601298.SH

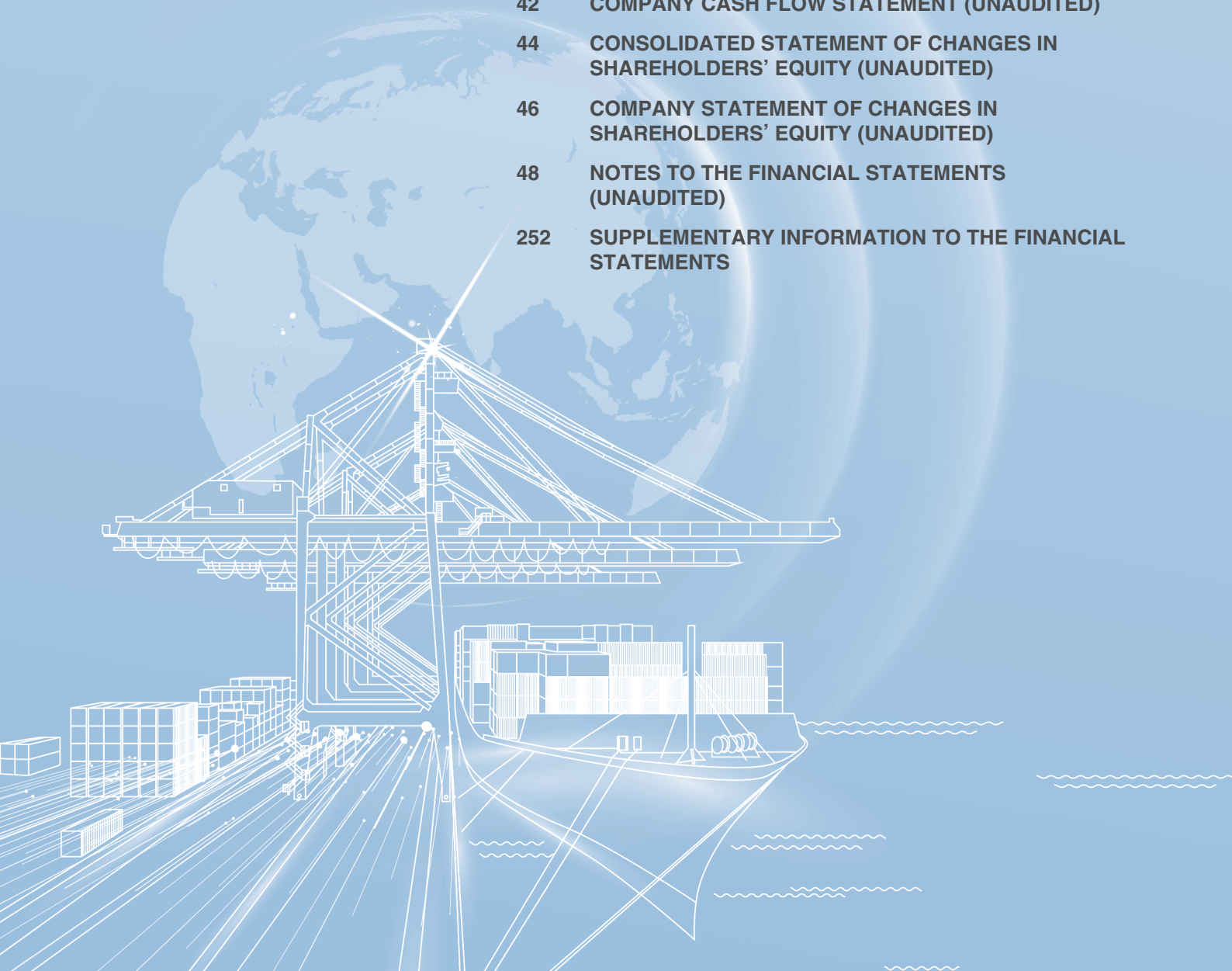


# 2023

## INTERIM REPORT

# CONTENTS

2	DEFINITIONS
7	CORPORATE INFORMATION
9	COMPANY PROFILE
10	MANAGEMENT DISCUSSION AND ANALYSIS
27	OTHER INFORMATION
33	CONSOLIDATED BALANCE SHEET (UNAUDITED)
35	COMPANY BALANCE SHEET (UNAUDITED)
37	CONSOLIDATED INCOME STATEMENT (UNAUDITED)
39	COMPANY INCOME STATEMENT (UNAUDITED)
40	CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
42	COMPANY CASH FLOW STATEMENT (UNAUDITED)
44	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
46	COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
48	NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
252	SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS



The following expressions have the meanings set out below unless the context requires otherwise:

<b>“A share(s)”</b>	share(s) with a nominal value of RMB1.00 each issued by the Company which are listed on the main board of the Shanghai Stock Exchange (stock code: 601298) and traded in RMB
<b>“A Share Offering”</b>	the Company’s public offering 454,376,000 A shares, which are listed on the main board of the Shanghai Stock Exchange
<b>“Asset Purchase Agreement I”</b>	the asset purchase agreement entered between the Company and Rizhao Port Group dated 30 June 2023 in relation to the proposed acquisition of Target Asset I by issuance of Consideration Shares and cash payments by the Company
<b>“Asset Purchase Agreement II”</b>	the asset purchase agreement entered between the Company and Yantai Port Group dated 30 June 2023 in relation to the proposed acquisition of Target Asset II by issuance of Consideration Shares and cash payments by the Company
<b>“Board”</b>	the board of Directors
<b>“CFS”</b>	container freight station, of which, container freight station at loading ports refers to the location designated by carriers for the receiving of cargo to be loaded into containers by the carrier, while container freight station at discharge or destination ports refers to the location designated by carriers for de-vanning of containerized cargo
<b>“China Shipping Terminal Development”</b>	China Shipping Terminal Development Co., Ltd.* (中海碼頭發展有限公司), a company established in March 2001 in the PRC with limited liability and a wholly-owned subsidiary of COSCO Shipping Ports Development Co., Ltd.* (中遠海運港口發展有限公司)
<b>“Company” or “Qingdao Port”</b>	Qingdao Port International Co., Ltd.* (青島港國際股份有限公司), a joint stock company established in November 2013 in the PRC with limited liability
<b>“Consideration Shares”</b>	new A shares to be issued by the Company to Rizhao Port Group and Yantai Port Group (as the case maybe) under the Asset Purchase Agreement I and the Asset Purchase Agreement II as part of the total consideration of Target Assets
<b>“Consolidated Group Companies”</b>	the Company’s subsidiaries (including its branches) which are consolidated into the consolidated financial statements of the Company
<b>“Corporate Governance Code”</b>	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
<b>“COSCO SHIPPING Group”</b>	China COSCO Shipping Corporation Limited* (中國遠洋海運集團有限公司), a company established on 5 February 2016 in the PRC with limited liability and the ultimate controlling shareholder of COSCO SHIPPING Ports and Shanghai China Shipping Terminal, indirectly holding approximately 21% equity interests in the Company as at 30 June 2023

## DEFINITIONS

<b>“COSCO SHIPPING Ports”</b>	COSCO SHIPPING Ports Limited* (中遠海運港口有限公司), a joint stock company established in Bermuda with its shares listed on the main board of the Hong Kong Stock Exchange (Stock Code: 01199), indirectly holding approximately 20% equity interests in the Company as at 30 June 2023
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Dongjiakou Oil”</b>	Qingdao Port Haiye Dongjiakou Oil Co., Ltd.* (青島港海業董家口油品有限公司, formerly known as Qingdao Haiye Mercuria Oil Terminal Co., Ltd.* (青島海業摩科瑞倉儲有限公司)), a company established in May 2011 in the PRC with limited liability and a subsidiary in which the Company holds 70% equity interests, which is mainly engaged in the business of terminal stevedoring and warehousing services of liquid bulk
<b>“Group”</b>	the Company and its branches and subsidiaries; when references are made to operational data such as throughput, including joint ventures and associated companies of the Company
<b>“H share(s)”</b>	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange (stock code: 06198) and are traded in HKD
<b>“H Share(s) Placing”</b>	the Company issued the 243,000,000 H shares by way of placing and has been listed on the main board of the Hong Kong Stock Exchange
<b>“Haiwan Liquid Chemical”</b>	Qingdao Haiwan Liquid Chemical Port Operation Co., Ltd.* (青島海灣液體化工港務有限公司), a company established in August 2011 in the PRC with limited liability and a joint venture in which the Company holds 50% equity interests, which is mainly engaged in the business of providing liquid bulk handling and ancillary services
<b>“HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Model Code”</b>	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
<b>“OBOR”</b>	“the Silk Road Economic Belt” and “21st Century Maritime Silk Road”
<b>“PRC” or “China”</b>	the People’s Republic of China, and for the purpose of this report, excluding Hong Kong, Macau and Taiwan

<b>“Proposed Restructuring”</b>	the purchase of the Target Assets by the Company by way of issuance of Consideration Shares and cash payments under the Asset Purchase Agreement I and the Asset Purchase Agreement II
<b>“QDOT”</b>	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.* (青島港董家口礦石碼頭有限公司), a company established in January 2014 in the PRC with limited liability and a joint venture in which the Company holds 30% equity interests, which is mainly engaged in the business of ore, coal and other cargo handling and ancillary services
<b>“Qingdao Port Engineering”</b>	Qingdao Port (Group) Engineering Co., Ltd.* (青島港(集團)港務工程有限公司), a company established in May 1992 in the PRC with limited liability and an associated company in which the Company holds 49% equity interests, which is mainly engaged in the business of construction engineering, architectural decoration and engineering design services, etc.
<b>“Qingdao Port Equipment”</b>	Qingdao Port Equipment Manufacturing Co., Ltd.* (青島港口裝備製造有限公司), a company established in the PRC with limited liability in November 2020 and an associated company in which the Company holds 49% equity interests, which is mainly engaged in port equipment manufacturing, engineering construction, maintenance and repair and other business
<b>“Qingdao Port Group”</b>	Shandong Port Qingdao Port Group Co., Ltd.* (山東港口青島港集團有限公司), a company established in August 1988 in the PRC with limited liability, the controlling shareholder of the Company, holding approximately 55.77% equity interests in the Company as at 30 June 2023
<b>“Qingdao SASAC”</b>	the State-owned Assets Supervision & Administration Commission of Qingdao Municipal Government* (青島市人民政府國有資產監督管理委員會)
<b>“Qingdao Shihua”</b>	Qingdao Shihua Crude Oil Terminal Co., Ltd.* (青島實華原油碼頭有限公司), a company established in February 2006 in the PRC with limited liability and a joint venture in which the Company holds 50% equity interests, which is mainly engaged in the business of liquid bulk handling and ancillary services
<b>“QQCT”</b>	Qingdao Qianwan Container Terminal Co., Ltd.* (青島前灣集裝箱碼頭有限責任公司), a company established in May 2000 in the PRC with limited liability and a joint venture in which the Company holds 51% equity interests, which is mainly engaged in the business of container handling and ancillary services
<b>“RCEP”</b>	Regional Comprehensive Economic Partnership
<b>“Rizhao Port Group”</b>	Shandong Port Rizhao Port Group Co., Ltd.* (山東港口日照港集團有限公司), a company established in February 2004 in the PRC with limited liability and a wholly-owned subsidiary of Shandong Port Group

## DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Free Trade Zone”	China (Shandong) Pilot Free Trade Zone
“Shandong Port Finance Company”	Shandong Port Group Finance Co., Ltd.* (山東港口集團財務有限責任公司, formerly known as Qingdao Port Finance Co., Ltd.* (青島港財務有限責任公司)), a company established in the PRC with limited liability in July 2014 and an associated company in which the Company holds 34.63% equity interests
“Shandong Port Group”	Shandong Port Group Co., Ltd.* (山東省港口集團有限公司), a company established in August 2019 in the PRC with limited liability with Shandong SASAC as the de facto controller, holding 100% equity interests in Qingdao Port Group
“Shandong Port Lianhua”	Shandong Port Lianhua Pipeline Petroleum Transportation Co., Ltd.* (山東港聯化管道石油輸送有限公司), a company established in December 2015 in the PRC with limited liability and a subsidiary in which the Company holds 51% equity interests, which is mainly engaged in the business of liquid bulk handling and ancillary services
“Shandong SASAC”	State-owned Assets Supervision and Administration Commission of the People’s Government of Shandong Province * (山東省人民政府國有資產監督管理委員會)
“Shanghai China Shipping Terminal”	Shanghai China Shipping Terminal Development Co., Ltd.* (上海中海碼頭發展有限公司), a company established in February 2008 in the PRC with limited liability and a wholly-owned subsidiary of China Shipping Terminal Development
“Shanghai Cooperation Demonstration Zone”	China-Shanghai Cooperation Organization Local Economic and Trade Cooperation Demonstration Zone
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Target Assets”	Target Asset I and Target Asset II
“Target Asset I”	100% equity interests in Rizhao Port Oil Terminal Co., Ltd.* (日照港油品碼頭有限公司), 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.* (日照實華原油碼頭有限公司), and 100% equity interests in Rizhao Gangrong Port Co., Ltd.* (日照港融港口服務有限公司) held by Rizhao Port Group

<b>“Target Asset II”</b>	67.56% equity interests in Yantai Port Co., Ltd.* (煙台港股份有限公司), 60.00% equity interests in Yantai Port Group Laizhou Port Co., Ltd.* (煙台港集團萊州港有限公司), 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd.* (山東聯合能源管道輸送有限公司), 64.91% equity interests in Yantai Ganghang Investment Development Co., Ltd.* (煙台港航投資發展有限公司) and 100% equity interests in Yantai Port Operation Guarantee Co., Ltd.* (煙台港運營保障有限公司) held by Yantai Port Group
<b>“TEU”</b>	an abbreviation of Twenty-Foot Equivalent Unit, an international measuring unit with the standard a container with a length of 20 feet, a width of 8 feet and a height of 8 feet and 6 inches, also known as the international unit of standard container
<b>“Weihai Port”</b>	Shandong Port Weihai Port Co., Ltd.* (山東港口威海港有限公司), a company established in November 1997 in the PRC with limited liability and a wholly-owned subsidiary of Qingdao Port Group
<b>“Weihai Port Development Company”</b>	Shandong Port Weihai Port Development Co., Ltd.* (山東威海港發展有限公司), a company established in December 2001 in the PRC with limited liability, which is owned as to 51% equity interests by the Company and 49% equity interests by Weihai Port, respectively
<b>“West United”</b>	Qingdao Qianwan West Port United Terminal Co., Ltd.* (青島前灣西港聯合碼頭有限責任公司), a company established in June 2010 in the PRC with limited liability and a joint venture in which the Company holds 51% equity interests, which is mainly engaged in the business of dry bulk cargo and break bulk cargo handling and ancillary services
<b>“Yantai Port Group”</b>	Shandong Port Yantai Port Group Co., Ltd.* (山東港口煙台港集團有限公司), a company established in the PRC with limited liability in November 1984 and a wholly-owned subsidiary of Shandong Port Group

\* The Chinese name(s) of the PRC entities have been translated into English in this report for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translations, the Chinese version shall prevail.

\* Certain amounts and percentage figures included in this report have been subject to rounding.

# CORPORATE INFORMATION

## CHINESE NAME OF THE COMPANY

青島港國際股份有限公司

## ENGLISH NAME OF THE COMPANY

Qingdao Port International Co., Ltd.

## LEGAL REPRESENTATIVE

Mr. SU Jianguang

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

- (1) Headquarters in the PRC:  
No. 12 Jingba Road  
Huangdao District, Qingdao  
Shandong Province, PRC
- (2) Principal Place of Business in Hong Kong:  
31/F, Tower Two, Times Square  
1 Matheson Street, Causeway Bay  
Hong Kong

## DATES OF LISTING

6 June 2014 (H shares)  
21 January 2019 (A shares)

## PLACES OF LISTING

Main Board of The Stock Exchange of Hong Kong Limited  
(H shares)  
Main Board of the Shanghai Stock Exchange (A shares)

## ABBREVIATED CHINESE STOCK NAME

青島港 (applied to both H shares and A shares)

## ABBREVIATED ENGLISH STOCK NAME

Qingdao Port (only applied to H shares)

## STOCK CODES

06198 (H shares)  
601298 (A shares)

## TELEPHONE

86-532-82983083

## FACSIMILE

86-532-82822878

## EMAIL

qggj@qdport.com

## WEBSITE

<http://www.qingdao-port.com>

## BOARD OF DIRECTORS

### (1) Executive Directors

Mr. SU Jianguang (*Chairman*)  
Mr. ZHANG Baohua (*General Manager*)

### (2) Non-executive Directors

Mr. LI Wucheng (*Vice Chairman*)  
Mr. ZHU Tao  
Ms. WANG Fuling  
Mr. XUE Baolong

### (3) Independent Non-executive Directors

Ms. LI Yan  
Mr. JIANG Min  
Mr. LAI Kwok Ho



## SUPERVISORY COMMITTEE

Mr. XIE Chunhu (*Chairman*)  
Mr. WANG Yaping  
Mr. YANG Qiulin  
Mr. LIU Shuiguo  
Mr. LI Zhengxu  
Ms. YAO Junjun

## JOINT COMPANY SECRETARIES

Ms. SUN Hongmei  
Ms. NG Sau Mei

## AUTHORISED REPRESENTATIVES

Mr. SU Jianguang  
Ms. SUN Hongmei

## SPECIAL COMMITTEES OF THE BOARD

### (1) Strategy and Development Committee

Mr. SU Jianguang (*Chairman*)  
Mr. LI Wucheng  
Mr. ZHU Tao  
Mr. ZHANG Baohua  
Ms. WANG Fuling  
Mr. XUE Baolong  
Mr. JIANG Min

### (2) Audit Committee

Ms. LI Yan (*Chairman*)  
Ms. WANG Fuling  
Mr. LAI Kwok Ho

### (3) Nomination Committee

Mr. JIANG Min (*Chairman*)  
Mr. SU Jianguang  
Mr. LAI Kwok Ho

### (4) Remuneration Committee

Mr. LAI Kwok Ho (*Chairman*)  
Mr. LI Wucheng  
Ms. LI Yan

## H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Center  
183 Queen's Road East, Wanchai  
Hong Kong

## LEGAL ADVISERS

### (1) As to Hong Kong law

Zhong Lun Law Firm  
4/F, Jardine House  
1 Connaught Place  
Central, Hong Kong

### (2) As to PRC law

Beijing Commerce & Finance Law Office  
12-14th Floor, China World Office 2  
No.1 Jianguomenwai Avenue  
Chaoyang District  
Beijing, PRC

## PRINCIPAL BANKERS

Bank of Qingdao Co., Ltd.  
Bank of Communications Co., Ltd.  
Bank of Industrial and Commercial Co., Ltd.

# COMPANY PROFILE

The Port of Qingdao commenced operations in 1892 and is one of the largest comprehensive ports in the world. It occupies a central position among ports in Northeast Asia and is an important hub of international trade in the West Pacific.

The Company was established on 15 November 2013, listed on the Main Board of the Hong Kong Stock Exchange on 6 June 2014 and listed on the Main Board of the Shanghai Stock Exchange on 21 January 2019.

The Group is the primary operator of the Port of Qingdao and operates five port areas, including Qianwan Port Area, Huangdao Oil Port Area, Dongjiakou Port Area, Dagang Port Area and Weihai Port Area. It is mainly provide stevedoring and ancillary services of containers, iron ore, coal, crude oil and other goods, logistics and port value-added services, port ancillary services and other services.

As of 30 June 2023, the Group operated 108 berths at the Port, which included 68 special berths dedicated to handling a single type of cargo and 40 general berths capable of handling metal ore, coal and other general cargo.

Leveraging on the natural deep-water capacity and industry-leading facilities and equipment, services and management, the Group can accommodate the world's largest container vessels, iron ore vessels and oil tankers. The Group possesses world-leading stevedoring efficiency, the fully automatic container terminal continued keeping the world record of 60.18 units per hour as the single-machine average operating rate.

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. INTERNATIONAL AND DOMESTIC SITUATION

### 1. General Situation

In the first half of 2023, the political and economic situations in the world have remained complex, the domestic economy and society have returned to normal operation in all aspects, macro policies have made clear and positive impacts, the national economy has picked up to make steady progress in high-quality development, and the gross domestic product (GDP) increased by 5.5% year-on-year. In the first half of 2023, the total value of imports and exports of cargo increased by 2.1% year-on-year, the total value of imports and exports of general cargo increased by 4% year-on-year, accounting for 65.5% of the total value of imports and exports with 1.2 percentage points higher than that in the same period of last year (source: National Bureau of Statistics).

### 2. Operation of the Port Industry

In the first half of 2023, cargo throughput of the coastal ports in China increased by 7.3% year-on-year, among which, the container throughput steadily increased by 4.2% year-on-year (source: Ministry of Transport of the PRC). In the first half of 2023, the port of Qingdao ranked fourth and third among the national coastal ports in China in terms of cargo throughput and container throughput, respectively, and continued to rank second among the coastal ports in China and first among northern ports in China in terms of foreign trade throughput (source: Ministry of Transport of the PRC).

## II. REVIEW OF BUSINESS AND FINANCIAL RESULTS OF THE GROUP

### 1. Overall Review

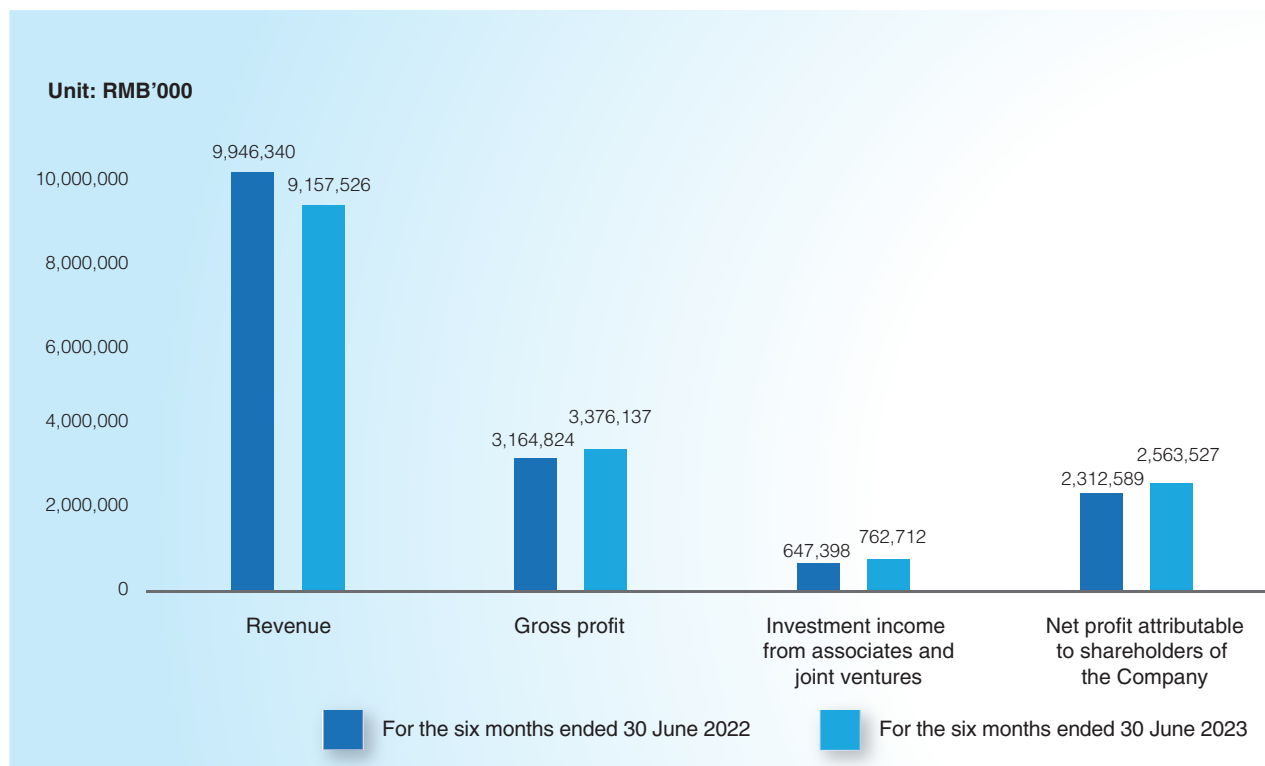
Since the year of 2023, in the face of the severe and complex international situation, the Group has focused on the core port business, coordinated port resources, gave full play to the advantages of integration development of Shandong ports, seized the opportunity of policies such as the Shandong Free Trade Zone, the Shanghai Cooperation Demonstration Zone and the RCEP pilot demonstration zone, continued to open shipping lines, expand the shipping space and promote transshipment services seawards and to open more freight trains, construct inland ports and expand cargo source landwards, accelerated the new development pattern of “the domestic circulation as the mainstay and the domestic and international circulations reinforcing each other”, maintained steady growth in operating performance and further improved the port’s radiation capacity, and thus, the Group’s position as the “estuary” of the Yellow River basin and a “bridgehead” in opening up has been further cemented and its hub status has been further enhanced.

For the six months ended 30 June 2023, the cargo throughput of the Group (without taking into account the respective shareholding percentages held by the Company in its joint ventures and associated companies) reached 332.29 million tons, representing an increase of 5.4% year-on-year; the container throughput reached 14.52 million TEUs, representing an increase of 11.6% year-on-year.

## MANAGEMENT DISCUSSION AND ANALYSIS

The details were as follows:

### Comparison of Major Operating Results Indicators



For the six months ended 30 June 2023, the Group recorded a revenue of RMB9,158 million, representing a decrease of RMB789 million, or 7.9%, as compared to the same period in the prior year, mainly due to the decrease in the revenue from freight forwarding business of the logistics and port value-added services segment arising from reduction of ocean freight rates.

For the six months ended 30 June 2023, the Group recorded a gross profit of RMB3,376 million, representing an increase of RMB211 million, or 6.7%, as compared to the same period in the prior year, mainly due to the increase in the gross profit from the container handling and ancillary services segment, and metal ore, coal and other cargo handling and ancillary services segment.

For the six months ended 30 June 2023, the Group's investment income from joint ventures and associated companies amounted to RMB763 million, representing an increase of RMB115 million, or 17.8%, as compared to the same period in the prior year, mainly due to the increase in the investment income from the port ancillary services segment and metal ore, coal and other cargo handling and ancillary services segment.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2023, the financial expenses of the Group amounted to RMB53 million, representing an increase of RMB177 million, or 142.5%, as compared to the same period in the prior year, mainly due to a decrease in net interest income due to that Shandong Port Finance Company changed into an associated company in the second half of 2022, and a decrease in exchange gains arising from the decrease of US dollars held during the reporting period.

For the six months ended 30 June 2023, the Group recorded a net profit attributable to shareholders of the Company of RMB2,564 million, representing an increase of RMB251 million, or 10.9%, as compared to the same period in the prior year, mainly due to the increase in the profit from the container handling and ancillary services segment, and metal ore, coal and other cargo handling and ancillary services segment.

### 2. Segment Businesses and Results Review

The business segment results (total profit) of the Group were listed as follows:

#### Proportion of Each Business Segment Results

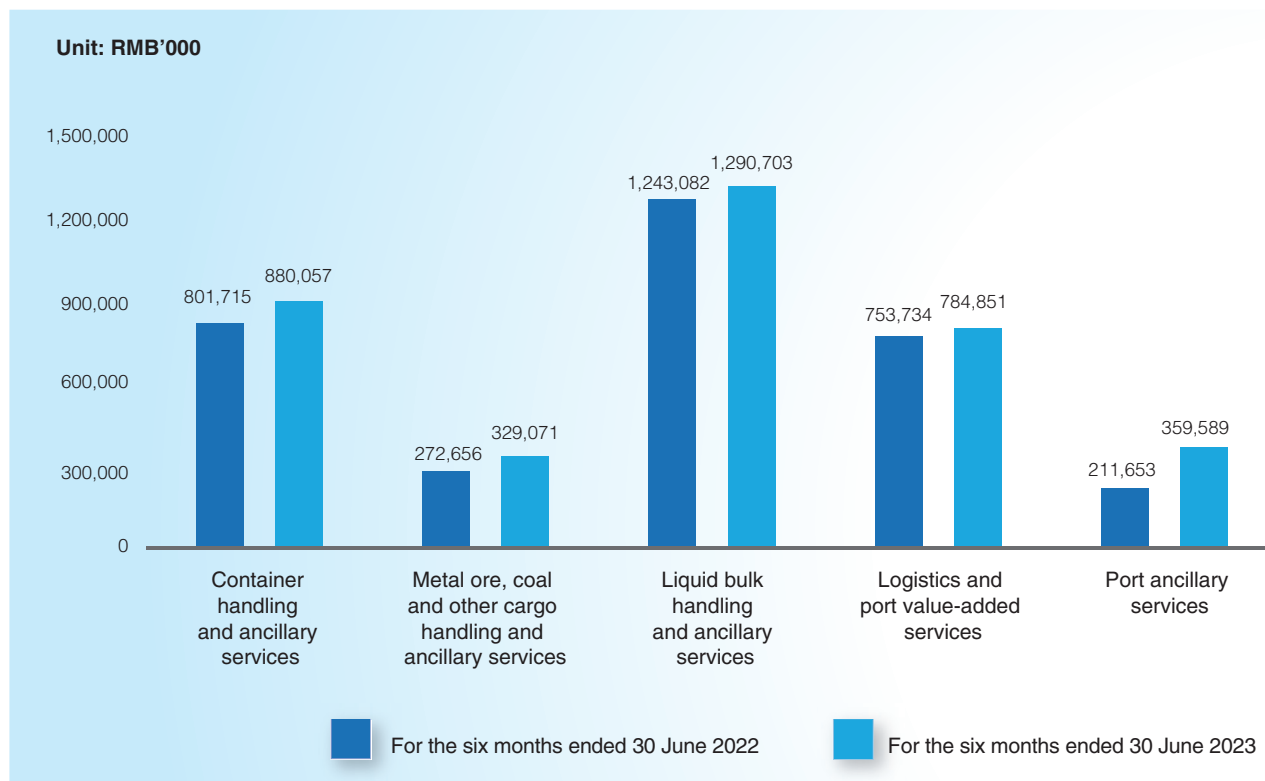
Unit: RMB'000

Business Segments	For the six months ended 30 June 2023		2022		Percentage Changed
	Amount	Proportion	Amount	Proportion	
Container handling and ancillary services	880,057	24.2%	801,715	22.9%	9.8%
Metal ore, coal and other cargo handling and ancillary services	329,071	9.0%	272,656	7.8%	20.7%
Liquid bulk handling and ancillary services	1,290,703	35.4%	1,243,082	35.4%	3.8%
Logistics and port value-added services	784,851	21.5%	753,734	21.5%	4.1%
Port ancillary services	359,589	9.9%	211,653	6.0%	69.9%
Financial services	-	-	226,201	6.4%	-100.0%
Total results before inter-segment elimination	<u>3,644,271</u>	<u>100.0%</u>	<u>3,509,041</u>	<u>100.0%</u>	3.9%

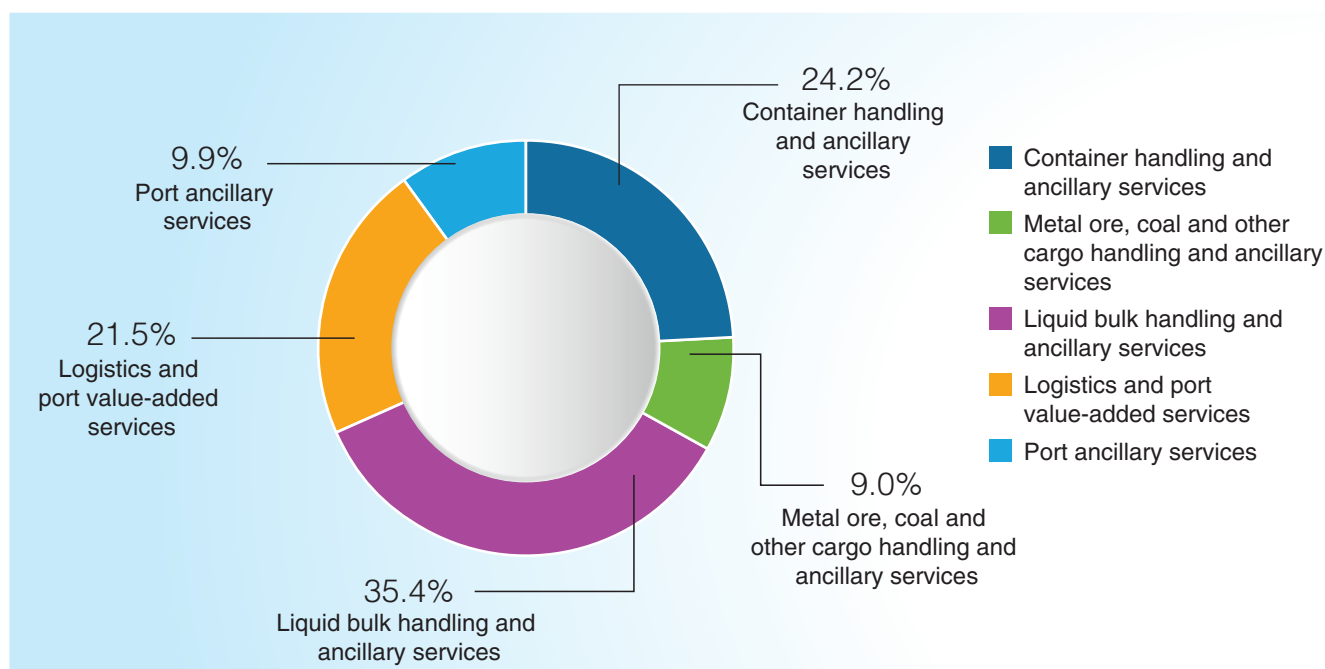
Note: Shandong Port Finance Company was changed from a subsidiary of the Company to an associated company in the year 2022, and the Group no longer listed the financial segment from the reporting period, and the investment income from Shandong Port Finance Company was consolidated into the port ancillary services segment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Comparison of Each Business Segment Results



## Breakdown of each business segment for the six months ended 30 June 2023



The business segment results are as follows:

## (1) Container handling and ancillary services

Unit: RMB'000

Item	For the six months ended 30 June		Amount Changed	Percentage Changed
	2023	2022		
<b>Consolidated Group Companies</b>				
Revenue	601,136	534,367	66,769	12.5%
Cost of sales	125,772	162,541	-36,769	-22.6%
Gross profit	475,364	371,826	103,538	27.8%
<b>Profit of Consolidated Group Companies</b>				
	401,223	337,925	63,298	18.7%
<b>A Joint Venture and An Associated Company</b>				
Revenue	2,642,999	2,494,164	148,835	6.0%
Cost of sales	1,026,294	1,000,551	25,743	2.6%
<b>Investment Income from A Joint Venture and An Associated Company</b>				
	478,834	463,790	15,044	3.2%
<b>Segment Result</b>	<b>880,057</b>	<b>801,715</b>	<b>78,342</b>	<b>9.8%</b>

Note: Amounts of revenue and cost of sales of a joint venture and an associate represent the total amount of revenue and cost of sales in the financial information of QQCT and Weihai Hailian Container Co., Ltd.\* (威海海聯集裝箱有限公司), without taking into account the respective shareholding percentages held by the Company and its subsidiary in the joint venture and the associated company.

For the six months ended 30 June 2023, the Group insisted on strengthening cooperation with shipping companies, optimizing shipping line layout, deepening coordination between customs and ports, and strengthening land-port linkage. The main breakthroughs achieved were as follows:

- a. the Group continued to expand the route network with shipping companies and opened up 15 container lines in the first half of 2023, focusing on creating two major boutique route groups including the route of “OBOR” and RCEP, and direct ocean route to Europe and the America. The Group’s transshipment volume increased by 10.1% year-on-year, the handling volume of empty containers increased by 17% year-on-year, accelerating the construction of international hub port;
- b. the Group leveraged on the advantages of land-sea linkage, continued to expand land channels, added up 4 inland ports, opened 2 sea-rail intermodal trains to accomplish sea-rail intermodal containers of 1.15 million TEUs with an increase of 18.6% year-on year; and
- c. the Group continued to optimize operational processes and improve production efficiency, and the container berthing efficiency increased by 15.3% year-on-year in the first half of 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2023, the revenue of container handling and ancillary services was RMB601 million, representing an increase of RMB67 million, or 12.5%, as compared with the same period in the prior year, the segment recorded results of RMB880 million, representing an increase of RMB78 million, or 9.8%, as compared with the same period in the prior year, mainly due to the increase in revenue and profit benefiting from business volume increase. The investment income from the joint venture and the associated company amounted to RMB479 million, representing an increase of RMB15 million, or 3.2%, as compared with the same period in the prior year.

The financial information of the major joint venture QQCT in this business segment was summarized as follows:

Unit: RMB'000

Item	QQCT For the six months ended 30 June		Amount Changed	Percentage Changed
	2023	2022		
Revenue	2,611,102	2,456,004	155,098	6.3%
Cost of sales	1,000,224	968,353	31,871	3.3%
Investment income	60,181	51,407	8,774	17.1%
Total profit	1,255,039	1,197,546	57,493	4.8%
Income tax expenses	292,619	256,859	35,760	13.9%
Net profit attributable to shareholders of the joint venture	947,561	926,593	20,968	2.3%
Shareholding percentage held by the Company	51%	51%	-	-
Investment income of the Group	<u>481,553</u>	<u>465,455</u>	<u>16,098</u>	<u>3.5%</u>



(2) Metal ore, coal and other cargo handling and ancillary services

Unit: RMB'000

Item	For the six months ended 30 June		Amount Changed	Percentage Changed
	2023	2022		
<b>Consolidated Group Companies</b>				
Revenue	2,137,402	2,048,236	89,166	4.4%
Cost of sales	1,624,189	1,600,207	23,982	1.5%
Gross profit	513,213	448,029	65,184	14.5%
<b>Profit of Consolidated Group Companies</b>				
	314,529	277,721	36,808	13.3%
<b>Joint Ventures and Associated Companies</b>				
Revenue	1,059,854	1,087,988	-28,134	-2.6%
Cost of sales	883,667	976,865	-93,198	-9.5%
<b>Investment Income from Joint Ventures and Associated Companies</b>				
	14,542	-5,065	19,607	387.1%
<b>Segment Result</b>	<b>329,071</b>	<b>272,656</b>	<b>56,415</b>	<b>20.7%</b>

Note: Amounts of revenue and cost of sales of joint ventures and associated companies represent the total amount of revenue and cost of sales in the financial information of joint ventures of the Company such as QDOT and West United, without taking into account the respective shareholding percentages held by the Company in those joint ventures and associated companies.

For the six months ended 30 June 2023, the Group strengthened marketing, deepened strategic cooperation with key customers, proactively expanded new hinterland markets and conducted value-added services. The main breakthroughs achieved were as follows:

- a. the Group leveraged on joint marketing to expand the customer group of dry bulk cargo, and developed a total of 19 new customers in the first half of 2023, achieving an increase of cargo supply of more than 1.80 million tons;
- b. the Group gave play to the advantages of large storage capacity in the Dongjiakou port area. In the first half of 2023, the stevedoring volume of the coal exceeded 15 million tons with an increase of 11.3% year-on-year; and
- c. the Group strengthened cooperation with traders and steel mills and increased more than 1.50 million tons from Indian mines with an increase of 55.4% year-on year.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2023, the revenue of metal ore, coal and other cargo handling and ancillary services amounted to RMB2,137 million, representing an increase of RMB89 million, or 4.4%, as compared with the same period in the prior year; the investment income from joint ventures and associated companies amounted to RMB15 million, representing an increase of RMB20 million, or 387.1%, as compared with the same period in the prior year, mainly due to that the joint ventures optimized operation process and reduced the cost of cargo moving, etc. to reduce cost and increase profit. The segment recorded results of RMB329 million, representing an increase of RMB56 million, or 20.7%, as compared with the same period in the prior year, mainly due to the increase of production capacity from four berths of Dongjiakou port area which were put into production last year, the increase in the volume of key cargoes, and the cost-saving and consumption-reducing through the optimization of the operational process during the reporting period.

### (3) Liquid bulk handling and ancillary services

Unit: RMB'000

Item	For the six months ended 30 June		Amount Changed	Percentage Changed
	2023	2022		
<b>Consolidated Group Companies</b>				
Revenue	2,031,383	1,832,636	198,747	10.8%
Cost of sales	767,003	643,260	123,743	19.2%
Gross profit	1,264,380	1,189,376	75,004	6.3%
<b>Profit of Consolidated Group Companies</b>				
	1,151,323	1,091,969	59,354	5.4%
<b>Joint Ventures</b>				
Revenue	819,647	838,057	-18,410	-2.2%
Cost of sales	391,664	386,445	5,219	1.4%
<b>Investment Income from Joint Ventures</b>	<b>139,380</b>	<b>151,113</b>	<b>-11,733</b>	<b>-7.8%</b>
<b>Segment Result</b>	<b>1,290,703</b>	<b>1,243,082</b>	<b>47,621</b>	<b>3.8%</b>

Note: Amounts of revenue and cost of sales of joint ventures represent the total amount of revenue and cost of sales in the financial information of joint ventures of the Company such as Qingdao Shihua and Haiwan Liquid Chemical without taking into account the respective shareholding percentages held by the Company in those joint ventures.

For the six months ended 30 June 2023, the Group continued to release the efficiency of terminals, storage tanks and oil pipelines and other resources and leveraged on service advantages. The main breakthroughs achieved were as follows:

- the second phase of crude oil commercial reserve project in Dongjiakou port area was put into operation at the end of 2022, increasing 2.40 million cubic meters of oil storage capacity, and the terminal production capacity continued to be released;
- the Group cooperated with traders to struggle for transshipment business to South Korea and improve the efficiency of cargo transshipment, achieving an increase of 3.00 million tons; and
- with the advantages of the Shandong Free Trade Zone, Shanghai Cooperation Demonstration Zone and other national policies, the service capacity of ship-fueling has been further improved. The Group achieved the volume of ship-fueling with 2.40 million tons in the first half of 2023, representing an increase of 12.5% year-on-year.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2023, the revenue of liquid bulk handling and ancillary services business amounted to RMB2,031 million, representing an increase of RMB199 million, or 10.8%, as compared with the same period in the prior year. The segment recorded results of RMB1,291 million, representing an increase of RMB48 million, or 3.8%, as compared with the same period in the prior year, mainly due to the increase of revenue and profit of handling, storage and oil supply-chain management businesses as the crude oil terminal and the ancillary crude oil commercial reserve project in Dongjiakou port area had been put into operation in recent years and released capacity.

The financial information of the major subsidiaries in this business segment was summarized as follows:

Unit: RMB'000

Item	Qingdao Shihua			Dongjiakou Oil			Shandong Port Lianhua		
	For the six months ended 30 June			For the six months ended 30 June			For the six months ended 30 June		
	2023	2022	Percentage Changed	2023	2022	Percentage Changed	2023	2022	Percentage Changed
Revenue	<b>738,140</b>	752,891	-1.96%	<b>461,775</b>	379,350	21.73%	<b>749,350</b>	878,060	-14.66%
Cost of sales	<b>347,501</b>	340,800	1.97%	<b>158,106</b>	133,357	18.56%	<b>295,534</b>	281,056	5.15%
Net profit	<b>258,990</b>	282,299	-8.26%	<b>239,478</b>	158,032	51.54%	<b>314,899</b>	431,584	-27.04%
Shareholding percentage held by the Company	<b>50%</b>	50%	-	<b>70%</b>	71%	-1.00%	<b>51%</b>	51%	-
Investment income of the Group	<b>131,723</b>	143,554	-8.24%	<b>-</b>	-	-	<b>-</b>	-	-

## MANAGEMENT DISCUSSION AND ANALYSIS

### (4) Logistics and port value-added services

Unit: RMB'000

Item	For the six months ended 30 June		Amount Changed	Percentage Changed
	2023	2022		
<b>Consolidated Group Companies</b>				
Revenue	3,599,820	4,275,870	-676,050	-15.8%
Cost of sales	2,735,697	3,416,775	-681,078	-19.9%
Gross profit	864,123	859,095	5,028	0.6%
<b>Profit of Consolidated Group Companies</b>				
	741,239	716,792	24,447	3.4%
<b>Joint Ventures and Associated Companies</b>				
Revenue	397,713	359,738	37,975	10.6%
Cost of sales	280,740	275,686	5,054	1.8%
<b>Investment Income from Joint Ventures and Associated Companies</b>				
	43,612	36,942	6,670	18.1%
<b>Segment Result</b>	<b>784,851</b>	<b>753,734</b>	<b>31,117</b>	<b>4.1%</b>

Note: Amounts of revenue and cost of sales of joint ventures and associated companies represent the total amount of revenue and cost of sales in the financial information of joint ventures and associated companies of the Company providing logistics and port value-added services, without taking into account the respective shareholding percentages held by the Company in those joint ventures and associated companies.

For the six months ended 30 June 2023, the Group vigorously developed its modern logistics business and overcame the adverse factors such as the downturn in import and export trade, and achieved breakthrough development in market development, project problems, and business innovation. The main breakthroughs achieved were as follows:

- a. the Group strengthened market development, and vigorously developed pulp, rubber and other warehousing business. In the first half of 2023, total inventory achieved a new breakthrough with an increase of 18.3% year-on-year;
- b. the Group actively expanded liner shipping agency business, and in the first half of 2023, the liner operation volume increased by 14.6% year-on-year; and
- c. the Group continued to strengthen cooperation with major shipping companies, coordinate market resources, and consolidate market share. In the first half of 2023, the operation volume of CFS business increased by 4.5% year-on-year.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2023, the revenue of logistics and port value-added services business amounted to RMB3,600 million, representing a decrease of RMB676 million, or 15.8%, as compared with the same period in the prior year, mainly due to the decreased revenue of freight forwarding business arising from the decrease of freight rate. The segment recorded results of RMB785 million, representing an increase of RMB31 million, or 4.1%, as compared with the same period in the prior year, mainly due to the increase of handling volume in CFS business and adjustment of business policies.

### (5) Port ancillary services

Unit: RMB'000

Item	For the six months ended 30 June		Amount Changed	Percentage Changed
	2023	2022		
<b>Consolidated Group Companies</b>				
Revenue	787,785	1,255,230	-467,445	-37.2%
Cost of sales	528,729	958,733	-430,004	-44.9%
Gross profit	259,056	296,497	-37,441	-12.6%
<b>Profit of Consolidated Group Companies</b>				
	264,323	197,554	66,769	33.8%
<b>Joint Ventures and Associated Companies</b>				
Revenue	2,395,341	953,016	1,442,325	151.3%
Cost of sales	1,668,592	833,961	834,631	100.1%
<b>Investment Income from Joint Ventures and Associated Companies</b>				
	95,266	14,099	81,167	575.7%
<b>Segment Result</b>	<b>359,589</b>	<b>211,653</b>	<b>147,936</b>	<b>69.9%</b>

Note: Amounts of revenue and cost of sales of the joint ventures and associated companies represent the amount of those in the financial statement of Qingdao Port Equipment, Qingdao Port Engineering, Shandong Port Finance Company, Qingdao Qingyin Financial Leasing Co., Ltd. \* (青島青銀金融租賃有限公司) and other joint ventures and associated companies of the Company, without taking into account of the respective shareholding percentages held by the Company in these joint ventures and associated companies.

For the six months ended 30 June 2023, the revenue of port ancillary services amounted to RMB788 million, representing a decrease of RMB467 million, or 37.2%, as compared with the same period in the prior year, mainly due to a decrease of revenue in port machinery construction business due to that Qingdao Port Equipment changed to an associated company from a subsidiary of the Company at the end of 2022. The revenue and cost of sales of joint ventures and associated companies and investment income from joint ventures and associated companies increased significantly, as compared with the same period in the prior year, mainly due to that Qingdao Port Equipment and Shandong Port Finance Company changed to associated companies from subsidiaries of the Company. The segment recorded results of RMB360 million, representing an increase of RMB148 million, or 69.9%, as compared with the same period in the prior year, mainly due to the increased investment income from Shandong Port Finance Company and Qingdao Port Equipment during the reporting period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3. Financial Position Analysis

Unit: RMB'000

Item	As at 30 June 2023	As at 31 December 2022	Amount Changed	Percentage Changed
Financial assets held for trading	604,898	999,865	-394,967	-39.5%
Contract assets	56,733	123,966	-67,233	-54.2%
Short-term borrowings	530,119	269,088	261,031	97.0%
Notes payable	705,382	1,034,898	-329,516	-31.8%
Contract liabilities	362,279	273,592	88,687	32.4%
Other payables	<u>5,906,279</u>	<u>3,985,878</u>	<u>1,920,401</u>	<u>48.2%</u>

As at 30 June 2023, the Group's financial assets held for trading decreased by RMB395 million, or 39.5%, as compared to the beginning of this year, mainly due to the redemption of structured deposit at maturity.

As at 30 June 2023, the Group's contract assets decreased by RMB67 million, or 54.2%, as compared to the beginning of this year, mainly due to the decrease of the amount of receivable in power supply engineering projects which do not meet the collection conditions.

As at 30 June 2023, the Group's short-term borrowings increased by RMB261 million, or 97.0%, as compared to the beginning of this year, mainly due to the increased demand of funds in daily production and operation of Weihai Port Development Company.

As at 30 June 2023, the Group's notes payable decreased by RMB330 million, or 31.8%, as compared to the beginning of this year, mainly due to the payment of notes at maturity.

As at 30 June 2023, the Group's contract liabilities increased by RMB89 million, or 32.4%, as compared to the beginning of this year, mainly due to the increase in account collected in advance for stevedoring operation.

As at 30 June 2023, the Group's other payables increased by RMB1,920 million, or 48.2%, as compared to the beginning of this year, mainly due to the increase of cash dividends declared but not yet paid.

### 4. Cash Flow Analysis

For the six months ended 30 June 2023, the Group's net cash inflow amounted to RMB1,341 million, among which:

- (1) the net cash inflow from operating activities amounted to RMB3,040 million, which was mainly derived from the operating profit of the Consolidated Group Companies;
- (2) the net cash outflow from investing activities amounted to RMB1,378 million, which mainly comprised of the net inflow of RMB290 million arising from the purchase of the structured deposit, the interest income of RMB82 million arising from the wealth management and investment, the payment of RMB399 million for external equity investments, the payment of RMB1,479 million arising from the purchase and construction of fixed assets and construction in progress, and the net cash recovery of RMB106 million arising from disposal of equity interests in companies; and
- (3) the net cash outflow from financing activities amounted to RMB333 million, which mainly comprised of absorbing investment from minority shareholders of RMB111 million, the received borrowings of RMB625 million, the repayment of borrowings of RMB384 million, the repayment of debt interests of RMB83 million, the payment of RMB587 million arising from subsidiaries' distribution of dividends.

### 5. Liquidity and Financial Resources

As at 30 June 2023, the Group's cash at bank and on hand amounted to RMB10,631 million, the structured deposit amounted to RMB601 million. The Group's total interest bearing liabilities amounted to RMB3,029 million, among which, liabilities bearing interest at floating rates amounted to RMB1,339 million.

### 6. Capital Structure

As at 30 June 2023, the total shareholders' equity of the Group amounted to RMB42,037 million, representing an increase of RMB760 million as compared to the beginning of this year, among which, the equity interests attributable to the shareholders of the Company increased by RMB752 million and the equity interests of minority shareholders increased by RMB8 million. The increase in the equity interests attributable to the shareholders of the Company was mainly due to the increase of RMB2,564 million in operating profit during the reporting period, the decrease of RMB1,748 million in declared dividends to distribute for the year 2022, and the decrease of RMB87 million in other comprehensive income arising from the remeasurement of defined benefit plans.

As at 30 June 2023, the Company had 6,491,100,000 issued shares, comprising of 5,392,075,000 A shares and 1,099,025,000 H shares, representing 83.07% and 16.93% of the total issued shares of the Company, respectively. The A share market capitalization and H share market capitalization of the Company were RMB37,583 million and HKD4,726 million, respectively (which were calculated based on the closing price of RMB6.97 per share on the Shanghai Stock Exchange and the closing price of HKD4.30 per share on the Hong Kong Stock Exchange as at 30 June 2023).

# MANAGEMENT DISCUSSION AND ANALYSIS

## 7. Gearing Ratio

As at 30 June 2023, the Group's cash at bank and on hand exceeded interest bearing liabilities.

## 8. Interest Rate and Exchange Rate Risks

As at 30 June 2023, the Group did not have cash at bank and on hand and receivables with floating interest rate, the amount payable with floating interest rates was RMB1,339 million. The Group assessed the interest rate risk and anticipated that interest rate fluctuation would have no material impact on the Group.

The Group's main business activities are conducted in the PRC and settled mainly in RMB. Therefore, changes in exchange rates do not have material impact on the Group.

The Group will continue to closely monitor interest rate and exchange rate risks. The Group did not enter into any hedging arrangements to hedge against exposures to interest rate and exchange rate risks for the six months ended 30 June 2023.

## 9. Financial Indicators

Indicators	For the six months ended 30 June		
	2023	2022	Change (+/-)
Return on total assets	4.87%	4.31%	+0.56 percentage point
Weighted average return on net assets	6.63%	6.33%	+0.30 percentage point
Interest coverage ratio	44.84	44.43	+0.41 times
Current ratio	1.42	1.16	+0.26

For the six months ended 30 June 2023, the return on total assets of the Group was 4.87%, representing an increase of 0.56 percentage point as compared to the same period in the prior year; the weighted average return on net assets was 6.63%, representing an increase of 0.30 percentage point as compared to the same period in the prior year, mainly due to that the new terminals, warehouses and other assets which were put into production released capacity and improved asset utilization. The interest coverage ratio of the Group was 44.84 times, representing an increase of 0.41 times as compared to the same period in the prior year, mainly due to the increase in profit before interest and tax. The current ratio of the Group was 1.42, representing an increase of 0.26 as compared to the same period in the previous year, mainly due to that other payables and other current liabilities at the end of the reporting period was lower than those at the end of the same period of the prior year.



### III. CAPITAL INVESTMENT

For the six months ended 30 June 2023, the significant capital investment of the Group was RMB1,132 million, mainly used in handling, storage and transportation project for the liquid bulk cargo, the berths and stacking yard projects for the bulk cargo, crude oil commercial reserve tanks project and other projects in Dongjiakou port area.

### IV. SIGNIFICANT ENTRUSTED WEALTH MANAGEMENT

As at 30 June 2023, the details of the Group's major entrusted wealth management were as follows:

Unit: RMB'000

Trustee	Product Type	Balance	Value Date	Due Date	Expected Annualized Rate of Return	Source of Funds
Bank of China Qingdao Branch	Structured deposit	204,000	2023/6/9	2023/9/12	2.50%	Raised funds

Note: The above listed is the entrusted wealth management with a single investment amount of reaching and more than RMB200 million.

### V. SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

On 30 June 2023, the Company entered into (i) the Asset Purchase Agreement I with Rizhao Port Group, pursuant to which, the Company conditionally agreed to purchase 100% equity interests in Rizhao Port Oil Terminal Co., Ltd.\* (日照港油品碼頭有限公司), 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.\* (日照實華原油碼頭有限公司), and 100% equity interests in Rizhao Gangrong Port Co., Ltd.\* (日照港融港口服務有限公司) held by Rizhao Port Group; and (ii) the Asset Purchase Agreement II with Yantai Port Group, pursuant to which, the Company conditionally agreed to purchase 67.56% equity interests in Yantai Port Co., Ltd.\* (煙台港股份有限公司), 60.00% equity interests in Yantai Port Group Laizhou Port Co., Ltd.\* (煙台港集團萊州港有限公司), 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd.\* (山東聯合能源管道輸送有限公司), 64.91% equity interests in Yantai Ganghang Investment Development Co., Ltd.\* (煙台港航投資發展有限公司) and 100% equity interests in Yantai Port Operation Guarantee Co., Ltd.\* (煙台港運營保障有限公司) held by Yantai Port Group. For further details, please refer to the announcements of the Company dated 27 June 2023 and 30 June 2023. As at the date of this report, the transaction has not been completed.

## MANAGEMENT DISCUSSION AND ANALYSIS

### VI. MORTGAGE AND PLEDGE OF ASSETS

As at 30 June 2023, none of the Group's assets was mortgaged or pledged.

### VII. CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities.

### VIII. EMPLOYEES

As at 30 June 2023, the Company engaged 3,099 employees, and the Company's principal subsidiaries engaged 6,783 employees. The employees' remunerations of the Group include basic salaries and performance incentives. The growth of employees' remunerations is determined by their working performance, economic environment, and supply and demand conditions of human resource market, under the "two matches" principle to match the employees' income growth with the growth of the Company's results and the increase of production rate. Meanwhile, the Group's remuneration policy is reviewed on a regular basis as well. Adhering to its "people-focused" approach and safeguarding the legitimate rights and interests of employees, the Group contributes social insurances, enterprise annuity and supplementary medical insurance as required by the relevant regulations of the PRC to provide extra welfare scheme to its employees. The Company provides regular trainings for employees to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations.

### IX. DESCRIPTION OF OTHER OPERATING MATTERS

As the Company plans to transform and upgrade Dagang Port Area into an international port for cruise liners, the business of Dagang Port Area will be gradually relocated to Dongjiakou Port Area and Qianwan Port Area. In March 2020, Qingdao international home port for cruise liners started construction and the construction was gradually carried on as planned. As at 30 June 2023, the construction of international port for cruise liners had no effect on the main business of Dagang Port Area.

The government of Qingdao Economic and Technological Development Zone is in the process of adopting a new urban planning scheme that may relocate the port operations in Huangdao Oil Port Area and operations of certain clients around Huangdao Oil Port Area to Dongjiakou Port Area. As at 30 June 2023, the Group did not receive any relocation plan or relevant notice, and did not obtain any information in relation to such relocation of clients and businesses to Dongjiakou Port Area, hence the operation of Huangdao Oil Port Area was not affected.

### X. SUBSEQUENT EVENTS

On 17 July 2023, the Company entered into the asset transfer agreement with Qingdao Port Engineering, pursuant to which, the Company agreed to transfer the phase I project asset of comprehensive logistics yard in Dongjiakou port area to Qingdao Port Engineering at a total consideration of RMB103.0737 million (excluding value-added tax, RMB112.4931 million with value-added tax). For further details, please refer to the announcement of the Company dated 17 July 2023. As at the date of this report, the transaction has not been completed.

Save as disclosed above, there is no material subsequent event undertaken by the Group after 30 June 2023.

### XI. OUTLOOK FOR THE SECOND HALF OF 2023

In the second half of 2023, the global economic growth will slow down, but there is also a strong resilience, and China's economic growth is expected to be good, so the port will maintain a stable development. Meanwhile, the continued release of policy dividends including the Shandong Free Trade Zone will bring greater development space for the port, and with the RCEP Agreement coming into effect for all 15 member states, the world's largest free trade zone will step into a new phase of overall implementation, providing favorable support for port development. The Group will take advantage of the opportunity of integration reform and development of Shandong ports, focus on the construction of world-class port groups in Shandong province, and is committed to building a "port-based first-class supply chain integrated service system", improving quality and efficiency, and creating greater value for the Company's shareholders and society.

Firstly, the Group will continue to improve business performance. The Group will maximize the advantages of Shandong port integration reform, improve the layout of international transshipment channels that "connecting Japan, South Korea, Southeast Asia, India, Pakistan and the Middle East, and creating the ocean route to Europe and the United States". The Group will continue to increase sea-rail combined transport trains, and constantly cement the position of the largest port of sea-rail multimodal transport in China.

Secondly, the Group will continue to enhance the development potential. The Group will accelerate the operation of the third phase of the fully automated container terminal, and continue to optimize and upgrade the intelligent port platform based on the research and development of national projects. The Group will formulate a "zero carbon" port construction plan and continue to promote the integrated energy use demonstration zone of "wind, photovoltaic, energy storage, hydrogen". The Group will promote the approval and construction of major projects such as berths, storage yards and oil tanks, and improve the port service capacity.

Thirdly, the Group will continue to improve management efficiency. The Group will vigorously implement the strategy of "strong port management", take management as the core competitiveness, optimize the management process, further promote modernization of the governance system and governance capacity, constantly deepen management, and continuously improve quality and management efficiency.

# OTHER INFORMATION

## I. CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value.

The Company has complied with all code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Hong Kong Listing Rules for the six months ended 30 June 2023.

## II. COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code of Appendix 10 to the Hong Kong Listing Rules as its own code of conduct for securities transactions by Directors and Supervisors. Specific enquiry has been made to all the Directors and Supervisors and each of the Directors and Supervisors has confirmed that he/she has complied with the Model Code for the six months ended 30 June 2023.

## III. DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Directors or Supervisors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors and Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the period ended 30 June 2023.

## IV. CHANGES IN DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INFORMATION

There were no changes to the Directors', Supervisors' and chief executive's information as required to be disclosed in this report pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules for the six months ended 30 June 2023.

### V. REVIEW OF FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE

The audit committee of the Board has reviewed the unaudited interim results and the interim report of the Company for the six months ended 30 June 2023.

### VI. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

No purchase, sale and redemption of any listed securities of the Company were made by the Company or any of its subsidiaries for the six months ended 30 June 2023.

### VII. ISSUANCE OF NEW A SHARES

The Company intends to issue new A shares to no more than 35 qualified and specified investors for the purpose of raising matching funds for the Proposed Restructuring. The Company will disclose the issue price, net price per share available, number of issues and total par value of the new A shares in due course.

Please refer to the Company's announcements dated 27 June 2023 and 30 June 2023 for details and the definitions of the above new A share issuance.

### VIII. USE OF PROCEEDS

The net proceeds from the H Shares Placing of the Company in 2017 were approximately HKD1,035 million, equivalent to approximately RMB912 million. As at 31 December 2022, approximately HKD625 million (which was calculated based on the exchange rate of 31 December 2022, including accumulated interest income) was carried over to this year. For the six months ended 30 June 2023, the Company had invested the fundraising of approximately HKD460.45 million in the investment projects in the way as disclosed in the announcement of the Company dated 20 January 2017, which was mainly used to pay for the equity acquisition of COSCO SHIPPING Ports (Abu Dhabi) Limited. The remaining proceeds of HKD625 million have not yet been used. The Company will use the remaining proceeds in the way as disclosed in the announcements of the Company dated 28 October 2022 and 23 December 2022 and the circular of the Company dated 18 November 2022 and in accordance with the progress of the investment projects and business development, which are expected to be used up by the year 2024.

## OTHER INFORMATION

As at 30 June 2023, the use of proceeds from the Company's H Shares Placing is set out below:

Unit: HKD0'000

	Payment for equity acquisition of COSCO SHIPPING Ports (Abu Dhabi) Limited	Engineering construction investment	Among which, (a) Dongjiakou port area terminal construction project	(b) Dongjiakou port area oil storage construction project
Intended investment amount	46,045.00	62,500.000	50,000.00	12,500.00
Used amount during the years of 2017-2019	-	-	-	-
Used amount during the year of 2020	46,045.00	-	-	-
Used amount during the year of 2021	-	-	-	-
Unused amount as at 31 December 2021	-	62,500.00	50,000.00	12,500.00
Used amount during the year of 2022	-	-	-	-
Unused amount as at 31 December 2022	-	62,500.00	50,000.00	12,500.00
Used amount during the first half of 2023	-	-	-	-
Unused amount as at 30 June 2023	-	62,500	50,000	12,500
Expected completion time of the use of proceeds	-	the year of 2024	the year of 2024	the year of 2024

The net proceeds from the initial public offering of A shares of the Company were approximately RMB1,979 million. As at 31 December 2022, approximately RMB518 million (including accumulated interest income) was carried over to this year. For the six months ended 30 June 2023, approximately RMB55 million of the proceeds had been used into the investment projects in the way as disclosed in the Company's initial public offering of A shares prospectus and the Company's announcements dated 26 March 2020, 10 June 2020, 24 May 2021 and 28 June 2021 and circulars dated 26 May 2020 and 27 May 2021, which was mainly used for construction of the project of multi-purpose berths and north jetty II rear ancillary stacking yards in Dongjiakou port area, purchasing equipment and the intelligent port area upgrading project, etc.. The Company shall use the remaining proceeds in accordance with the progress of the investment projects and business development, which are expected to be used up by the year 2023.

As at 30 June 2023, the use of proceeds from the Company's A shares is set out below:

Unit: RMB0'000

	Multi-purpose berths and North Jetty II rear ancillary stacking yards in Dongjiakou Port Area	Qingdao Port Intelligent Port Area Upgrading Project	Qingdao Port Area Equipment Procurement Project	Datang Terminal Phase II Project	Supplementing working capital
Intended investment amount	31,283.00	20,000.00	48,210.00	68,717.00	29,682.98
Used amount during the year of 2019	19,358.43	8,308.62	18,569.02	-	29,682.98
Used amount during the year of 2020	3,429.46	4,193.94	1,661.26	-	-
Used amount during the year of 2021	1,065.30	8,223.67	8,203.30	9,474.34	-
Used amount during the year of 2022	5,832.07	436.07	18,985.80	22,993.50	-
Unused amount as at 31 December 2022	1,597.76	-	790.62	36,249.15	-
Used amount during the first half of 2023	186.37	-	2,063.20	3,218.16	-
Unused amount as at 30 June 2023	1,411.39	-	-	33,030.99	-
Expected completion time of the use of proceeds	the year of 2023	-	-	the year of 2023	-

## IX. DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2023.

## X. INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

So far as the Directors are aware, as at 30 June 2023, none of the Directors, Supervisors or chief executive of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), (i) which will be required, pursuant to Section 352 of the SFO, to be recorded in the register kept by the Company, or (ii) which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

### XI. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2023, so far as the Directors are aware, the following persons (other than the Directors, Supervisors and chief executive of the Company) will be taken or deemed to have interests and short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company.

Name	Class of Shares	Capacity/Nature of interest	Number of shares held <sup>(1)</sup>	Approximate percentage of shareholding in the registered capital of the Company	Approximate percentage of shareholding in the total number of issued A shares of the Company	Approximate percentage of shareholding in the total number of issued H shares of the Company
Qingdao Port Group	A share	Beneficial owner <sup>(2)</sup>	3,522,179,000 (L)	54.26%	65.32%	-
	H share	Beneficial owner <sup>(2)</sup>	84,185,000 (L)	1.30%	-	7.66%
	H share	Interest in a controlled corporation <sup>(2)</sup>	13,739,000 (L)	0.21%	-	1.25%
Shandong Port Group	A share	Interest in a controlled corporation <sup>(2)</sup>	3,522,179,000 (L)	54.26%	65.32%	-
	H share	Interest in a controlled corporation <sup>(2)</sup>	97,924,000 (L)	1.51%	-	8.91%
COSCO SHIPPING Ports Development Co., Ltd.	H share	Beneficial owner <sup>(5)</sup>	173,313,000 (L)	2.67%	-	15.77%
Shanghai China Shipping Terminal	A share	Beneficial owner <sup>(5)</sup>	1,015,520,000 (L)	15.64%	18.83%	-
COSCO SHIPPING Ports	A share	Interest in a controlled corporation <sup>(5)</sup>	1,111,520,000 (L)	17.12%	20.61%	-
	H share	Interest in a controlled corporation <sup>(5)</sup>	173,313,000 (L)	2.67%	-	15.77%
China COSCO (Hong Kong) Limited	A share	Interest in a controlled corporation <sup>(5)</sup>	1,111,520,000 (L)	17.12%	20.61%	-
	H share	Interest in a controlled corporation <sup>(5)</sup>	173,313,000 (L)	2.67%	-	15.77%
COSCO SHIPPING Holdings Co., Ltd.	A share	Interest in a controlled corporation <sup>(5)</sup>	1,111,520,000 (L)	17.12%	20.61%	-
	H share	Interest in a controlled corporation <sup>(5)</sup>	173,313,000 (L)	2.67%	-	15.77%
China Ocean Shipping Co., Ltd.	A share	Interest in a controlled corporation <sup>(4)</sup>	1,207,520,000 (L)	18.60%	22.39%	-
	H share	Interest in a controlled corporation <sup>(5)</sup>	173,313,000 (L)	2.67%	-	15.77%
COSCO SHIPPING Group	A share	Interest in a controlled corporation <sup>(4)</sup>	1,207,520,000 (L)	18.60%	22.39%	-
	H share	Interest in a controlled corporation <sup>(5)</sup>	173,313,000 (L)	2.67%	-	15.77%
China Life Insurance (Group) Company	H share	Beneficial owner	180,000,000 (L)	2.77%	-	16.38%
China Life Franklin Asset Management Co., Limited	H share	Investment manager	180,000,000 (L)	2.77%	-	16.38%
FMR LLC	H share	Interest in a controlled corporation	87,856,233 (L)	1.35%	-	7.99%
FIL Limited	H share	Interest in a controlled corporation <sup>(6)</sup>	87,848,000 (L)	1.35%	-	7.99%
Pandanus Associates Inc.	H share	Interest in a controlled corporation <sup>(6)</sup>	87,848,000 (L)	1.35%	-	7.99%
Pandanus Partners L.P.	H share	Interest in a controlled corporation <sup>(6)</sup>	87,848,000 (L)	1.35%	-	7.99%



## Notes:

- (1) The letter “L” denotes long position in such securities.
- (2) As at 30 June 2023, Qingdao Port Group was wholly-owned by Shandong Port Group. The Company was informed that as at 30 June 2023, Qingdao Port Group directly and indirectly held 97,924,000 H shares of the Company, representing approximately 8.91% of the total number of issued H shares of the Company. As at the date of holding the H shares of the Company by Qingdao Port Group and as at the date of this report, based on publicly available information and so far as the Directors are aware, the Company had sufficient public float and the issued shares of the Company held by the public is no less than 16.62%, and is therefore in compliance with the Hong Kong Listing Rules.
- (3) 96,000,000 A shares and 1,015,520,000 A shares of the Company are directly held by China Shipping Terminal Development and Shanghai China Shipping Terminal, respectively. Shanghai China Shipping Terminal is wholly owned by China Shipping Terminal Development. China Shipping Terminal is wholly owned by COSCO SHIPPING Ports, which is wholly owned by COSCO SHIPPING Ports. China COSCO (Hong Kong) Limited, which is wholly owned by COSCO SHIPPING Holdings Co., Ltd., owned 60.93% interests (in which 6.95% interests was held by its wholly-owned subsidiary) in COSCO SHIPPING Ports. COSCO SHIPPING Holdings Co., Ltd. is 4.36% owned by COSCO SHIPPING Group and 38.72% owned by China Ocean Shipping Co., Ltd., and China Ocean Shipping Co., Ltd. is wholly owned by COSCO SHIPPING Group. As such, each of COSCO SHIPPING Ports, China COSCO (Hong Kong) Limited, COSCO SHIPPING Holdings Co., Ltd., China Ocean Shipping Co., Ltd. and COSCO SHIPPING Group is deemed to be interested in 1,111,520,000 A shares of the Company.
- (4) In addition to the 96,000,000 A shares and 1,015,520,000 A shares of the Company directly held by China Shipping Terminal Development and Shanghai China Shipping Terminal, respectively, there are 96,000,000 A shares of the Company directly held by COSCO Shipping (Qingdao) Co., Ltd., which is wholly owned by COSCO SHIPPING Group. As such, COSCO SHIPPING Group is deemed to be interested in 96,000,000 A shares of the Company and deemed to be interested in 1,207,520,000 A shares of the Company in total.
- (5) 173,313,000 H shares of the Company are directly held by COSCO SHIPPING Ports Development Co., Ltd., which is wholly-owned by COSCO SHIPPING Ports. Based on the shareholding relationships set out under note (3) above, each of COSCO SHIPPING Ports, China COSCO (Hong Kong) Limited, COSCO SHIPPING Holdings Co., Ltd., China Ocean Shipping Co., Ltd. and COSCO SHIPPING Group is deemed to be interested in 173,313,000 H shares of the Company.
- (6) FIL Limited is deemed to be interested in 87,848,000 H shares of the Company indirectly held by its controlled entities/corporations. Pandanus Partners L.P. indirectly held 38.71% of the equity interests in FIL Limited. Pandanus Partners L.P. is indirectly wholly owned by Pandanus Associates Inc. Accordingly, Pandanus Partners L.P. and Pandanus Associates Inc. are also deemed to be interested in the aforesaid 87,848,000 H shares of the Company.

Save as disclosed above, as at 30 June 2023, none of the persons had interest or short positions in the shares and underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company.

# CONSOLIDATED BALANCE SHEET

As at 30 June 2023

(All amounts in RMB Yuan unless otherwise stated)

<b>ASSETS</b>	Note 4	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022 (Restated)
<b>Current assets</b>			
Cash at bank and on hand	(1)	10,630,778,312	9,183,323,879
Financial assets held for trading	(2)	604,898,333	999,864,829
Notes receivable	(3)	99,043,785	96,070,105
Accounts receivable	(4)	2,296,413,078	2,016,471,556
Financing receivables	(5)	337,366,773	280,619,222
Advances to suppliers	(6)	111,268,968	126,266,656
Other receivables	(7)	831,304,666	852,817,484
Inventories	(8)	40,917,335	54,146,549
Contract assets	(9)	56,733,062	123,966,449
Current portion of non-current assets	(11)	2,714,386	2,717,391
Other current assets	(10)	92,780,104	141,272,926
<b>Total current assets</b>		<b>15,104,218,802</b>	<b>13,877,537,046</b>
<b>Non-current assets</b>			
Long-term receivables	(11)	32,141,987	32,141,987
Long-term equity investments	(12)	14,011,651,110	12,888,086,094
Other non-current financial assets	(13)	393,840,402	393,840,402
Investment properties	(14)	136,402,901	145,666,381
Fixed assets	(15)	22,939,777,567	22,183,661,213
Construction in progress	(16)	2,299,640,027	2,491,929,634
Right-of-use assets	(17)	583,584,935	629,604,435
Intangible assets	(18)	3,179,823,815	3,202,177,728
Development costs	(18)	38,582,831	30,804,841
Goodwill	(19)	48,683,209	48,683,209
Long-term prepaid expenses		75,181,125	75,685,037
Deferred tax assets	(20)	909,416,454	960,815,313
Other non-current assets	(21)	509,505,237	515,259,386
<b>Total non-current assets</b>		<b>45,158,231,600</b>	<b>43,598,355,660</b>
<b>TOTAL ASSETS</b>		<b>60,262,450,402</b>	<b>57,475,892,706</b>

## CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note 4	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022 (Restated)
<b>Current liabilities</b>			
Short-term borrowings	(23)	530,118,974	269,088,147
Notes payable	(24)	705,382,372	1,034,898,039
Accounts payable	(25)	1,497,270,589	1,435,308,348
Advances from customers		31,621,657	9,224,728
Contract liabilities	(26)	362,279,067	273,592,129
Employee benefits payable	(27)	660,306,857	631,271,564
Taxes payable	(28)	376,009,684	306,380,839
Other payables	(29)	5,906,279,451	3,985,877,916
Current portion of non-current liabilities	(30)	576,479,802	720,194,743
Other current liabilities		27,055,612	21,117,185
<b>Total current liabilities</b>		<b>10,672,804,065</b>	<b>8,686,953,638</b>
<b>Non-current liabilities</b>			
Long-term borrowings	(31)	1,731,596,340	1,542,527,600
Lease liabilities	(32)	395,220,877	482,364,123
Long-term payables	(33)	394,703,587	374,006,498
Provisions		30,844,000	30,844,000
Deferred income	(34)	312,706,178	323,941,118
Long-term employee benefits payable	(35)	2,457,280,000	2,426,440,000
Deferred tax liabilities	(20)	49,454,504	50,374,062
Other non-current liabilities	(36)	2,180,965,835	2,281,541,172
<b>Total non-current liabilities</b>		<b>7,552,771,321</b>	<b>7,512,038,573</b>
<b>Total liabilities</b>		<b>18,225,575,386</b>	<b>16,198,992,211</b>
<b>Shareholders' equity</b>			
Share capital	(37)	6,491,100,000	6,491,100,000
Capital surplus	(38)	11,889,480,907	11,878,388,652
Other comprehensive income	(39)	(130,784,753)	(43,501,228)
Specific reserve		25,435,223	12,449,939
Surplus reserve	(40)	2,419,818,733	2,419,818,733
Undistributed profits	(41)	17,456,754,331	16,641,280,437
<b>Total equity attributable to shareholders of the Company</b>		<b>38,151,804,441</b>	<b>37,399,536,533</b>
<b>Minority interests</b>		<b>3,885,070,575</b>	<b>3,877,363,962</b>
<b>Total Shareholders' equity</b>		<b>42,036,875,016</b>	<b>41,276,900,495</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>60,262,450,402</b>	<b>57,475,892,706</b>

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

# COMPANY BALANCE SHEET

As at 30 June 2023

(All amounts in RMB Yuan unless otherwise stated)

<b>ASSETS</b>	Note 15	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022 (Restated)
<b>Current assets</b>			
Cash at bank and on hand	(1)	4,592,873,712	3,303,326,794
Financial assets held for trading		551,313,312	735,407,305
Notes receivable		9,308,993	4,315,994
Accounts receivable	(2)	504,288,732	333,401,436
Financing receivables	(3)	137,729,291	139,360,896
Advances to suppliers		9,498,891	59,124,581
Other receivables	(4)	498,563,332	662,213,689
Inventories		8,393,148	17,206,932
Current portion of non-current assets	(5)	358,160,711	756,385,933
Other current assets		11,406,292	52,444,251
<b>Total current assets</b>		<b>6,681,536,414</b>	<b>6,063,187,811</b>
<b>Non-current assets</b>			
Long term receivables	(5)	1,877,000,000	1,803,215,246
Long-term equity investments	(6)	21,854,228,103	20,118,139,630
Other non-current financial assets		393,054,012	393,054,012
Investment properties	(7)	871,528,909	1,257,882,065
Fixed assets	(8)	10,919,446,869	10,370,171,260
Construction in progress	(9)	1,634,673,347	1,916,030,925
Right-of-use assets		97,192,527	114,542,963
Intangible assets	(10)	1,988,652,358	2,093,595,468
Development costs	(10)	32,692,950	29,636,246
Long-term prepaid expenses		26,990,569	26,465,962
Deferred tax assets		56,016,715	74,374,257
Other non-current assets		259,290,584	282,816,464
<b>Total non-current assets</b>		<b>40,010,766,943</b>	<b>38,479,924,498</b>
<b>TOTAL ASSETS</b>		<b>46,692,303,357</b>	<b>44,543,112,309</b>

## COMPANY BALANCE SHEET (Continued)

As at 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note 15	30 June 2023 (Unaudited)	31 December 2022 (Restated)
<b>Current liabilities</b>			
Short-term borrowings		–	10,011,764
Notes payable		144,655,453	440,283,431
Accounts payable		322,065,416	369,157,818
Advances from customers		40,232,535	5,995,399
Contract liabilities		72,642,199	107,993,812
Employee benefits payable		420,052,110	394,113,782
Taxes payable		72,777,479	50,493,163
Other payables		3,923,500,115	1,843,010,474
Current portion of non-current liabilities		39,827,325	36,642,126
Other current liabilities		4,363,189	7,065,016
<b>Total current liabilities</b>		<b>5,040,115,821</b>	3,264,766,785
<b>Non-current liabilities</b>			
Lease liabilities		62,231,136	81,114,528
Long-term payables		49,003,587	39,835,665
Deferred income		138,949,017	143,059,610
Long-term employee benefits payable		1,571,200,000	1,531,180,000
Other non-current liabilities		2,180,965,835	2,281,541,172
<b>Total non-current liabilities</b>		<b>4,002,349,575</b>	4,076,730,975
<b>Total liabilities</b>		<b>9,042,465,396</b>	7,341,497,760
<b>Shareholders' equity</b>			
Share capital		6,491,100,000	6,491,100,000
Capital surplus	(12)	16,028,198,857	16,024,844,086
Other comprehensive income	(13)	(32,447,500)	21,733,193
Surplus reserve		2,419,818,733	2,419,818,733
Undistributed profits	(14)	12,743,167,871	12,244,118,537
<b>Total shareholders' equity</b>		<b>37,649,837,961</b>	37,201,614,549
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>46,692,303,357</b>	44,543,112,309

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

# CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

Item	Note 4	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited) (Restated)
<b>1. Revenue</b>	(42)	<b>9,157,526,190</b>	9,946,339,818
Less: Cost of sales	(42), (46)	<b>(5,781,389,194)</b>	(6,781,515,883)
Taxes and surcharges	(43)	<b>(79,789,217)</b>	(74,309,297)
Selling and distribution expenses	(46)	<b>(69,072,948)</b>	(25,388,262)
General and administrative expenses	(44), (46)	<b>(496,909,039)</b>	(452,139,186)
Research and development expenses	(18), (46)	<b>(50,752,626)</b>	(55,906,928)
Financial expenses	(45)	<b>(52,767,006)</b>	124,140,789
Including: Interest expenses		<b>79,019,717</b>	78,607,649
Interest income		<b>59,101,367</b>	185,702,570
Add: Other income	(47)	58,991,626	102,559,170
Investment income	(48)	<b>782,224,533</b>	684,614,746
Including: Investment income from associates and joint ventures		<b>762,711,885</b>	647,398,403
Gains on changes in fair value		<b>(1,018,336)</b>	(326,550)
Credit impairment losses	(49)	<b>57,780,724</b>	(32,993,389)
Asset impairment losses		<b>912,911</b>	(6,104,068)
Gains on disposal of assets		<b>4,906,263</b>	1,364,270
<b>2. Operating profit</b>		<b>3,530,643,881</b>	3,430,335,230
Add: Non-operating income		<b>2,023,367</b>	6,872,134
Less: Non-operating expenses		<b>(270,718)</b>	(8,389,398)
<b>3. Total profit</b>		<b>3,532,396,530</b>	3,428,817,966
Less: Income tax expenses	(50)	<b>(664,890,289)</b>	(715,172,063)
<b>4. Net profit</b>		<b>2,867,506,241</b>	2,713,645,903
Including: Net profit/(loss) of the acquiree in a business combination under common control before the combination date		-	(5,675,058)
Classified by continuity of operations			
Net profit from continuing operations		<b>2,867,506,241</b>	2,528,248,884
Net profit from discontinued operations		-	185,397,019
Classified by ownership of the equity			
Minority interests		<b>303,979,117</b>	401,056,418
Attributable to shareholders of the Company		<b>2,563,527,124</b>	2,312,589,485

## CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

Item	Note 4	<b>For the six months ended 30 June 2023 (Unaudited)</b>	For the six months ended 30 June 2022 (Unaudited) (Restated)
<b>5. Other comprehensive income, net of tax</b>	(39)	<b><u>(90,050,693)</u></b>	<u>13,950,150</u>
Attributable to shareholders of the Company, net of tax			
Other comprehensive income items which will not be subsequently reclassified to profit or loss			
Changes in remeasurement of defined benefit plan obligations			
		<b>(95,392,832)</b>	-
Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss			
		-	2,401,000
Other comprehensive income items which will be subsequently reclassified to profit or loss			
Changes in fair value of other debt investments			
		-	8,084,405
Other comprehensive income that will be transferred subsequently to profit or loss under the equity method			
		<b>8,109,307</b>	-
Attributable to minority shareholders, net of tax			
		<b>(2,767,168)</b>	3,464,745
<b>6. Total comprehensive income</b>		<b><u>2,777,455,548</u></b>	<u>2,727,596,053</u>
Attributable to shareholders of the Company			
		<b>2,476,243,599</b>	2,323,074,890
Attributable to minority interests			
		<b>301,211,949</b>	404,521,163
<b>7. Earnings per share</b>			
Basic earnings per share (RMB)	(51)(a)	<b>0.39</b>	0.36
Diluted earnings per share (RMB)	(51)(b)	<b>0.39</b>	0.36

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

# COMPANY INCOME STATEMENT

For the six months ended 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

Item	Note 15	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited) (Restated)
<b>1. Revenue</b>	(15)	<b>2,698,823,550</b>	3,063,444,258
Less: Cost of sales	(15), (17)	<b>(1,962,733,532)</b>	(2,230,853,685)
Taxes and surcharges		<b>(40,648,849)</b>	(39,049,685)
Selling and distribution expenses	(17)	<b>(13,937,636)</b>	(14,069,130)
General and administrative expenses	(17)	<b>(268,254,565)</b>	(237,516,793)
Research and development expenses	(17)	<b>(20,731,460)</b>	(10,326,810)
Financial expenses	(16)	<b>(12,760,495)</b>	30,733,966
Including: Interest expenses		<b>4,020,269</b>	5,371,618
Interest income		<b>22,412,149</b>	31,862,940
Add: Other income		<b>15,347,479</b>	14,960,338
Investment income	(18)	<b>1,902,303,599</b>	1,680,214,538
Including: Investment income from associates and joint ventures		<b>749,674,253</b>	659,995,565
Credit impairment losses	(11)	<b>78,810,571</b>	(19,881,589)
Gains on disposal of assets		<b>2,400,589</b>	1,367,574
<b>2. Operating profit</b>		<b>2,378,619,251</b>	2,239,022,982
Add: Non-operating income		<b>197,356</b>	371,148
Less: Non-operating expenses		<b>(96,568)</b>	(2,293,690)
<b>3. Total profit</b>		<b>2,378,720,039</b>	2,237,100,440
Less: Income tax expenses	(19)	<b>(131,617,475)</b>	(169,748,094)
<b>4. Net profit</b>		<b>2,247,102,564</b>	2,067,352,346
Classified by continuity of operations			
Net profit from continuing operations		<b>2,247,102,564</b>	2,067,352,346
Net profit from discontinued operations		-	-
<b>5. Other comprehensive income, net of tax</b>		<b>(54,180,693)</b>	-
Other comprehensive income items that will not be subsequently reclassified to profit or loss			
Changes in remeasurement of defined benefit plan obligations		<b>(62,290,000)</b>	-
Other comprehensive income items that will be subsequently reclassified to profit or loss			
Other comprehensive income that will be transferred subsequently to profit or loss under the equity method		<b>8,109,307</b>	-
<b>6. Total comprehensive income</b>		<b>2,192,921,871</b>	2,067,352,346

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:



# CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

Item	Note 4	<b>For the six months ended 30 June 2023 (Unaudited)</b>	For the six months ended 30 June 2022 (Unaudited)
<b>1. Cash flows from operating activities</b>			
Cash received from sales of goods or rendering of services		9,373,378,107	9,748,937,740
Refund of taxes and surcharges		69,939,528	360,005,269
Cash received relating to other operating activities	(52)(a)	<u>303,329,428</u>	<u>990,580,719</u>
<b>Sub-total of cash inflows</b>		<u>9,746,647,063</u>	<u>11,099,523,728</u>
Cash paid for goods and services		(3,985,497,751)	(5,348,504,038)
Cash paid to and on behalf of employees		(1,651,517,411)	(1,533,936,201)
Payments of taxes and surcharges		(811,264,479)	(869,700,292)
Cash paid relating to other operating activities	(52)(b)	<u>(258,184,122)</u>	<u>(160,423,143)</u>
<b>Sub-total of cash outflows</b>		<u>(6,706,463,763)</u>	<u>(7,912,563,674)</u>
<b>Net cash flows from operating activities</b>	(53)(a)	<u>3,040,183,300</u>	<u>3,186,960,054</u>
<b>2. Cash flows from investing activities</b>			
Cash received from disposal of investments		1,661,131,000	1,479,548,723
Cash received from returns on investments		81,948,551	241,948,581
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13,171,816	8,583,648
Net cash received from disposal of subsidiaries and other business units	(53)(b)	<u>106,283,051</u>	-
Cash received relating to other investing activities	(52)(c)	<u>8,832,711</u>	<u>4,776,420,128</u>
<b>Sub-total of cash inflows</b>		<u>1,871,367,129</u>	<u>6,506,501,080</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(1,479,036,252)	(1,183,000,834)
Cash paid to acquire investments		(1,769,988,000)	(3,069,774,591)
Cash paid relating to other investing activities	(52)(d)	<u>-</u>	<u>(3,521,080,434)</u>
<b>Sub-total of cash outflows</b>		<u>(3,249,024,252)</u>	<u>(7,773,855,859)</u>
<b>Net cash flows used in investing activities</b>		<u>(1,377,657,123)</u>	<u>(1,267,354,779)</u>

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2023

(All amounts in RMB Yuan unless otherwise stated)

Item	Note 4	<b>For the six months ended 30 June 2023 (Unaudited)</b>	For the six months ended 30 June 2022 (Unaudited)
<b>3. Cash flows from financing activities</b>			
Cash received from capital contributions		111,080,009	5,250,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries		111,080,009	5,250,000
Cash received from borrowings		624,755,723	1,260,991,129
Cash received relating to other financing activities	(52)(e)	<u>307,000,000</u>	<u>79,000,000</u>
<b>Sub-total of cash inflows</b>		<u>1,042,835,732</u>	<u>1,345,241,129</u>
Cash repayments of borrowings		(383,681,111)	(1,940,226,926)
Cash payments for distribution of dividends, profits or interest expenses		(669,282,381)	(303,595,077)
Including: Cash payments for distribution of profit to minority shareholders of subsidiaries		(586,652,690)	(225,716,752)
Cash paid relating to other financing activities	(52)(f)	<u>(322,574,688)</u>	<u>(1,518,129,565)</u>
<b>Sub-total of cash outflows</b>		<u>(1,375,538,180)</u>	<u>(3,761,951,568)</u>
<b>Net cash flows used in financing activities</b>		<u>(332,702,448)</u>	<u>(2,416,710,439)</u>
<b>4. Effect of foreign exchange rate changes on cash</b>		<u>11,577,383</u>	<u>49,233,236</u>
<b>5. Net increase in cash</b>	(53)(a)	1,341,401,112	(447,871,928)
Add: Cash at the beginning of the period		<u>9,021,244,964</u>	<u>8,247,817,077</u>
<b>6. Cash at the end of the period</b>	(53)(a)	<u>10,362,646,076</u>	<u>7,799,945,149</u>

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

# COMPANY CASH FLOW STATEMENT

For the six months ended 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	2,151,206,813	2,521,867,491
Refund of taxes and surcharges	45,612,017	67,091,091
Cash received relating to other operating activities	<u>204,737,743</u>	<u>172,359,954</u>
<b>Sub-total of cash inflows</b>	<u>2,401,556,573</u>	<u>2,761,318,536</u>
Cash paid for goods and services	(797,714,256)	(1,011,146,830)
Cash paid to and on behalf of employees	(705,085,250)	(777,916,651)
Payments of taxes and surcharges	(163,583,425)	(240,336,191)
Cash paid relating to other operating activities	<u>(59,773,501)</u>	<u>(112,567,311)</u>
<b>Sub-total of cash outflows</b>	<u>(1,726,156,432)</u>	<u>(2,141,966,983)</u>
<b>Net cash flows from operating activities</b>	<u>675,400,141</u>	<u>619,351,553</u>
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	1,310,623,445	200,000,000
Cash received from returns on investments	1,357,448,799	396,076,082
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	19,636,068	2,498,805
Net cash received from disposal of subsidiaries and other business units	1	-
Cash received relating to other investing activities	<u>871,425,883</u>	<u>261,903,564</u>
<b>Sub-total of cash inflows</b>	<u>3,559,134,196</u>	<u>860,478,451</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(759,701,180)	(646,602,599)
Cash paid to acquire investments	(1,595,877,060)	(480,194,600)
Cash paid relating to other investing activities	<u>(548,000,000)</u>	<u>(223,405,852)</u>
<b>Sub-total of cash outflows</b>	<u>(2,903,578,240)</u>	<u>(1,350,203,051)</u>
<b>Net cash flows from investing activities</b>	<u>655,555,956</u>	<u>(489,724,600)</u>

## COMPANY CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2023

(All amounts in RMB Yuan unless otherwise stated)

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
<b>3. Cash flows from financing activities</b>		
Cash received from borrowings	—	15,000,000
<b>Sub-total of cash inflows</b>	<u>—</u>	<u>15,000,000</u>
Cash repayments of borrowings	<b>(10,000,000)</b>	(25,000,000)
Cash payments for distribution of dividends, profits or interest expenses	<b>(4,176,961)</b>	(5,360,583)
Cash paid relating to other financing activities	<b>(18,409,474)</b>	(14,313,240)
<b>Sub-total of cash outflows</b>	<u><b>(32,586,435)</b></u>	<u>(44,673,823)</u>
<b>Net cash flows used in financing activities</b>	<u><b>(32,586,435)</b></u>	<u>(29,673,823)</u>
<b>4. Effect of foreign exchange rate changes on cash</b>	<u><b>(5,247,413)</b></u>	<u>33,639,804</u>
<b>5. Net decrease in cash</b>	<b>1,293,122,249</b>	133,592,934
Add: Cash at the beginning of the period	<u><b>3,297,928,530</b></u>	<u>6,049,079,897</u>
<b>6. Cash at the end of the period</b>	<u><u><b>4,591,050,779</b></u></u>	<u><u>6,182,672,831</u></u>

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

Item	Note 4	Attributable to shareholders of the Company						Minority interests	Total shareholders' equity	
		Share capital	Capital surplus	Other	Specific reserve	Surplus reserve	General risk reserve			Undistributed profits
				comprehensive income						
<b>Balance at 31 December 2021</b>		6,491,100,000	12,862,527,869	(7,107,484)	3,918,032	2,002,688,003	411,248,470	13,786,510,309	4,466,249,306	40,017,134,505
changes in accounting policies		-	-	-	-	-	-	(3,269,896)	(23,078)	(3,292,974)
<b>Balance at 1 January 2022 (Restated)</b>		6,491,100,000	12,862,527,869	(7,107,484)	3,918,032	2,002,688,003	411,248,470	13,783,240,413	4,466,226,228	40,013,841,531
<b>Movements for the six months ended</b>										
<b>30 June 2022 (Unaudited)</b>										
Total comprehensive income										
Net profit		-	-	-	-	-	-	2,312,589,485	401,056,418	2,713,645,903
Other comprehensive income	(39)	-	-	10,485,405	-	-	-	-	3,464,745	13,950,150
Total comprehensive income for the period		-	-	10,485,405	-	-	-	2,312,589,485	404,521,163	2,727,596,053
Capital contribution and withdrawal by shareholders										
Capital contribution by minority shareholders in subsidiaries										
		-	-	-	-	-	-	-	5,250,000	5,250,000
Business combination under common control	(38)	-	(984,446,625)	-	-	-	-	-	-	(984,446,625)
Profit distribution										
Profit distribution to shareholders	(41)	-	-	-	-	-	-	(1,664,318,040)	(207,250,478)	(1,871,568,518)
Specific reserve										
Appropriation to safety fund		-	-	-	50,880,287	-	-	-	13,022,077	63,902,364
Utilization of safety fund		-	-	-	(38,789,256)	-	-	-	(7,466,642)	(46,255,898)
Recognition of other changes in other reserves of associates and joint ventures	(38)	-	4,857,403	-	-	-	-	-	-	4,857,403
<b>Balance at 30 June 2022 (Unaudited)</b>		<u>6,491,100,000</u>	<u>11,882,938,647</u>	<u>3,377,921</u>	<u>16,009,063</u>	<u>2,002,688,003</u>	<u>411,248,470</u>	<u>14,431,511,858</u>	<u>4,674,302,348</u>	<u>39,913,176,310</u>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

For the six months ended 30 June 2023

(All amounts in RMB Yuan unless otherwise stated)

Item	Note 4	Attributable to shareholders of the Company						Minority interests	Total shareholders' equity
		Share capital	Capital surplus	Other	Specific reserve	Surplus reserve	Undistributed profits		
				comprehensive income					
Balance at 1 January 2023 (Restated)		<u>6,491,100,000</u>	<u>11,878,388,652</u>	<u>(43,501,228)</u>	<u>12,449,939</u>	<u>2,419,818,733</u>	<u>16,641,280,437</u>	<u>3,877,363,962</u>	<u>41,276,900,495</u>
<b>Movements for the six months ended</b>									
<b>30 June 2023 (Unaudited)</b>									
Total comprehensive income									
Net profit		-	-	-	-	-	2,563,527,124	303,979,117	2,867,506,241
Other comprehensive income	(39)	-	-	(87,283,525)	-	-	-	(2,767,168)	(90,050,693)
Total comprehensive income for the period		-	-	(87,283,525)	-	-	2,563,527,124	301,211,949	2,777,455,548
Capital contribution and withdrawal by shareholders									
Capital contribution by minority shareholders in subsidiaries		-	-	-	-	-	-	111,080,009	111,080,009
Purchase of minority shareholders	(38)	-	7,737,484	-	-	-	-	(20,483,075)	(12,745,591)
Profit distribution									
Profit distribution to shareholders	(41)	-	-	-	-	-	(1,748,053,230)	(390,586,829)	(2,138,640,059)
Specific reserve									
Appropriation to safety fund		-	-	-	51,213,671	-	-	15,255,425	66,469,096
Utilization of safety fund		-	-	-	(38,228,387)	-	-	(8,770,866)	(46,999,253)
Recognition of other changes in other reserves of associates and joint ventures	(38)	-	3,354,771	-	-	-	-	-	3,354,771
Balance at 30 June 2023 (Unaudited)		<u>6,491,100,000</u>	<u>11,889,480,907</u>	<u>(130,784,753)</u>	<u>25,435,223</u>	<u>2,419,818,733</u>	<u>17,456,754,331</u>	<u>3,885,070,575</u>	<u>42,036,875,016</u>

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

# COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2023  
(All amounts in RMB Yuan unless otherwise stated)

Item	Note15	Share capital	Capital surplus	Other comprehensive income	Specific reserve	Surplus reserve	Undistributed profits	Total equity
<b>Balance at 31 December 2021</b>		6,491,100,000	16,242,455,107	31,210,000	-	2,002,688,003	10,153,943,606	34,921,396,716
changes in accounting policies		-	-	-	-	-	533,635	533,635
<b>Balance at 1 January 2022 (Restated)</b>		6,491,100,000	16,242,455,107	31,210,000	-	2,002,688,003	10,154,477,241	34,921,930,351
<b>Movements for the six months ended</b>								
<b>30 June 2022 (Unaudited)</b>								
Total comprehensive income								
Net profit		-	-	-	-	-	2,067,352,346	2,067,352,346
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	2,067,352,346	2,067,352,346
Business combination under common control		-	(362,343,328)	-	-	-	-	(362,343,328)
Profit distribution								
Profit distribution to shareholders		-	-	-	-	-	(1,664,318,040)	(1,664,318,040)
Specific reserve								
Appropriation to safety fund		-	-	-	20,741,207	-	-	20,741,207
Utilization of safety fund		-	-	-	(20,741,207)	-	-	(20,741,207)
Recognition of other changes in other reserves of associates and joint ventures	(12)	-	4,857,403	-	-	-	-	4,857,403
Other movement		-	-	2,401,000	-	-	-	2,401,000
<b>Balance at 30 June 2022 (Unaudited)</b>		<u>6,491,100,000</u>	<u>15,884,969,182</u>	<u>33,611,000</u>	<u>-</u>	<u>2,002,688,003</u>	<u>10,557,511,547</u>	<u>34,969,879,732</u>

## COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

For the six months ended 30 June 2023

(All amounts in RMB Yuan unless otherwise stated)

Item	Note15	Share capital	Capital surplus	Other comprehensive income	Specific reserve	Surplus reserve	Undistributed profits	Total equity
Balance at 1 January 2023 (Restated)		<u>6,491,100,000</u>	<u>16,024,844,086</u>	<u>21,733,193</u>	-	<u>2,419,818,733</u>	<u>12,244,118,537</u>	<u>37,201,614,549</u>
<b>Movements for the six months ended</b>								
<b>30 June 2023 (Unaudited)</b>								
Total comprehensive income								
Net profit		-	-	-	-	-	2,247,102,564	2,247,102,564
Other comprehensive income	(13)	-	-	(54,180,693)	-	-	-	(54,180,693)
Total comprehensive income for the period		-	-	(54,180,693)	-	-	2,247,102,564	2,192,921,871
Profit distribution								
Profit distribution to shareholders		-	-	-	-	-	(1,748,053,230)	(1,748,053,230)
Specific reserve								
Appropriation to safety fund		-	-	-	15,889,376	-	-	15,889,376
Utilization of safety fund		-	-	-	(15,889,376)	-	-	(15,889,376)
Recognition of other changes in other reserves of associates and joint ventures	(12)	-	3,354,771	-	-	-	-	3,354,771
Balance at 30 June 2023 (Unaudited)		<u>6,491,100,000</u>	<u>16,028,198,857</u>	<u>(32,447,500)</u>	-	<u>2,419,818,733</u>	<u>12,743,167,871</u>	<u>37,649,837,961</u>

The accompanying notes form an integral part of these financial statements.

Legal representative:

Principal in charge of accounting:

Head of accounting department:



# NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

## 1 GENERAL INFORMATION

Qingdao Port International Co., Ltd. (“the Company”) is a joint stock limited company incorporated in Qingdao City of Shandong Province of the People’s Republic of China (“the PRC”) on 15 November 2013 (the Company’s “Date of Incorporation”) by Shandong Port Qingdao Port Group Co., Ltd. (formerly known as Qingdao Port (Group) Co., Ltd., hereinafter “Qingdao Port Group”) as the Leading Promoter together with “Other Promoters” including Shenzhen Malai Storage Co., Ltd. (“Malai Storage”), Qingdao Ocean Shipping Co., Ltd. (“Qingdao Ocean”)(now renamed as COSCO Shipping (Qingdao) Co., Ltd.), China Shipping Terminal Development Co., Ltd. (“China Shipping Terminal”), Everbright Holdings (Qingdao) Financial Leasing Co., Ltd. (Everbright Holdings Qingdao) and Qingdao International Investment Co., Ltd. (“Qingdao International Investment”)(Collectively referred to as “other promoters”), with its registered address at No. 12 Jingba Road, Huangdao District, Qingdao, PRC.

Pursuant to *Qingdao State-Owned Assets Supervision & Administration Commission’s Reply on Approval of Establishment of Limited Liability Company and Listing of H-Shares By Qingdao Port (Group) Co., Ltd.* (Qing Guo Zi Gui [2013] No. 29) and restructuring plan, Qingdao Port Group restructures and establishes a limited liability company. The total share capital of the Company at incorporation is 4,000,000,000 shares (Par value at RMB1). The total capital contributions subscribed by the initiators and the share capital converted are as follows (Amounts in ten thousand Yuan):

Name of promoter	Form of contribution	Amount of contribution	Share capital	Capital surplus	Shareholding
Qingdao Port Group	Asset and liability	1,065,228	360,000	705,228	90.0%
Malai Storage	Cash at bank and on hand	33,141	11,200	21,941	2.8%
Qingdao Ocean	Cash at bank and on hand	28,406	9,600	18,806	2.4%
China Shipping Terminal	Cash at bank and on hand	28,406	9,600	18,806	2.4%
Everbright Holdings Qingdao	Cash at bank and on hand	14,203	4,800	9,403	1.2%
Qingdao International Investment	Cash at bank and on hand	14,203	4,800	9,403	1.2%
Total		<u>1,183,587</u>	<u>400,000</u>	<u>783,587</u>	<u>100.0%</u>

The Company issued 705,800,000 foreign-listed H-shares overseas at its Initial Public Offering on 6 June 2014. The issuing price per share is HKD3.76 (approximately RMB2.98). The amount of raised capital less capitalized listing expenses was RMB1,995,921,171, including share capital of RMB705,800,000 (705,800,000 shares, par value at RMB1) and capital surplus of RMB1,290,121,171.

The Company exercised over-allotment option on 2 July 2014 and issued additional 72,404,000 foreign-listed H shares overseas. The issuing price per share was HKD3.76 (approximately RMB2.99). The amount raised in over-allotment was RMB216,167,727, including share capital of RMB72,404,000 (72,404,000 shares, par value at RMB1) and capital surplus of RMB143,763,727.

Furthermore, 77,821,000 state-owned shares held by Qingdao Port Group (equivalent to 10% of the issued H-shares) are converted to H-shares and transferred to the National Council for Social Security Fund of the PRC as a portion of shares in the IPO and over-allotment for sale.

# NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

## 1 GENERAL INFORMATION (CONTINUED)

The completion of the placing of 243,000,000 new H shares of the Company (the “Placing”) took place on 18 May 2017 at the placing price of HKD4.32 per H Share (equivalent to approximately RMB3.81). The number of total share capital of the Company increased to 5,021,204,000 shares as a result of the issue of the Placing Shares.

The Company made private placement of 1,015,520,000 Domestic Shares to Shanghai China Shipping Terminal Development Co., Ltd. (“Shanghai China Shipping Terminal”) on 22 May 2017 at a subscription price of RMB5.71 per share. After the completion of the private placement of the Domestic Shares, the number of total issued shares of the Company increased to 6,036,724,000 shares.

On 21 January 2019, the Company completed the initial public offering of 454,376,000 ordinary shares (A shares) and was listed on the main board of Shanghai Stock Exchange with a par value of RMB1.00 per share at the issuing price of RMB4.61 per share. After the completion of the issuance of A shares, the number of total issued shares of the Company increased to 6,491,100,000 shares.

As at 30 June 2023, the total share capital of the Company is 6,491,100,000 shares with par value at RMB1.00, including 5,392,075,000 A-shares and 1,099,025,000 H-shares, accounting for 83.07% and 16.93% respectively of the total share capital of the Company. Qingdao Port Group holds 55.77% shares of the Company in total (as at 30 June 2023, Qingdao Port Group participated in the refinancing business and lent its 3,700,000 outstanding shares of the Company with no trading restrictions to China Securities Finance Co., Ltd., without any transfer of ownership).

Qingdao Port Group is the parent company of the Company. The ultimate parent company of the Company is Shandong Port Group Co., Ltd. (“Shandong Port Group”).

The scope of business of the Company and its subsidiaries (collectively the “Group”) includes port and port-related services such as stevedoring, stacking, logistics of containers, metal ores, coal, crude oil, grains, break bulk cargo, and port ancillary business such as building construction, supplying electricity and fuel.

For the details of the main subsidiaries included in the scope of consolidation for the year, please refer to Note 6. The subsidiaries included in the scope of consolidation for the period refer to those acquired through business combination involving enterprises not under common control. The subsidiary that is no longer included in the scope of consolidation for the period is Shangang Shanhai Security (Shandong) Co., Ltd. (“Tongan Security”, formerly known as Qingdao Port Tongan Security Service Co., Ltd.). For details, please refer to Note 5.

These financial statements have been approved for issuance by the Company’s Board of Directors on Aug 25 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting policies and accounting estimates are determined based on the features of the Group's production and operation, which mainly include judgement criteria for the provision of expected credit losses on receivables and contract assets (Note 2(9)), depreciation of fixed assets, amortization of intangible assets (Note 2(13), (16)), provision of supplementary retirement benefits (Note 2(19)), and recognition and measurement of revenue (Note 2(22)), etc.

The Group's critical judgements applied in determining significant accounting policies, critical accounting estimations and key assumptions are as follows Note 2(30).

#### (1) Preparation basis of financial statements

The financial statements are prepared in accordance with *the Accounting Standard for Business Enterprises – Basic Standard*, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as the “Accounting Standards for Business Enterprises”); and are also prepared in accordance with the *Public Information Disclosure and Compilation Rules for Public Offering of Securities No. 15 – General Provisions for Financial Reporting* issued by China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

The new Hong Kong Companies Ordinance came into effect on 3 March 2014. Certain disclosures in the financial statements have been adjusted in accordance with requirements in Hong Kong Companies Ordinance.

#### (a) Preparation basis of consolidated financial statements

Prior to the establishment of the Company, Qingdao Port Group was reorganised under the plan approved by Qingdao SASAC and transferred certain business into the Company; therefore, the matter was deemed as business combination involving enterprises under common control. Pursuant to the Accounting Standards for Business Enterprises, at preparation of the consolidated financial statements of the Group, the assets and liabilities contributed by Qingdao Port Group at the Company's Date of Incorporation remain presented at their original carrying amounts rather than at the appraisal values approved by the competent state-owned assets management authorities in the reorganization. The difference between the appraisal values and the carrying amounts is charged against the shareholders' equity in the consolidated financial statements.

On the other hand, certain subsidiaries of the Company appraised their assets and liabilities in the process of transformation from state-owned enterprises into limited liability companies. In the light of *Interpretation No. 1 to the Accounting Standards for Business Enterprises*, the assets and liabilities of such reorganized companies shall, on the incorporation dates, be consolidated into the consolidated financial statements of the Group based on the appraisal values approved by the competent state-owned assets management authorities.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (1) Preparation basis of financial statements (Continued)

##### (b) Preparation basis of the Company's financial statements

At preparation of the Company's financial statement, the assets and liabilities of Qingdao Port Group that were contributed into the Company are recognized based on the appraisal values approved by the competent state-owned assets management authorities, stated on the Company's financial statements.

#### (2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the six months ended 30 June 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Consolidated and the Company's financial position as at 30 June 2023 and their financial performance, cash flows and other information for the year then ended.

#### (3) Accounting year

The Company's accounting year starts on 1 January and ends on 31 December.

#### (4) Recording currency

The recording currency is Renminbi (RMB). The financial statements are shown in RMB.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (5) Business combination

##### (a) Business combination involving enterprises under common control

The consideration paid and net assets obtained by the Group in a business combination are measured at the carrying amount. If the acquiree was acquired from the third party by the ultimate controlling party in previous years, it shall be based on the carrying amount of the assets and liabilities of the acquiree (including the goodwill formed by the acquisition of the acquiree by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital surplus (capital premium). If the capital surplus (capital premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs that directly attribute to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issuance of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

##### (b) Business combination involving enterprises not under common control

The cost of combination and identifiable net assets obtained by the Group in a business combination are measured at fair value at the acquisition date. When the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; when the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period. Costs directly attribute to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issuance of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

#### (6) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realized before the combination date is presented separately in the consolidated income statement.

In preparation of the consolidated financial statements, when the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (6) Preparation of consolidated financial statements (Continued)

All significant intra-group balances, transactions and unrealized profits are eliminated from the consolidated financial statements. The portion of subsidiaries' owners' equity and the portion of subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to the Company are recognized as minority interests, net profit attributed to minority interests and total comprehensive incomes attributed to minority interests and presented separately in the consolidated financial statements under shareholders' equity, net profits and total comprehensive income respectively. Where the loss for the current period attributable to the minority shareholders of the subsidiaries exceeds the share of the minority interests in the opening balance of owners' equity, the excess is deducted against minority interests. Unrealized profits and losses resulting from the sales of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to owners of the parent. Unrealized profits and losses resulting from the sales of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to owners of the parent and minority interests in accordance with the allocation proportion of the parent in the subsidiary.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

If the control over the subsidiary is lost due to the disposal of a portion of an equity investment or other reasons, the remaining equity investment in the consolidated financial statements is remeasured at its fair value at the date when the control is lost. The sum of consideration received from the disposal of equity investment and the fair value of the remaining equity investment, net of the sum of the share of net assets of the former subsidiary based on continuous calculation since the acquisition date at previous proportion of shareholding and goodwill, is recognised as investment income for the current period when the control is lost. In addition, other comprehensive income and other changes in owners' equity (excluding other comprehensive income from changes arising from remeasurement by investees on net liabilities or net assets of defined benefit plans and from accumulative changes in fair value of investments in equity instrument not held for trading held by investees that are classified as fair value through other comprehensive income), which are related with the equity investment in the former subsidiary, are transferred to profit or loss for the current period when the control is lost.

#### **Acquisition of minority interests in subsidiaries**

After the control over the subsidiary is gained, whole or partial minority interests of the subsidiary owned by minority shareholders are acquired from the subsidiary's minority shareholders. In the consolidated financial statements, the subsidiary's assets and liabilities are reflected at the amount based on continuous calculation since the acquisition date or the combination date. The difference between additional long-term equity investments for purchase of minority interests and the share of net assets of the subsidiary calculated at the increased proportion of shareholding based on continuous calculation since the acquisition date or the combination date is treated as an adjustment to capital surplus. If the capital surplus (capital premium or share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

#### (8) Foreign currency translation

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalized as part of the cost of those assets. Non-monetary items denominated in foreign currencies and measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

#### (9) Financial instruments

Financial instrument is a contract that forms a financial asset of one party and forms a financial liability or equity instrument of the other party. When the Group becomes a party to a financial instrument contract, the relevant financial assets or financial liabilities are recognized.

##### (a) Financial assets

###### (i) *Classification and measurement of financial assets*

Based on the business model for financial asset management and the contractual cash flow characteristics of financial assets, the Group classifies the financial assets as: (1) financial assets measured at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition. For financial assets at fair value through profit and loss, the related transaction costs are directly recognized in profit or loss. For other financial assets, the related transaction costs are included in initially recognized amounts. Accounts receivable or notes receivable arising from sales of products or rendering of services excluding or without regard to significant financing components are initially recognized at the consideration that is entitled to be charged by the Group as expected.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (9) Financial instruments (Continued)

##### (a) Financial assets (Continued)

##### (i) *Classification and measurement of financial assets* (Continued)

###### *Debt instruments*

Debt instruments held by the Group are instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured with the following three methods respectively:

Measured at amortized cost:

The Group's business model for financial asset management aims to receive contractual cash flows. The contractual cash flow characteristics of such financial assets are consistent with basic loan arrangement, which means the cash flow generated at certain dates is only the payment for the principal and corresponding interest based on unpaid principal. The interest income of such financial assets is recognized using the effective interest method. Such financial assets mainly comprise cash at bank and on hand, notes receivable, accounts receivable, other receivables, debt investments and long-term receivables. Debt investments and long-term receivables due within 1 year (inclusive) at the balance sheet date are included in the current portion of non-current assets; debt investments with maturities of no more than 1 year (inclusive) at acquisition are included in other current assets.

Measured at fair value through other comprehensive income:

The Group's business model for the financial asset management aims to receive contractual cash flows and hold the financial assets for sale. The contractual cash flow characteristics of such financial assets are consistent with basic loan arrangement. Such financial assets are measured at fair value through other comprehensive income. However, impairment losses or gains, exchange gains or losses and interest income calculated using the effective interest method are included in profit or loss in the current period. Such financial assets mainly comprise financing receivables and other debt investments, etc. Such financial assets are presented as other debt investments. Other debt investments due within 1 year (inclusive) at the balance sheet date are included in the current portion of non-current assets, other debt investments with maturities of no more than 1 year (inclusive) at acquisition are included in other current assets.

Measured at fair value through profit or loss:

Debt instruments not classified as financial assets measured at amortized cost or at fair value through other comprehensive income are presented as financial assets held for trading at fair value through profit or loss by the Group. At initial recognition, the Group designates a portion of financial assets as those measured at fair value through profit or loss to eliminate or dramatically reduce accounting mismatches. Financial assets with maturities over 1 year and expected to be held over 1 year at the balance sheet date are presented as other non-current financial assets, the others are presented as financial assets held for trading.



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (9) Financial instruments (Continued)

##### (a) Financial assets (Continued)

###### (i) *Classification and measurement of financial assets* (Continued)

###### *Equity instruments*

Investments in equity instruments over which the Group exert no control, joint control or significant influence, are presented as financial assets held for trading and are measured at fair value through profit or loss; financial assets expected to be held over 1 year at the balance sheet date are presented as other non-current financial assets.

###### (ii) *Impairment*

Relevant loss provision is recognized for financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease receivables based on Expected Credit Loss (“ECL”).

Giving consideration to reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort at the balance sheet date, weighted by the probability of default, the Group recognises the ECL as the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the cash flows expected to be collected.

For notes receivable, accounts receivable, financing receivables and contract assets caused by sales of goods, rendering of services and other daily operating activities, no matter whether there is a significant financing component, the Group measures their loss provision based on lifetime ECL. For lease receivables, the Group measures the loss provision based on lifetime ECL.

Except for the above notes receivable, accounts receivable, receivables financing, contract assets and lease receivables, ECL of financial instruments in different stages is measured respectively at each balance sheet date by the Group. Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition. For these assets, loss provisions are provided at 12-month ECL; Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these financial instruments, lifetime ECL are recognised. Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised.

For financial instruments with low credit risk at the balance sheet date, the Group assumes the credit risk of such financial instruments does not increase significantly after the initial recognition, the Group determines them as the financial instruments in Stage 1, and measures loss provision based on 12-month ECL.

For the financial instruments in Stage 1 and Stage 2, the interest income is calculated by applying the effective interest rate to the book balance (before net of expected credit loss provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (net of expected credit loss provision).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (9) Financial instruments (Continued)

##### (a) Financial assets (Continued)

##### (ii) Impairment (Continued)

When there is no information at reasonable cost to assess the ECL on the individual basis, the Group classifies receivables into several groups in accordance with their credit risk characteristics and measures ECL on the basis of grouping basis. Basis for determining groups and method for provision are as follows:

Grouping of financing receivables and notes receivable:

Grouping of financing receivables	Bank acceptance notes
Grouping A	Trade acceptance notes receivable from companies in the scope of consolidation (For company financial statements)
Grouping B	Trade acceptance notes receivable from other companies outside the scope of consolidation

Grouping of accounts receivable:

Grouping A	Accounts receivable from companies in the scope of consolidation (For company financial statements)
Grouping B	Accounts receivable from engineering and construction businesses of companies outside the scope of consolidation
Grouping C	Accounts receivable from companies outside the scope of consolidation other than engineering and construction businesses

Grouping of other receivables and long-term receivables:

Internal company combinations	Other receivables and long-term receivables from companies in the scope of consolidation (For company financial statements)
Loan and advance combinations	Loans and advances from companies outside the scope of consolidation
Agency business and receivables combinations	Agency business and receivables combinations from companies outside the scope of consolidation other than loans and advances
Deposit combinations	Deposit combinations from companies outside the scope of consolidation other than loans and advances
Dividend receivable combinations	Dividend receivable combinations from companies outside the scope of consolidation other than loans and advances
Other combinations	Other combinations from companies outside the scope of consolidation other than loans and advances

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (9) Financial instruments (Continued)

##### (a) Financial assets (Continued)

##### (ii) Impairment (Continued)

For accounts receivable, lease receivable and financing receivables caused by sales of goods, rendering of services and other daily operating activities that on the grouping basis, the Group calculates the ECL by referring to historical credit loss experience, considering current situation and future economic conditions, and based on the exposure at default (“EAD”) and lifetime ECL ratio. For other notes receivables, financing receivables, other receivables and long-term receivables on the grouping basis, the Group calculates the ECL by referring to historical credit loss experience, considering current situation and future economic conditions, and based on the EAD and the ECL ratio within 12 months or for the lifetime.

For loans and advances that are accounted for as other receivables and long-term receivables, the Group measures loans based on the client’s “probability of default” and financial status of the agreed obligations, taking into account EAD and possible future development trends.

Impairment losses provision or reversal is recognized in profit or loss in the current period by the Group. For debt instrument measured at fair value through other comprehensive income, the Group adjusted other comprehensive income accordingly upon the recognition of the impairment losses or gains into profit or loss.

##### (iii) Derecognition

A financial asset is derecognized when any of the below criteria is met: (1)the contractual rights to receive the cash flows from the financial asset expire; (2)the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (3)the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of investments in other equity instruments, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognized directly in other comprehensive income, is recognized in retained earnings. On derecognition of other financial assets, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognized directly in other comprehensive income, is recognized in profit or loss in the current period.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (9) Financial instruments (Continued)

##### (b) Financial liabilities

Financial liabilities are classified into the following categories at initial recognition: financial liabilities measured at amortized cost and financial liabilities at fair value through profit or loss.

The financial liabilities of the Group mainly comprise of financial liabilities measured at amortized cost, including notes payable, accounts payable, other payables, borrowings, long-term payables and lease liabilities. Such financial liabilities are recognized initially at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Such financial liabilities with maturities no more than one year (inclusive) are classified as current liabilities. Other financial liabilities with maturities over one year but are due within one year (inclusive) at the balance sheet date are classified as the current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognized or partly derecognized when the current obligation is discharged or partly discharged. The difference between the carrying amount of the financial liability or the derecognized part of the financial liability and the consideration paid is recognized in profit or loss in the current period.

##### (c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. At valuation, the Group uses valuation techniques that are applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of relevant observable inputs. The Group uses unobservable inputs when relevant observable inputs are not available or feasible.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (10) Inventories

**(a) Classification**

Inventories include amounts of materials and finished goods, spare parts, fuel, low value consumables, and are stated at the lower of cost and net realizable value.

**(b) Costing of inventories when issued**

Cost of materials, finished goods, fuel and spare parts is determined using weighted average method when issued while low value consumables are charged to cost in full when issued for use.

**(c) Basis for determining net realizable values of inventories and method for making provision for decline in the value of inventories**

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realizable value. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated contract performance costs, estimated costs necessary to make the sale and related taxes.

**(d) The Group adopts the perpetual inventory system.**

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

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has joint control together with other parties and only has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances. An associate is the investee over which the Group has significant influence by participating in the financial and operating policy decisions.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted to the equity method when preparing the consolidated financial statements. Investments in joint ventures and associates are accounted for using the equity method.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (11) Long-term equity investments (Continued)

##### (a) Determination of investment cost

For long-term equity investments acquired through business combinations involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment formed through business combinations involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through business combinations, regarding the long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

##### (b) Subsequent measurement and recognition of related profit and loss

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognized as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognizes the investment income pursuant to its share of net profit or loss of the investee. The Group discontinues recognizing its share of the net losses of an investee after the carrying amounts of the long-term equity investment together with any long-term interests that in substance form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognizing the investment losses and the provisions. The changes of the Group's share of the investee's owner's equity other than those arising from the net profit or loss, other comprehensive income and profit distribution are recognized in the Group's capital surplus and the carrying amounts of the long-term equity investment are adjusted accordingly. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (11) Long-term equity investments (Continued)

##### (b) Subsequent measurement and recognition of related profit and loss (Continued)

The unrealized profits or losses arising from the transactions between the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, based on which the investment gain or losses are recognized. In the preparation of the consolidated financial statements, as for the portion attributable to the Group of unrealised gains or losses in which the assets are invested or sold to the investees by the Group in downstream transactions, the Group offsets the portion attributable to the Group of the unrealised revenue and costs or gains or losses on disposal of assets on the basis of offsetting against the Company's financial statements and adjusts investment income accordingly; as for the portion attributable to the Group of unrealised gains or losses in which the assets are invested or sold to the Group by the investees in upstream transactions, the Group offsets the portion attributable to the Group of the unrealised gains or losses in internal transactions included in the carrying amount of the related assets on the basis of offsetting against the Company's financial statements, and adjusts the carrying amount of long-term equity investments accordingly. Any losses resulting from transactions between the Group and its investees attributable to asset impairment losses are not eliminated.

When the Group increases the percentage of shareholding in investee due to additional investment, but the investee remains to be an associate or a joint venture, it shall be accounted for using equity method with the updated percentage of shareholding. When the additional investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the additional investment date, the cost of long-term equity investment is not adjusted; when the additional investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the additional investment date, the difference is included in non-operating income and the cost of the long-term equity investment is adjusted upwards accordingly. While making the adjustment, goodwill relating to the original and additional investment or the amount included in profit or loss should be considered.

##### (c) Basis for determining existence of control, jointly control or significant influence over investees

Control is the power to govern an investee, so as to obtain variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

##### (d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2 (18)).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (12) Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognized in profit or loss in the period in which they are incurred.

The Group adopts the cost model for subsequent measurement of investment properties. Land use rights are amortized on the straight-line basis over their approved use period of 35 – 50 years. Buildings and storage facilities are depreciated to their estimated net residual values over their estimated useful lives. The estimated useful lives, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of buildings, storage facilities and land use rights are as follows:

	<b>Estimated useful lives</b>	<b>Estimated net residual values</b>	<b>Annual depreciation/ amortization rates</b>
Buildings	30 years	4%	3.2%
Storage facilities	20 – 45 years	4%	2.1% – 4.8%
Land use rights	35 – 50 years	–	2.0% – 2.9%

When an investment property is transferred to owner-occupied properties, it is reclassified as fixed asset or intangible asset on the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount on the date of the transfer. When transferred, carrying amount before transfer shall be recorded as cost after transfer.

The investment property's estimated useful life, net residual value and depreciation method applied are reviewed and adjusted as appropriate at each year-end.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment property after its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

The carrying amount of an investment property is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2 (18)).



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (13) Fixed assets

##### (a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, port facilities, storage facilities, loading equipment, machinery and equipment, vessels, transportation equipment, communication facilities, office equipment and other equipment.

Fixed assets are recognized when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the time of acquisition. The fixed assets contributed by the State shareholders at the reorganization of the Company into a corporation are recognized based on the evaluated amounts as approved by the state-owned assets administration department.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

##### (b) Depreciation methods of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based on the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	30 years	4%	3.2%
Port facilities	20 – 45 years	4%	2.1% – 4.8%
Storage facilities	20 – 45 years	4%	2.1% – 4.8%
Loading equipment	10 years	4%	9.6%
Machinery and equipment	5 – 18 years	4%	5.3% – 19.2%
Vessels	18 years	5%	5.3%
Transportation equipment	10 – 12 years	4%	8.0% – 9.6%
Communication facilities	5 – 8 years	4%	12.0% – 19.2%
Office equipment and other equipment	5 – 12 years	4%	8.0% – 19.2%

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed and adjusted as appropriate at each year-end.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (13) Fixed assets (Continued)

(c) **The carrying amount of a fixed asset is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2(18)).**

#### (d) Disposal of fixed assets

A fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

#### (14) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalization and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2 (18)).

#### (15) Borrowing costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalized and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalization of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognized in profit or loss for the current period. Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

The capitalized amount of specific borrowings intended to be used for the acquisition and construction of qualifying assets is determined by the interest expenses incurred in the period less interest income of the unused borrowings deposited at bank or investment income from temporary investments.

The capitalized amount of general borrowings intended to be used for the acquisition and construction of qualifying assets is determined by the weighted average of the excess of accumulated capital expenditure over capital expenditure of the special borrowings multiplied by the weighted average effective interest rate of the utilized general borrowings. The effective interest rate is the rate at which the future cash flows of the borrowings over the expected lifetime or a shorter applicable period are discounted into the initial recognized amount of the borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (16) Intangible assets

Intangible assets include land use rights, sea area use rights, computer software, and are measured at cost. The intangible assets contributed by the State shareholders at the reorganization of the Company into a corporation are recognized based on the evaluated amounts as approved by the state-owned assets administration department.

**(a) Land use rights**

Land use rights are amortized on the straight-line basis over their approved use period of 35 – 50 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognized as fixed assets.

**(b) Sea area use rights**

Sea area use rights are initially recorded at their cost on acquisition and amortized on the straight-line basis over their useful lives of 45 – 50 years.

**(c) Software**

Software is initially recorded at its cost on acquisition and amortized on the straight-line basis over its estimated useful life of 5 years.

**(d) Periodical review of useful life and amortization method**

For an intangible asset with a finite useful life, review of its useful life and amortization method is performed at each year-end, with adjustments made as appropriate.

**(e) Research and development**

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at the end of the project.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (16) Intangible assets (Continued)

##### (e) Research and development (Continued)

Expenditure on the research phase is recognized in profit or loss in the period in which it is incurred. Expenditure on the development phase is capitalized only if all of the following conditions are satisfied:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset, and use or sell it;
- it can be demonstrated how the intangible asset will generate economic benefits;
- there are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognized in profit or loss in the period in which they are incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period. Capitalized expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

##### (f) Impairment of intangible assets

The carrying amount of intangible assets is reduced to its recoverable amount when its recoverable amount is lower than its carrying amount (Note 2 (18)).

#### (17) Long-term prepaid expenses

Long-term prepaid expenses include the expenditures for improvements to right-of-use assets, and other expenditures that has been incurred but should be recognized as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortized on the straight-line basis over the expected beneficial period and are presented at actual expenditures net of accumulated amortization.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (18) Impairment of long-term assets

Fixed assets, construction in progress, investment properties, right-of-use assets, intangible assets with a finite useful life and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that assets may be impaired at the balance date. Intangible assets which are not ready for their intended use are tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an asset impairment losses are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset group or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or a group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset group or group of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment losses are recognized, it will not be reversed for the value recovered in the subsequent periods.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (19) Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits provided in various forms of consideration in exchange for service rendered by employees or compensations for the termination of employment relationship.

##### (a) Short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences. The employee benefit liabilities are recognized in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits are measured at fair value.

##### (b) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group's post-employment benefits mainly include basic pensions, unemployment insurance, corporate annuity and supplemental retirement benefits. The first three items are under defined contribution plans and the last one is under defined benefit plans.

##### *Basic pensions*

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated pursuant to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

##### *Corporate annuity*

Employees who retire on and subsequent to 1 January 2016 enjoy the corporate annuity plan set up by the Group in accordance with State's corporate annuity regulations apart from basic pensions. The annuity is accrued by the Group in proportion to the payroll. During the accounting period in which employees provide services, the amount calculated in line with the above-mentioned proportion is recognized as liabilities and is included into profit or loss for the current period.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (19) Employee benefits (Continued)

##### (b) Post-employment benefits (Continued)

###### **Supplemental retirement benefits**

Pursuant to *the Minutes of the 29th Executive Meeting of the 15th People's Government of Qingdao City* issued by the General Office of Qingdao Municipal Government on 19 August 2013, the Group, besides the pension plan specified by the State, offers supplemental retirement benefits to employees retired or to be retired prior to 31 December 2015 and the surviving family members involved, which is under defined benefit plans. Pursuant to *the Interim Measures for Supplementary Medical Insurance Management of Qingdao Port International Co., Ltd.* (Qing Gang Guo Ji Ren Zi [2020] No.104), the Group provides supplementary medical benefit and other supplemental benefits to employees retired or to be retired in the future. The above supplemental retirement benefits belong to defined benefit plan. The supplemental retirement benefits borne by the Group are recognized as liabilities, actuarially evaluated using projected unit credit method, and presented as the present value of expected future cash outflow. Actuarial gains and losses are included in other comprehensive income in the period when incurred, and past service cost is recognized in the period when incurred. The supplemental retirement benefits are discounted at the interest rate of government bonds that have terms to maturity approximating to the terms of the related supplemental retirement benefits.

The supplemental retirement benefits expected to be paid within one year since the balance sheet date are classified as employee benefits payable.

The supplemental retirement benefits borne by the Company for subsidiaries are deemed as investments in subsidiaries and are recorded into long-term equity investments.

##### (c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits as liabilities and corresponding charge to profit or loss at the earlier of the following dates: when the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; when the Group recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

###### **Early retirement benefits**

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the normal retirement date prescribed by the State, as approved by the management. The Group pays early retirement benefits to those early retired employees from the early retirement date until normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment of termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognized as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognized in profit or loss in the period when occurred.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (19) Employee benefits (Continued)

##### (c) Termination benefits (Continued)

###### *Early retirement benefits* (Continued)

The termination benefits expected to be paid within one year since the balance sheet date are classified as employee benefits payable.

#### (20) Dividend distribution

Cash dividend is recognized as a liability for the period in which the dividend is approved by the shareholders' meeting.

#### (21) Provisions

Provisions for product warranties, onerous contracts etc. are recognized when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditures required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows; the increase in the discounted amount of the provision arising from passage of time is recognized as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (22) Revenue

The Group recognizes revenue at the amount of consideration to which the Group expects to be entitled when customers obtain control of relevant goods or services.

##### (a) Rendering of services

The corresponding revenue recognition methods are summarised as follows:

- Income from services is recognized based on the progress of completed services over a period of time, including stevedoring of goods (including metal ores, coal, crude oil, grains, break bulk cargo, containers), port management, logistics and transportation, tugboat and barging, ocean shipping tallying, construction and other services, which is determined based on proportion of costs incurred to date to the estimated total costs. On the balance sheet date, the Group re-estimates progress of completed services to reflect the changes of the compliance with the contract.
- Income from stacking of goods like metal ores, coal, crude oil, grains, break bulk cargo, containers is recognized on the straight-line basis over the service period.

When the revenue is recognized pursuant to the progress of completed services by the Group, the amounts with unconditional collection right obtained by the Group are recognized as accounts receivable, and the rest are recognized as contract assets. Meanwhile, loss provision for accounts receivable and contract assets is recognized based on ECL (Note 2 (9)). If the contract amount received or receivable exceeds the amount for the completed services, the difference is recognized as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

Contract costs include contract performance costs and contract acquisition costs. Costs for rendering of services are recognized as contract performance costs, and are carried forward to cost of sales from main operations pursuant to the progress of services completed when the revenue is recognized. The Group will recognize the incremental costs incurred in obtaining the contracts as contract acquisition costs. For the costs to obtain a contract with the amortisation period within one year, the costs are charged in the current profit or loss when incurred. For the costs to obtain a contract with the amortisation period beyond one year, the costs are charged in the current profit or loss on the same basis as revenue of rendering of services recognised under the relevant contract. If the carrying amount of contract costs exceeds the residual considerations expected to be obtained from the provision of the services less the costs expected to be incurred, the Group makes provision for impairment for the difference and recognizes it as asset impairment losses. As at the balance sheet date, based on whether the amortisation period of the costs to fulfil a contract is more than one year when initially recognised, the amount of the Group's costs to fulfil a contract net of related provision for asset impairment is presented as inventories or other non-current assets. For costs to obtain a contract with amortisation period beyond one year at the initial recognition, the amount net of related provision for asset impairment is presented as other non-current assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (22) Revenue (Continued)

##### (a) Rendering of services (Continued)

The Group assesses whether it is the principal or an agent in the transactions regarding whether the Group has the control of goods when transferring the goods to the customer or rendering of services. Provided that the Group has the control of goods (or services) before the transfer of the goods or rendering of services, it is the principal and should recognise revenue for the gross amount of consideration received or receivable; otherwise it is the agent and should recognise revenue at the amount of commissions and fees to which the Group expects to be entitled.

##### (b) Sale of goods

Revenue from sales of oil and electricity belongs to contract obligations to be satisfied at a point in time and the corresponding revenue is recognized when the control of goods is transferred to the buyer.

#### (23) Government grants

Government grants are transfers of monetary or non-monetary assets from the government to the Group at nil consideration, including refund of taxes, financial subsidies, etc.

Government grant is recognized when the conditions attached to it can be complied with and the government grant can be received. For a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable, the grant is measured at nominal amount.

Government grants related to assets are those obtained for forming long-term assets by purchase, construction or acquisition in other ways. Grants related to income are government grants other than those related to assets.

Government grants related to assets are recorded as deferred income and recognized in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income that compensate future costs, expenses or losses are recorded as deferred income and recognized in profit or loss upon the recognition of the related costs, expenses or losses; government grants related to income that compensate incurred costs, expenses or losses are recognized in current profit or loss directly.

The Group uses the same presentation method for similar government grants.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income or expenses.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (24) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognized for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognized for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are only recognized for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilized, the corresponding deferred tax assets are recognized.

Deferred tax assets and liabilities are offset when:

- the deferred taxes are related to the same tax payer within the Group and the same taxation authority;
- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

#### (25) Leases

Lease refers to a contract in which the lessor transfers the use right of the assets to the lessee in a certain period of time to obtain the consideration.

##### **The Group as a lessee:**

The Group recognizes right-of-use assets on the beginning date of the lease period and lease liabilities based on the present value of the unpaid amount of lease payment. Lease payments include fixed payment and the amount to be paid based on reasonable assurance that the purchase option will be exercised or the lease option will be terminated. The flexible rental based on the sales amount is not included in the lease payment and is recognized in profit or loss for the current period when actually incurred. Lease liabilities that are to be paid within one year (inclusive) since the balance sheet date are included in the current portion of non-current liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (25) Leases (Continued)

##### **The Group as a lessee:** (Continued)

The Group's right-of-use assets comprise of buildings, port facilities, storage facilities, loading equipment, machinery and equipment and vessels, etc. Right-of-use assets are initially measured at cost which includes the initially measured amount of lease liabilities, the lease payment and initial direct costs on or before the beginning date of the lease period, deducting the lease incentives already received. If the Group can reasonably assure to obtain the ownership of lease assets when the lease period is due, depreciation is charged over the residual useful life of lease assets. Otherwise, depreciation is charged over the shorter of the lease period and the residual useful life of lease assets. The carrying amounts of right-of-use assets are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts.

For short-term leases with lease periods not exceeding 12 months and leases of low-value assets, the Group chooses not to recognize the right-of-use assets and lease liabilities. And the related rental expenses are either recognized over the period of the lease in current profit or loss or capitalized as part of the cost of related assets on a straight-line basis.

The Group shall account for a lease modification as a separate lease if both: (1)the modification increases the scope of the lease by adding the right to use one or more underlying assets; (2)the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

For a lease modification that is not accounted for as a separate lease, the Group shall redetermine the lease term at the effective date of the lease modification, and remeasure the lease liability by discounting the revised lease payments using a revised discount rate. For a lease modification which decreases the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset, and recognises in profit or loss any gain or loss relating to the partial or full termination of the lease. For other leases which lead to the remeasurement of lease liabilities, the Group correspondingly adjusts the carrying amount of the right-of-use asset.

##### **The Group as the lessor:**

A lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset is a financial lease. Other leases are operating leases.

##### **(a) Operating leases**

When the Group leases out self-owned port facilities, storage facilities, buildings and etc., the rental income from the operating lease is recognized on the straight-line basis over the lease period.

For a lease modification, the Company accounts for it as a new lease from the effective date of the modification, and considers any lease payments received in advance or receivable relating to the lease before modification as receivables of the new lease.

##### **(b) Finance leases**

As at the beginning date of the lease period, the Group recognizes finance lease receivables for finance leases and derecognizes related assets. Finance lease receivables are included in long-term receivables and finance lease receivables that are to be received within one year (inclusive) since the balance sheet date are included in the current portion of non-current assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (26) Held for sale and discontinued operations

A non-current asset or a disposal group is classified as held for sale when both of the following conditions are satisfied: (1) the non-current asset or the disposal group is available for immediate sale in its present condition subject to usual practices for sale of such non-current asset or disposal group; (2) the Group has signed a legal binding sale agreement with other parties and has obtained appropriate approval, and the sale is to be completed within one year.

Non-current assets (except for financial assets, investment properties at fair value and deferred tax assets) that meet the recognition criteria for held for sale are recognized at the amount equal to the lower of the fair value less costs to sell and the carrying amount. Any excess of the original carrying amount over the fair value less the costs to sell is recognized as asset impairment losses.

Such non-current assets and assets/liabilities included in disposal groups as classified as held for sale are accounted for as current assets/liabilities, and are presented separately in the balance sheet.

A discontinued operation is a separately identified component of the Group that either has been disposed of or is classified as held for sale, and satisfies one of the following conditions: (1) represents a separate major line of business or geographical area of operations; (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; and (3) is a subsidiary acquired exclusively with a view to resale.

Profit or loss from the discontinued operations stated in the income statement includes the profit or loss arising from operation and disposal.

#### (27) Specific reserve

Pursuant to the regulations of the Ministry of Finance, Administration of Work Safety and relevant local government departments, the Group accrues specific reserve of safety production in light of the actual revenue of dangerous goods stacking and other related services in the prior year.

Specific reserve is mainly for safety expenses on facilities such as stevedoring, transportation, and stacking.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (27) Specific reserve (Continued)

The provision for specific reserve is recognized as relevant cost or profit or loss for the current period, and it is also included in specific reserve. The specific reserve is written down when withdrawal of safety fund is of expense expenditure. If it is capital expenditure, the expenditure incurred is recorded in construction in progress and recognized as fixed assets when the project is completed and is ready for the intended use, and meanwhile, specific reserve is written down at the cost of the fixed assets and accumulated depreciation is recognized at the same amount. Consequently, such fixed assets are not depreciated in subsequent periods.

#### (28) Segment information

The Group identifies operating segments based on the internal organization structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1)the component is able to generate revenue and incur expenses from its ordinary activities; (2)whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3)for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

#### (29) Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

##### (a) Critical judgements in applying the accounting policies

###### (i) *Classification of financial assets*

The Group's major judgments when determining the classification of financial assets include analysis of business models and contract cash flow characteristics.

The Group determines the business model of managing financial assets at the level of the financial asset portfolio. The factors considered include the way to evaluate and report the performance of financial assets to key management personnel, the risks that affect the performance of financial assets and their management methods, and relevant business managers How to get paid, etc.

When evaluating whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgments: whether the principal may be due to early repayment and other reasons that may lead to changes in the time distribution or amount during the duration; whether the interest is only Including the time value of money, credit risk, other basic borrowing risks, and the consideration of costs and profits. For example, does the amount paid in advance reflect only the unpaid principal and the interest based on the unpaid principal, as well as the reasonable compensation paid for early termination of the contract.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (29) Critical accounting estimates and judgements (Continued)

##### (b) Critical accounting estimates and assumption

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

##### (i) *Estimate on depreciation of fixed assets*

The Group's management estimates the expected useful lives and residual values of fixed assets, and review them periodically. The estimates are based on the historical actual useful lives and industry practices of fixed assets with similar nature and function. In the processing of using fixed assets, the economic environment, technical environment and other environment may have a significant impact on the useful lives and expected net residual values of fixed assets; and also changes in the economic environment, technical environment and other environment may also lead significant changes in the expected realization method of economic benefits related to fixed assets. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

##### (ii) *Actuarial calculation of early retirement and supplemental retirement benefits*

The liabilities recognized from early retirement and supplemental retirement benefits by the Group are calculated on an actuarial basis using a number of assumptions. The assumptions include discount rates, salaries and welfare growth rate, and mortality rates, etc. Any differences between the actual results and assumptions are accounted in the current period in accordance with relevant accounting policies. Although the Group considers their assumptions are reasonable, change of experience data and assumptions will affect the amounts of early retirement benefit and supplemental retirement benefits liabilities and other comprehensive income associated with supplemental retirement benefits of the Group.

##### (iii) *Measurement of ECL*

The Group calculates ECL pursuant to exposure at default and ECL rate, and determines ECL rate based on probability of default and loss given default. When determining ECL rate, the Group adopts data like historical credit loss experience in combination with current situation and forward-looking information to adjust historical data.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 2 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (30) Significant changes in accounting policies

The Ministry of Finance released the *Circular on Issuing Interpretation No. 16 of Accounting Standards for Business Enterprises* (“Interpretation No. 16”) in 2022. In preparing the interim financial statements for the year ended 31 December 2023, the Group and the Company chose to adopt the provision of “deferred income taxes related to assets and liabilities arising from a single transaction are not subject to the initial recognition exemption” stipulated in Interpretation No. 16 from 1 January 2023, and retrospectively adjusted the opening balance of retained earnings in 2022 and other relevant items in the financial statements. The comparative financial statements of 2022 have been restated accordingly, and the impacts are as follows:

**(a) Deferred taxes on assets and liabilities arising from a single transaction are not subject to initial recognition exemption.**

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected As at 1 January 2022	
		The Group	The Company
Deferred tax liabilities and deferred tax assets are recognised by the Group and the Company for the taxable temporary differences and deductible temporary differences arising from lease transactions that initially recognise lease liabilities and are included in right-to-use assets at the lease commencement date.	Deferred tax assets/liabilities	(3,292,974)	533,635
	Undistributed profits	3,269,896	(533,635)
	Minority interests	23,078	–
		<b>31 December 2022</b>	
		The Group	The Company
	Deferred tax assets/liabilities	(17,655)	316,405
	Undistributed profits	204,748	(316,405)
	Minority interests	(187,093)	–
		<b>January to June 2022</b>	
		The Group	The Company
	Income tax expenses	(1,662,226)	(5,061,210)



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 3 TAXATION

#### (1) The main categories and rates of taxes applicable to the Group are set out below:

Category	Tax base	Tax rate
Enterprise income tax (a)	Taxable income	20% and 25%
Value-added tax (“VAT”) (b)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)	6%, 9% and 13%
	Taxable revenue amount	3% and 5%
Land use tax	Actual size of the land occupied	RMB3.2-11.2 per square meter per year
City maintenance and construction tax	Value added tax	7%
Educational surcharge	Value added tax	3%

#### (a) Enterprise income tax

Pursuant to the Circular on Enterprise Income Tax Policy Concerning Deductions for Equipment and Appliances (Cai Shui [2018] No. 54) and the Announcement on Extending the Implementation Period of Certain Preferential Tax Policies (Cai Shui [2021] No. 6) issued by the State Taxation Administration and relevant regulations, during the period from 1 January 2018 to 31 December 2023, the cost of newly purchased equipment with the original cost less than RMB5 million can be fully deducted against taxable profit in the next month after the asset is put into use, instead of being depreciated annually for tax filing.

#### (b) VAT

For the six months ended 30 June 2023, in addition to sales and commodity trading of fuel oil, mechanical and electrical equipment, water, electricity, etc., the company and certain subsidiaries also provide services such as transportation, stevedoring, port management, tugboat and barging, ocean shipping tallying, and tangible movable property leasing. Value-added tax is applicable to the above-mentioned businesses. The value-added tax rate applicable to the sales of fuel oil, mechanical and electrical equipment and electricity, commodity trading and tangible movable property leasing services is 13%; the value-added tax rate applicable to stevedoring services, port management services, tugboat and barging services, ocean shipping tallying and other services is 6%; the value-added tax rate applicable to the provision of transportation services, the provision of construction and installation projects, etc., the transfer of real estate such as docks, storage yards, land use rights, and the lease of real estate services is 9%; the transfer or lease of real estate acquired before April 30, 2016 is taxed pursuant to the simplified taxation method, and the applicable tax rate is 5%.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 3 TAXATION (CONTINUED)

#### (2) Tax incentives

##### (a) Enterprise income tax

In accordance with Cai Shui [2008] No. 116 and Cai Shui [2008] No. 46, Qingdao Port Haiye Dongjiakou Oil Products Co., Ltd. (formerly known as Qingdao Haiye Mercuria Storage Co., Ltd.) (“Dongjiakou Oil Products”) engaged in public infrastructure projects specially supported by the state, so the corresponding terminal loading and unloading business would be exempted from enterprise income tax for three years starting from 2021, and eligible for a 50% tax reduction for the next three years. For the six months ended 30 June 2023 was the third year of income tax exemption.

For the six months ended 30 June 2023, pursuant to Cai Shui [2022] No. 13 and Cai Shui [2023] No. 6, Qingdao Port International Port Service Co., Ltd. (“Port Service”), Qingdao Ocean Shipping Repair Co., Ltd. (“Ocean Shipping Repair”), Qingdao Port Culture & Media Co., Ltd. (“Cultural & Media”), Shandong Port Production Guarantee Co., Ltd. (“Production Guarantee”) and Qingdao Port Construction & Management Centre Co., Ltd. (“Construction & Management Centre”), subsidiaries of the Company, were all small low-profit enterprises. The portion of the annual taxable income of less than RMB3 million shall be deducted into the taxable income by 25%, and the enterprise income tax shall be prepaid at the rate of 20%.

##### (b) VAT

According to the *Announcement on Defining Policies for Reducing Value-added Tax for Small-Scale Taxpayers of Value-added Tax* (Cai Shui [2023] No.1) issued by the Ministry of Finance and the State Taxation Administration, as a life service enterprise, the Company’s subsidiary Qingdao Port Properties Co., Ltd. (“Qingdao Port Properties”) qualifies for additional 10% deduction of input VAT from output VAT from 1 April 2023 to 31 December 2023. The Company and Qingdao Port International Logistics Co., Ltd. (“Qingdao Port Logistics”), Qingdao Port Jieyuntong Logistics Co., Ltd. (“Jieyuntong Logistics”), Qingdao Port Lianjie International Logistics Co., Ltd. (“Lianjie Logistics”), Qingdao Port International Oil Port Co., Ltd (“International Oil Port”) Qingdao Shengshi International Logistics Co., Ltd. (“Shengshi Logistics”), Qingdao Ocean Shipping Tally Co., Ltd. (“Ocean Shipping Tally”), Waili Inspection, Qingdao Port Eimskip Coldchain Logistics Co., Ltd. (“Eimskip Coldchain”), the subsidiaries of the Company, as production service enterprises, qualify for additional 5% deduction of input VAT from output VAT from 1 January 2023 to 31 December 2023.

Pursuant to the relevant provisions of the *Notice on Comprehensively Promoting the Pilot Project of Replacing Business Tax with VAT issued by the Ministry of Finance and the State Administration of Taxation* (No. 36 [2016] of the State Administration of Taxation of the Ministry of Finance), Shandong Ganglianhua Pipeline Oil Transportation Co., LTD. (“Lianhua Pipeline”), a subsidiary of the company, as a general taxpayer providing pipeline transportation services, For those whose actual VAT burden exceeds 3 percent, the policy of levy-and-refund will be implemented.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 3 TAXATION (CONTINUED)

#### (2) Tax incentives (Continued)

##### (c) Land use tax for terminal land

For the six months ended 30 June 2023, according to the Announcement on Continuing the Implementation of the Preferential Urban Land Use Tax Policies for the Land Used by Logistics Enterprises for Bulk Commodity Storage Facilities (Cai Shui [2020] No. 16) issued by the Ministry of Finance and the State Taxation Administration, the Group's warehousing area for bulk commodities was subject to 50% tax reduction of land use tax. According to the Regulation on Issue of Land Use Tax Exemption of Port Land of Transport Department (Guo Shui Di Zi [1989] No. 123), the Group's land exclusively for ports (Berths, including quayside, deep-water floating quay, embankment, dam, etc.) was exempted from land use tax.

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Cash at bank and on hand

	30 June 2023 (Unaudited)	31 December 2022
Cash on hand	4,335	350
Cash at bank	1,243,785,014	682,825,594
Deposits of Shandong Port Finance	9,343,856,727	8,467,959,020
Other cash balances	24,899,500	7,440,791
Interest receivable	18,232,736	25,098,124
	<u>10,630,778,312</u>	<u>9,183,323,879</u>
Including: amounts deposited abroad	<u>33,443,570</u>	<u>2,253,498</u>

As at 30 June 2023, other cash balances include deposits for the issuance of bank acceptance notes amounted to RMB4,842,549, deposits for the issuance of letter of credit amounted to RMB5,500,000 and deposits for the issuance of letter of guarantee and other guarantees amounted to RMB14,556,951 (Note 4(53)(a)).

As at 31 December 2022, other cash balances include deposits for the issuance of bank acceptance notes amounted to RMB6,096,521 and deposits for the issuance of letter of guarantee and other guarantees amounted to RMB1,344,270 (Note 4(53)(a)).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (2) Financial assets held for trading

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Structured deposit	<b>601,459,145</b>	995,407,305
Stock investments	<b>3,439,188</b>	4,457,524
	<b><u>604,898,333</u></b>	<b><u>999,864,829</u></b>

#### (3) Notes receivable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Trade acceptance notes	<b>74,991,708</b>	60,316,043
Bank acceptance notes	<b>26,408,662</b>	37,698,488
Less: Bad debt provision	<b><u>(2,356,585)</u></b>	<u>(1,944,426)</u>
	<b><u>99,043,785</u></b>	<b><u>96,070,105</u></b>

- (a) As at 30 June 2023 and 31 December 2022, the Group had no pledged acceptance notes.
- (b) As at 30 June 2023 and 31 December 2022, the Group had no bank acceptance notes or trade acceptance notes presented in notes receivable that have been endorsed but not mature.
- (c) **Provision**

For notes receivable arising from sales of goods and rendering of services in the ordinary course of operating activities, the Group measures the provision of notes receivable based on the lifetime ECL regardless of whether there is a significant financing component. As at 30 June 2023, the Group had no notes receivable with provision for impairment on individual basis.

In the current year, the provision for bad debts provided on the grouping basis was RMB2,356,585. There was no significant provision for bad debts recovered or reversed, nor notes receivable written-off.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (4) Accounts receivable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Accounts receivable	<b>2,431,327,272</b>	2,224,386,597
Less: Bad debt provision	<b>(134,914,194)</b>	(207,915,041)
	<b><u>2,296,413,078</u></b>	<b><u>2,016,471,556</u></b>

Certain businesses of the Group are dealt in in form of cash, advances from customers, bank acceptance notes or trade acceptance notes. Remaining sales income is settled primarily with credit terms of 30 to 90 days.

(a) The ageing of accounts receivables based on their recording dates is analyzed as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Within 1 year	<b>2,283,616,361</b>	1,950,153,368
1 to 2 years	<b>90,878,172</b>	64,235,583
2 to 3 years	<b>27,954,029</b>	70,560,834
Over 3 years	<b>28,878,710</b>	139,436,812
	<b><u>2,431,327,272</u></b>	<b><u>2,224,386,597</u></b>

Accounts receivable are mainly recorded based on the date of transaction. The ageing of accounts receivable represented based on their recording dates is basically the same as the ageing represented based on the dates of invoice.

(b) As at 30 June 2023, the total amount of top five accounts receivable is analyzed as follows:

	<b>Amount</b>	<b>Provision for bad debt</b>	<b>% of total balance</b>
Total amount of top five accounts receivable	<b><u>531,252,348</u></b>	<b><u>(34,782,960)</u></b>	<b><u>22%</u></b>

(c) For the six months ended 30 June 2023, the Group did not have any accounts receivable that were derecognised due to the transfer of financial assets (For the six months ended 30 June 2022: Nil)

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (4) Accounts receivable (Continued)

##### (d) Bad debt provision

The Group measures the provision of accounts receivable based on the lifetime ECL regardless of whether there exists a significant financing component.

- (i) As at 30 June 2023, accounts receivable for which the related provision for bad debts was provided on the individual basis were receivables of RMB20,656,092 from Zhongshang Jiankai (Qingdao) Technology Development Co., Ltd., receivables of RMB256,346 from Hangzhou Qianyue Network Technology Co., Ltd. and receivables of RMB50,000 from Ningxia Lingwu Baota Dagu Warehousing and Transportation Co., Ltd. The Group considers the above receivables to be difficult to recover due to corresponding companies' difficulties in the business operations or being blacklisted for involvement of several litigations, thus a full provision for bad debts is made by the Group.
- (ii) The analysis of accounts receivable in combination with provision for bad debts is as follows:

Accounts Receivable Group B-Accounts Receivable for engineering and construction Business:

	30 June 2023 (Unaudited)		
	Ending balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount
Within 1 year	80,547,463	4.62%	(3,723,605)
1 to 2 years	84,848,406	13.37%	(11,342,920)
2 to 3 years	27,340,283	41.39%	(11,316,603)
	<u>192,736,152</u>		<u>(26,383,128)</u>
	31 December 2022		
	Ending balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount
Within 1 year	11,486,038	4.30%	(493,862)
1 to 2 years	57,536,932	12.51%	(7,198,047)
2 to 3 years	70,277,390	40.57%	(28,511,341)
3 to 4 years	110,814,448	72.56%	(80,411,356)
	<u>250,114,808</u>		<u>(116,614,606)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (4) Accounts receivable (Continued)

##### (d) Bad debt provision (Continued)

- (ii) The analysis of accounts receivable in combination with provision for bad debts is as follows:  
(Continued)

Accounts receivable Group C-Accounts receivable other than engineering and construction businesses:

	30 June 2023 (Unaudited)		
	Ending Balance	Provision for bad debt	
	Amount	Lifetime ECL rate	Amount
Within 1 year	2,203,068,898	3.49%	(76,807,514)
1 to 2 years	6,029,766	37.00%	(2,231,096)
Over 2 years	8,530,018	100.00%	(8,530,018)
	<u>2,217,628,682</u>		<u>(87,568,628)</u>
	31 December 2022		
	Ending Balance	Provision for bad debt	
	Amount	Lifetime ECL rate	Amount
Within 1 year	1,938,667,330	3.10%	(60,031,492)
1 to 2 years	6,698,651	35.28%	(2,363,135)
Over 2 years	7,943,370	100.00%	(7,943,370)
	<u>1,953,309,351</u>		<u>(70,337,997)</u>

- (iii) In the current year, the provision for bad debts reversed was RMB72,900,558, as well that the provision for bad debts was decreased by RMB100,289 due to disposal of subsidiaries.

- (e) As at 30 June 2023 and 31 December 2022, the Group had no pledged accounts receivable.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (5) Financing receivables

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Bank acceptance notes	<u><b>337,366,773</b></u>	<u>280,619,222</u>

- (a) Certain bank acceptance notes satisfied the derecognition criteria and were endorsed or discounted frequently by the Group for the purpose of daily treasury management, thereby these bank acceptance notes with good credit rating were categorised as financial assets at fair value through other comprehensive income. As at 30 June 2023, the Group measured the provision for bad debts based on the entire lifetime expected credit loss. As the credit risk characteristics of these bank acceptance notes were similar, no provision for impairment was made individually. The Group expected that there was no significant credit risk associated with its bank acceptance notes and did not expect that there would be any significant losses from non-performance by these banks.
- (b) As at 30 June 2023 and 31 December 2022, the Group had no pledged bank acceptance notes.
- (c) As at 30 June 2023, the bank acceptance notes that the Group has endorsed or discounted but have not yet expired amounted to RMB476,826,960 (31 December 2022: RMB722,900,384) and has been derecognized.

#### (6) Advances to suppliers

- (a) The ageing analysis of advances to suppliers is as follows:

	<u>30 June 2023 (Unaudited)</u>		<u>31 December 2022</u>	
	<b>Amount</b>	<b>% of total balance</b>	Amount	% of total balance
Within 1 year	<u><b>111,268,968</b></u>	<u><b>100%</b></u>	<u>126,266,656</u>	<u>100.00%</u>

- (b) As at 30 June 2023, the total amount of top five advances to suppliers is analyzed as follows:

	<b>Amount</b>	<b>% of total balance</b>
Total amount of top five advances to suppliers	<u><b>34,159,007</b></u>	<u><b>30.70%</b></u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (7) Other receivables

	30 June 2023 (Unaudited)	31 December 2022
Receivables and advances of agent business (i)	454,047,665	453,361,614
Advance payment for targeted procurement business (ii)	267,455,269	154,166,529
Deposits and guarantees	67,531,504	62,371,283
Supplementary medical insurance pooling funds (iii)	44,797,066	39,574,833
Equity transfer receivable (iv)	15,038,753	137,353,393
Advances for land use rights receivable (v)	14,622,074	14,622,074
Dividend receivable	10,358,047	8,924,400
Others	48,599,434	58,880,829
	<u>922,449,812</u>	<u>929,254,955</u>
Less: Provision for bad debts	<u>(91,145,146)</u>	<u>(76,437,471)</u>
	<u>831,304,666</u>	<u>852,817,484</u>

- (i) Receivables and advances of agent business are receivables from the Group's shipping agency business and advances to agent purchase of goods on behalf of the Group's clients.
- (ii) The advance payment for targeted procurement refers to the advances made by the Group for customers' targeted procurement of goods.
- (iii) Supplementary medical welfare pooling funds are the prepaid funds deposited into the account of Shandong Branch of Ping An Annuity Insurance Company of China, Ltd. The Group expects that the recovery risk is low.
- (iv) As at 30 June 2023, the equity transfer receivable included RMB1,500,862 receivable from Shandong Port Luhai International Logistics Group Co., Ltd. ("Luhai International Logistics") as a result of the equity transfer transaction and RMB13,537,891 receivable from Shandong Port Equipment Group Co., Ltd. ("Shandong Equipment Group") as a result of the equity transfer transaction, which the Group expects will be fully recovered.
- (v) The advance for land use rights receivable is the prepayment to the People's Government of Manshan Town, Lingang Economic and Technological Development Zone, Weihai, in a prior year for the purchase of land, by Weihai International Logistics Park Development Co., Ltd. ("Logistics Park Development"), a subsidiary of the Company. Due to the change in government planning, Logistics Park Development will not purchase the piece of land and the payment is to be recovered, and the Group expects that the payment will be fully recovered.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (7) Other receivables (Continued)

(a) The ageing of other receivables based on their recording dates is analyzed as follows:

	30 June 2023 (Unaudited)	31 December 2022
Within 1 year	734,661,678	767,514,875
1 to 2 tears	53,417,359	24,766,494
2 to 3 years	15,562,560	7,426,515
More than 3 years	<u>118,808,215</u>	<u>129,547,071</u>
	<u>922,449,812</u>	<u>929,254,955</u>

(b) Loss provisions and the movement in the carrying balance

	Stage 1			Stage 3			Total	
	ECL over the next 12 months (on the grouping basis)		ECL over the next 12 months (on the individual basis)	Lifetime ECL (credit impaired) (individual)		Total		
	Amount	Provision for bad debts	Amount	Provision for bad debts	Amount	Total		Provision for bad debts
31 December 2022	663,498,565	(20,306,583)	151,975,467	-	(20,306,583)	113,780,923	(56,130,888)	(76,437,471)
Increase in the current period (Unaudited)	114,522,704	(6,106,640)	-	-	(6,106,640)	-	(8,601,035)	(14,707,675)
Decrease in the current period (Unaudited)	-	-	(122,314,640)	-	-	-	-	-
Impact of disposal of subsidiaries (Unaudited)	986,793	-	-	-	-	-	-	-
30 June 2023 (Unaudited)	<u>779,008,062</u>	<u>(26,413,223)</u>	<u>29,660,827</u>	<u>-</u>	<u>(26,413,223)</u>	<u>113,780,923</u>	<u>(64,731,923)</u>	<u>(91,145,146)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (7) Other receivables (Continued)

##### (b) Loss provisions and the movement in the carrying balance (Continued)

As at 30 June 2023 and 31 December 2022, the Group did not have any other receivables which were at Stage 2. Other receivables at Stage 1 and Stage 3 are analysed as follows:

- (i) As at 30 June 2023, other receivables for which the related provision for bad debts was provided on the individual basis are analysed as follows:

	Amount	ECL over the next 12 months	Provision for bad debts	Reason
<b>Stage 1</b>				
Equity transfer payment receivable from Shandong Port Equipment Group	13,537,891	–	–	Note 4(7)(iv)
Advances for land payable	14,622,074	–	–	Note 4(7)(v)
Equity transfer payment receivable from Luhai International Logistics	1,500,862	–	–	Note 4(7)(iv)
	<u>29,660,827</u>		<u>–</u>	
	<b>Ending balance</b>	<b>Lifetime ECL ratio</b>	<b>Provision for bad debts</b>	<b>Reason</b>
<b>Stage 3</b>				
Receivables from Rongcheng Yinglu Pingxing Imported Automotive Co., Ltd.	112,428,156	56%	(63,379,156)	i)
Receivables from Qingdao Huamin Shichuang International Trade Co., Ltd.	1,352,767	100%	(1,352,767)	ii)
	<u>113,780,923</u>		<u>(64,731,923)</u>	

- i) As at 30 June 2023, receivables from Rongcheng Yinglu Pingxing Imported Automotive Co., Ltd. were RMB112,428,156. The above company ceased the business operation and got involved in several litigations with its bank accounts frozen. The amounts not settled yet include the property transfer in progress to the Group of RMB49,049,000. The Group makes provision for bad debts of RMB63,379,156 for the remaining amounts that are expected to be irrecoverable.

- ii) As at 30 June 2023, receivables from Qingdao Huamin Shichuang International Trade Co., Ltd. amounted to RMB1,352,767. The above company ceased the business operation and got involved in several litigations, thus a full provision for bad debts against the above amount is made by the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (7) Other receivables (Continued)

##### (b) Loss provisions and the movement in the carrying balance (Continued)

(ii) As at 31 December 2022, other receivables for which the related provision for bad debts was provided on the individual basis are analysed as follows:

	Amount	ECL over the next 12 months	Provision for bad debts	Reason
<b>Stage 1</b>				
Equity transfer payment receivable from Maersk	107,782,194	–	–	Note 4(7)(iv)
Equity transfer payment receivable from Shandong Harbor Construction Group	14,532,446	–	–	Note 4(7)(iv)
Equity transfer payment receivable from Shandong Port Equipment Group	13,537,891	–	–	Note 4(7)(iv)
Advances for land payable	14,622,074	–	–	Note 4(7)(v)
Equity transfer payment receivable from Luhai International Logistics	1,500,862	–	–	Note 4(7)(iv)
	<u>151,975,467</u>		<u>–</u>	
	<b>Ending balance</b>	<b>Lifetime ECL ratio</b>	<b>Provision for bad debts</b>	<b>Reason</b>
<b>Stage 3</b>				
Receivables from Rongcheng Yinglu Pingxing Imported Automotive Co., Ltd.	112,428,156	49%	(54,778,121)	Note 4(7)(b)(i)
Receivables from Qingdao Huamin Shichuang International Trade Co., Ltd.	1,352,767	100%	(1,352,767)	Note 4(7)(b)(ii)
	<u>113,780,923</u>		<u>(56,130,888)</u>	

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (7) Other receivables (Continued)

##### (b) Loss provisions and the movement in the carrying balance (Continued)

(iii) As at 30 June 2023 and 31 December 2022, other receivables for which the related provision for bad debts was provided on the grouping basis are all within Stage 1, which are analysed as follows:

	30 June 2023 (unaudited)			31 December 2022		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
	Amount	Amount	%	Amount	Amount	%
Loans and advances combinations	153,674,346	(368,710)	0.24%	40,385,606	(80,995)	0.20%
Agency business and receivables combinations	454,047,665	(19,477,583)	4.29%	453,361,614	(15,668,081)	3.46%
Deposits and guarantees combinations	67,531,504	(1,033,640)	1.53%	62,371,283	(891,727)	1.43%
Dividend receivable combinations	10,358,047	-	-	8,924,400	-	-
Other combinations	93,396,500	(5,533,290)	5.92%	98,455,662	(3,665,780)	3.72%
	<u>779,008,062</u>	<u>(26,413,223)</u>		<u>663,498,565</u>	<u>(20,306,583)</u>	

(c) In the current year, the provision for bad debts provided on the grouping basis amounted to RMB6,106,640, the additional provision for bad debts provided on an individual basis for the period amounted to RMB8,601,035.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (7) Other receivables (Continued)

(d) As at 30 June 2023, top five other receivables are analyzed as follows:

	Nature	Amount	Ageing	% of total	Provision for bad debts
Rongcheng Yinglu Pingxing Imported Automotive Co., Ltd.	Advance payment for targeted procurement business	112,428,156	Over 3 years	12%	63,379,156
Qingdao Port Equipment Manufacturing Co., Ltd.	Receivables and advances of agent business	90,293,075	Within 2 years	10%	4,002,166
Qingdao Dadu Corn Co., Ltd	Advance payment for targeted procurement business	73,627,971	Within 1 year	8%	3,158,468
Shandong Branch of Ping An Annuity Insurance Company of China, Ltd.	Supplementary medical insurance pooling funds and others	44,797,066	Within 1 year	5%	2,654,009
Qingdao Danouvy International Trading Co., Ltd.	Advance payment for targeted procurement business	37,066,800	Within 1 year	4%	1,590,079
		358,213,068		39%	74,783,878

(e) As at 30 June 2023 and 31 December 2022, the Group did not recognise government grants at amounts receivable.

(f) As at 30 June 2023, the Group had no other receivables pledged (31 December 2022: the Group had no other receivables pledged).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (8) Inventories

(a) Inventories are summarized by categories as follows:

	30 June 2023 (Unaudited)			31 December 2022		
	Ending balance	Provision for decline in the value of inventories	Carrying amount	Ending balance	Provision for decline in the value of inventories	Carrying amount
Materials and finished goods	17,977,661	-	17,977,661	24,558,833	-	24,558,833
Fuel	12,210,678	-	12,210,678	16,841,518	-	16,841,518
Spare parts	2,264,026	-	2,264,026	5,252,561	-	5,252,561
Others	8,464,970	-	8,464,970	7,493,637	-	7,493,637
	<u>40,917,335</u>	<u>-</u>	<u>40,917,335</u>	<u>54,146,549</u>	<u>-</u>	<u>54,146,549</u>

(b) Changes in ending balances of inventories for current year are analyzed as follows:

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	30 June 2023 (Unaudited)
Materials and finished goods	24,558,833	165,105,549	(171,686,721)	17,977,661
Fuel	16,841,518	226,466,929	(231,097,769)	12,210,678
Spare parts	5,252,561	8,318,691	(11,307,226)	2,264,026
Others	7,493,637	29,922,800	(28,951,467)	8,464,970
	<u>54,146,549</u>	<u>429,813,969</u>	<u>(443,043,183)</u>	<u>40,917,335</u>

(c) As at 30 June 2023 and 31 December 2022, the management of the Group considered that there is no indication that the inventories may be impaired, therefore no provision for decline in the value of inventories is recorded.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (9) Contract assets

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Contract assets	<b>57,817,906</b>	125,964,204
Less: provision for contract assets	<b><u>(1,084,844)</u></b>	<u>(1,997,755)</u>
	<b><u>56,733,062</u></b>	<u>123,966,449</u>

The Group measures the provision for contract assets based on the lifetime ECL regardless of whether there exists a significant financing component. As at 30 June 2023 and 31 December 2022, the Group's contract assets were not overdue, and had no contract assets with provision for impairment on individual basis.

#### (10) Other current assets

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
VAT input to be deducted	<b><u>92,780,104</u></b>	<u>141,272,926</u>

#### (11) Long-term receivables

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Receivables from Hunan Ccoop Commercial Management Co., Ltd. i)	<b>34,856,373</b>	34,859,378
Less: current portion	<b><u>(2,714,386)</u></b>	<u>(2,717,391)</u>
	<b>32,141,987</b>	32,141,987
Impairment provision	<b><u>-</u></b>	<u>-</u>
	<b><u>32,141,987</u></b>	<u>32,141,987</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (11) Long-term receivables (Continued)

##### (a) Loss provisions and the statement of changes in the carrying balance

	Stage 3		Total
	Lifetime ECL (credit impaired)		
	Amount	Provision for bad debt	
31 December 2022	34,859,378	–	–
Increase in the current period (Unaudited)	543,907	–	–
Amounts decreased in the current period (Unaudited)	(546,912)	–	–
30 June 2023	<u>34,856,373</u>	<u>–</u>	<u>–</u>

- i) As at 30 June 2023, the amount receivable from Hunan Kupu Commercial Management Co., Ltd. (“Hunan Kupu”) was RMB34,856,373 (31 December 2022: RMB34,859,378). Due to its poor performance, Hunan Kupu was unable to pay the amount, and therefore provided the property of its parent company Ccoop Group Co., Ltd. as collateral for the payment. According to the court’s ruling, the amount was undertaken by Ccoop Group Co., Ltd. and would be repaid in instalments within 10 years. RMB546,912 was repaid in the six months ended 30 June 2023. The Group believed that the recovery risk is relatively low and therefore no provision for bad debts was made.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (11) Long-term receivables (Continued)

(b) As at 30 June 2023 and 31 December 2022, the Group did not have long-term receivables at Stage 1 and Stage 2, and long-term receivables at Stage 3 are analysed as follows:

(i) As at 30 June 2023, long-term receivables for which the related provision for bad debts was provided on the individual basis are analysed as follows:

Stage 3	Ending balance	Lifetime ECL ratio	Provision for bad debts	Reason
Receivables from Hunan Kupu Commercial Management Co., Ltd.	<u>34,856,373</u>	<u>-</u>	<u>-</u>	Note 4(11)(a)

As at 31 December 2022, long-term receivables for which the related provision for bad debts was provided on the individual basis are analysed as follows:

Stage 3	Ending balance	Lifetime ECL ratio	Provision for bad debts	Reason
Receivables from Hunan Kupu Commercial Management Co., Ltd.	<u>34,859,378</u>	<u>-</u>	<u>-</u>	Note 4(11)(a)

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

	30 June 2023 (Unaudited)	31 December 2022
Joint ventures (a)	10,680,883,891	10,051,564,916
Associates (b)	<u>3,330,767,219</u>	<u>2,836,521,178</u>
	<u>14,011,651,110</u>	<u>12,888,086,094</u>

As at 30 June 2023 and 31 December 2022, the Group's management considered that there was no indication that the long-term equity investments may be impaired, therefore no provision for impairment was required.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (12) Long-term equity investments (Continued)

##### (a) Joint ventures

Investment in joint ventures are set out below:

	31 December 2022	Movements for the current period (Unaudited)					30 June 2023
		Transfer to subsidiaries	Share of net profit/(loss) under equity method	Share of other comprehensive income	Cash dividends/ profit declared	Intra-group unrealized profit	
Qingdao Qianwan Container Terminal Co., Ltd. ("QQCT") (i)	6,632,579,838	-	478,010,917	1,734,187	-	3,542,001	7,115,866,943
Qingdao Shihua Crude Oil Terminal Co., Ltd. ("Qingdao Shihua")	1,581,993,750	-	129,495,001	1,075,052	-	2,228,407	1,714,792,210
Qingdao Port Dongjiakou Ore Terminal Co., Ltd. ("QDOT")	653,669,917	-	1,832,687	-	-	538,303	656,040,907
Qingdao Qianwan West Port United Terminal Co., Ltd. ("West United") (ii)	421,839,184	-	10,842,633	545,532	(5,100,000)	162,839	428,290,188
Qingdao Haiwan Liquid Chemical Port Operation Co., Ltd. ("Haiwan Liquid Chemical")	158,065,987	-	1,020,861	-	-	-	159,086,848
Qingdao PetroChina Storage Company Limited ("PetroChina Storage")	165,299,156	-	8,864,052	-	-	-	174,163,208
Huaneng Qingdao Port Operation Co., Ltd. ("Huaneng Qingdao")	123,309,821	-	1,866,223	-	-	-	125,176,044
Qingdao Port Dongjiakou IMC Logistics Co., Ltd. ("Dongjiakou IMC Logistics") (iii)	67,752,526	-	(61,275)	-	-	-	67,691,251
Sinotrans Qingdao Port Dongjiakou Logistics Co., Ltd. ("Dongjiakou Sinotrans Logistics")	51,710,941	-	178,441	-	-	-	51,889,382
Qingdao Orient International Container Storage and Transportation Co., Ltd. ("Orient Container")	44,642,709	-	3,687,009	-	(6,260,247)	-	42,069,471
Qingdao Evergreen Container Storage and Transportation Co., Ltd. ("Evergreen Container")	51,252,690	-	10,929,762	-	(20,199,012)	-	41,983,440
Qingdao United International Shipping Agency Co., Ltd. ("United Shipping Agency")	29,862,576	-	1,461,709	-	-	-	31,324,285
Qingdao Shenzhouxing International Transportation Co., Ltd. ("Shenzhouxing Cargo Agency")	19,458,026	-	5,096,771	-	-	-	24,554,797
Qingdao Port Lianhai International Logistics Co., Ltd. ("Lianhai Logistics")	19,912,396	-	1,350,579	-	(1,780,082)	-	19,482,893
China Shipping Agency (Qingdao) Co., Ltd. ("China Shipping Agency")	10,807,348	-	762,885	-	-	-	11,570,233
Qingdao Port Lianrong Logistics Co., Ltd. ("Lianrong Logistics")	9,824,129	-	1,894,463	-	(1,500,000)	-	10,218,592
Qingdao Port Express Logistics (Linyi) Co., Ltd. ("Linyi Express")	3,349,964	-	(127,797)	-	-	-	3,222,167
Ocean Bridge International Port Operation and Management Co., Ltd. ("Ocean Bridge International")	2,824,032	-	637,000	-	-	-	3,461,032
Qingdao Ganghai International Logistics Co., Ltd. ("Ganghai Logistics")	3,409,926	(3,379,509)	(30,417)	-	-	-	-
	<u>10,051,564,916</u>	<u>(3,379,509)</u>	<u>657,711,504</u>	<u>3,354,771</u>	<u>(34,839,341)</u>	<u>6,471,550</u>	<u>10,680,883,891</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (12) Long-term equity investments (Continued)

##### (a) Joint ventures (Continued)

- (i) The Company holds 51% equity interest of QQCT, and the other shareholder holds 49%. The Company can designate 6 out of 11 board members in QQCT, and another 5 members are designated by the other shareholder. In accordance with the Articles of Association of QQCT, its significant financial and operating decisions should be passed at the Meeting of Board of Directors by at least 10 out of 11 directors. The Company still cannot unilaterally exercise control over QQCT, therefore QQCT is still accounted for as a joint venture.
- (ii) The Company holds 51% equity interest of West United. In accordance with the Articles of Association of West United, its significant financial and operating decisions should be passed at the Meeting of Shareholders, but the Board of Directors is authorized to vote on the main business decisions. The Company can designate 3 out of 5 board members in West United. The significant financial and operational decisions need to be approved by all directors. The Company cannot unilaterally exercise control over West United, therefore, West United is account for as a joint venture.
- (iii) The Company holds 51% equity interest of Dongjiakou IMC Logistics. In accordance with the Articles of Association of Dongjiakou IMC Logistics, its significant financial and operating decisions should be passed at the Meeting of Board of Directors. The Company can designate 4 out of 7 board members in Dongjiakou IMC Logistics. The significant financial and operational decisions need to be approved by all directors. The Company cannot unilaterally exercise control over Dongjiakou IMC Logistics, therefore West United is account for as a joint venture.

Information on equity in joint ventures is set out in Note 6(2).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (12) Long-term equity investments (Continued)

##### (b) Associates

Investments in associates are set out below:

	31 December 2022	Movements for the current period (Unaudited)					30 June 2023
		Additional investment for the current period	Share of net profit/(loss) under equity method	Movement of other comprehensive income	Cash dividends/ profit declared	Unrealised profits or losses arising from internal transactions	
Shandong Port Finance	1,655,475,686	-	68,452,913	8,109,307	-	-	1,732,037,906
Shandong ZhenHua Petroleum Energy Reserves Co., Ltd. ("ZhenHua Petroleum Reserves") (i)	-	360,150,000	-	-	-	-	360,150,000
COSCO SHIPPING Ports (Abu Dhabi) Co., Ltd. ("COSCO Abu Dhabi")	290,971,494	-	(15,392,498)	-	-	-	275,578,996
Qingdao Port Engineering	259,492,816	-	10,988,338	-	(13,962,546)	33,458	256,552,066
Qingdao Qingyin Financial Leasing Co., Ltd. ("Qingyin Financial Leasing")	143,008,395	-	13,379,976	-	-	-	156,388,371
Unitrans Group Co., Ltd. ("Unitrans")	139,751,070	-	14,947,321	-	(11,074,387)	-	143,624,004
Qingdao Port Equipment Manufacturing Co., Ltd. ("Equipment Manufacturing")	110,515,769	-	14,034,467	-	-	-	124,550,236
International Trade Logistics	81,456,233	-	7,584,778	-	-	-	89,041,011
Qingdao Port Technology Co., Ltd. ("Technology Company")	54,484,581	-	2,654,064	-	-	-	57,138,645
Shandong Port Land and Sea International Logistics (Jinan) Co., Ltd. ("Shandong Port Land and Sea (Jinan)")	40,039,874	-	26,571	-	-	-	40,066,445
Xishuangbanna Natural Rubber Storage and Transportation Center Co., Ltd. ("Natural Rubber Storage and Transportation") (ii)	-	34,000,000	-	-	-	-	34,000,000
Shandong Port Energy Co., Ltd. ("Shandong Port Energy")	15,152,367	-	902,944	-	(2,612,131)	-	13,443,180
Qingdao International Energy Exchange Co., Ltd. ("International Energy")	12,060,140	-	(802,711)	-	-	-	11,257,429
Global Shipping Business Network Limited ("GSBN")	12,950,000	-	(3,347,566)	-	-	-	9,602,434
Automobile Supply Chain	8,543,765	-	30,634	-	-	-	8,574,399
Weihai Hailian Container Co., Ltd. ("Hailian Container")	7,646,401	-	822,800	-	(1,414,404)	-	7,054,797
Shandong Port Overseas Development Group Qingdao Co., Ltd. ("Overseas Development Qingdao")	4,972,587	-	1,834,713	-	-	-	6,807,300
Shangang Energy Development (Qingdao) Co., Ltd. ("Shangang Energy Development") (iii)	-	4,900,000	-	-	-	-	4,900,000
	<u>2,836,521,178</u>	<u>399,050,000</u>	<u>116,116,744</u>	<u>8,109,307</u>	<u>(29,063,468)</u>	<u>33,458</u>	<u>3,330,767,219</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (12) Long-term equity investments (Continued)

##### (b) Associates (Continued)

- (i) In 2023, the Company and North Petroleum International Company Limited, China ZhenHua Oil Co., Ltd. jointly established ZhenHua Oil Reserve with a registered capital of RMB980,000,000. In April 2023, the Company contributed RMB360,150,000 and held 49% of shareholding. The Company only had significant influence on ZhenHua Oil Reserve and therefore it was accounted for as an associate.
- (ii) In December 2022, Qingdao Port Logistics, a subsidiary of the Company, jointly established Natural Rubber Storage and Transportation with Yunnan Natural Rubber Industry Group Co., Ltd. and Yunnan Pilot Free Trade Zone Investment Development (Group) Co., Ltd., with a registered capital of RMB200,000,000. In June 2023, the Company's subsidiary, Qingdao Port Logistics, contributed RMB34,000,000 and held 34% of shareholding. The Company only had significant influence on Natural Rubber Storage and Transportation. Therefore, it was accounted for as an associate.
- (iii) In 2023, the Company's subsidiary Qinggang Power Supply and Beijing Lugang Holding Development Group Co., Ltd. jointly established Shangang Energy Development with a registered capital of RMB10,000,000. In May 2023, the Company's subsidiary Qinggang Power Supply contributed RMB4,900,000 and held 49% of shareholding. Qinggang Power Supply only exercised significant influence over Shangang Energy Development, and accordingly it was accounted for as an associate.

Information on equity in associates is set out in Note 6(2).

#### (13) Other non-current financial assets

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Investments in financial assets at fair value through profit or loss		
Equity investments	<u><b>393,840,402</b></u>	<u>393,840,402</u>

Equity investments with a carrying amount of RMB393,840,402 represent unlisted equity investments held by the Group in Shandong Harbor Construction Group, Shandong Binhai Hongrun Pipeline Stock Limited ("Binhai Hongrun"), Shandong Port Shipping Group Co., Ltd. ("Shandong Port Shipping"), Sinopec Qingdao Liquefied Natural Gas Co., Ltd., Sanya Yalong Bay Development Co., Ltd. and Shandong Port Equipment Group with shareholding of 9.62%, 10%, 4.06%, 1%, 0.06% and 16.56%, respectively, over which the Group has no control, joint control or significant influence. The Group has no plan to dispose these investments and they are measured at fair value through profit or loss. For the six months ended 30 June 2023, the Group received cash dividends of RMB1,503,100 from Shandong Harbor Construction Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (14) Investment properties

	Buildings and storage facilities	Land use rights	Total
Cost			
31 December 2022	68,187,971	114,799,758	182,987,729
Transfer to fixed assets (Unaudited)	<u>(11,764,350)</u>	<u>-</u>	<u>(11,764,350)</u>
30 June 2023 (Unaudited)	<u>56,423,621</u>	<u>114,799,758</u>	<u>171,223,379</u>
Accumulated depreciation			
31 December 2022	(18,501,246)	(18,820,102)	(37,321,348)
Increase in the current period (Unaudited)	(1,271,588)	(1,157,604)	(2,429,192)
Transfer to fixed assets (Unaudited)	<u>4,930,062</u>	<u>-</u>	<u>4,930,062</u>
30 June 2023 (Unaudited)	<u>(14,842,772)</u>	<u>(19,977,706)</u>	<u>(34,820,478)</u>
Net book value			
30 June 2023 (Unaudited)	<u>41,580,849</u>	<u>94,822,052</u>	<u>136,402,901</u>
31 December 2022	<u>49,686,725</u>	<u>95,979,656</u>	<u>145,666,381</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (14) Investment properties (Continued)

	Buildings and port facilities	Land use rights	Total
Cost			
31 December 2021	<u>68,187,971</u>	<u>158,364,497</u>	<u>226,552,468</u>
30 June 2022 (Unaudited)	<u>68,187,971</u>	<u>158,364,497</u>	<u>226,552,468</u>
Accumulated depreciation			
31 December 2021	(15,847,393)	(25,820,857)	(41,668,250)
Increase in the current period (Unaudited)	<u>(1,324,006)</u>	<u>(1,599,536)</u>	<u>(2,923,542)</u>
30 June 2022 (Unaudited)	<u>(17,171,399)</u>	<u>(27,420,393)</u>	<u>(44,591,792)</u>
Net book value			
30 June 2022 (Unaudited)	<u>51,016,572</u>	<u>130,944,104</u>	<u>181,960,676</u>
31 December 2021	<u>52,340,578</u>	<u>132,543,640</u>	<u>184,884,218</u>

As at 30 June 2023 and 31 December 2022, the management of the Group considered that there is no indication that the investment properties may be impaired, therefore no provision for impairment is recorded.

For the six months ended 30 June 2023 and 2022, no interest expenses were capitalized in investment properties by the Group.

As at 30 June 2023 and 31 December 2022, there were no investment properties without certificates.



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (15) Fixed assets

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office and other equipment	Total
<b>Cost</b>										
31 December 2022	1,171,755,022	14,277,848,752	9,916,984,507	4,078,547,277	1,343,740,356	1,791,353,734	176,308,645	276,307,439	96,658,737	33,129,504,469
Increase in the current period (Unaudited)										
Purchase in the current period	2,621,687	1,133,576	-	4,716,710	10,110,313	-	4,034,382	6,212,696	1,021,818	29,851,182
Transfer from construction in progress	80,361,872	33,420,652	940,242,653	136,371,139	49,682,182	35,893,805	10,761,310	37,274,899	54,345	1,324,062,857
Transfer from investment properties	-	-	11,764,350	-	-	-	-	-	-	11,764,350
Business combinations not under common control	-	-	24,662	-	19,759	-	90,240	442,245	24,205	601,111
Decrease in the current period (Unaudited)										
Disposal and scrapping	-	(58,804)	-	(27,028,192)	(6,346,339)	-	(1,720,056)	(194,031)	(53,506)	(35,400,928)
Disposal of subsidiaries	-	-	-	-	(371,884)	-	(722,913)	(19,306)	(245,278)	(1,359,381)
30 June 2023 (Unaudited)	1,254,738,581	14,312,344,176	10,869,016,172	4,192,606,934	1,396,834,387	1,827,247,539	188,751,608	320,023,942	97,460,321	34,459,023,660
<b>Accumulated depreciation</b>										
31 December 2022	(352,789,791)	(3,569,759,812)	(1,799,912,530)	(2,955,805,587)	(924,952,637)	(957,135,412)	(106,561,491)	(196,521,525)	(57,516,624)	(10,920,955,409)
Increase in the current period (Unaudited)										
Provision	(19,674,417)	(194,906,322)	(190,516,332)	(71,340,643)	(54,782,632)	(37,355,919)	(5,970,794)	(20,343,368)	(2,878,440)	(597,768,867)
Transfer from investment properties	-	-	(4,930,062)	-	-	-	-	-	-	(4,930,062)
Decrease in the current period (Unaudited)										
Disposal and scrapping	-	56,452	-	21,166,931	5,611,313	-	1,520,599	186,313	51,324	28,592,932
Disposal of subsidiaries	-	-	-	-	209,653	-	319,149	12,740	161,618	703,160
30 June 2023 (Unaudited)	(372,464,208)	(3,764,609,682)	(1,995,358,924)	(3,005,979,299)	(973,914,303)	(994,491,331)	(110,692,537)	(216,665,840)	(60,182,122)	(11,494,358,246)
<b>Provision for impairment</b>										
31 December 2022	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
Increase in the current period (Unaudited)										
	-	-	-	-	-	-	-	-	-	-
30 June 2023 (Unaudited)	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
<b>Net book value</b>										
30 June 2023 (Unaudited)	857,386,526	10,547,734,494	8,873,657,248	1,186,627,635	422,920,084	832,756,208	78,059,071	103,358,102	37,278,199	22,939,777,567
31 December 2022	794,077,384	10,708,088,940	8,117,071,977	1,122,741,690	418,787,719	834,218,322	69,747,154	79,785,914	39,142,113	22,183,661,213

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (15) Fixed assets (Continued)

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office and other equipment	Total
<b>Cost</b>										
31 December 2021	1,202,806,952	13,606,879,483	7,447,588,848	3,660,133,900	1,306,366,641	1,626,384,184	160,467,005	242,723,669	92,690,793	29,346,041,475
Increase in the current period (Unaudited)										
Purchase in the current period	1,965,919	35,793,190	634,319	37,936,520	29,285,154	-	8,699,375	8,113,995	2,860,847	125,289,319
Transfer from construction in progress	14,659,160	22,281,398	874,331,116	46,045,495	10,485,378	-	367,459	3,405,882	12,021	971,587,909
Decrease in the current period (Unaudited)										
Disposal and scrapping	-	(449,972)	-	(15,038,787)	(2,708,865)	-	(1,362,113)	(764,153)	(372,656)	(20,696,546)
30 June 2022 (Unaudited)	1,219,432,031	13,664,504,099	8,322,554,283	3,729,077,128	1,343,428,308	1,626,384,184	168,171,726	253,479,393	95,191,005	30,422,222,157
<b>Accumulated depreciation</b>										
31 December 2021	(327,754,106)	(3,184,770,878)	(1,532,928,090)	(2,864,445,930)	(835,175,186)	(866,343,552)	(99,597,037)	(173,127,041)	(52,047,274)	(9,936,189,094)
Increase in the current period (Unaudited)										
Provision	(21,653,791)	(189,930,310)	(138,409,138)	(54,666,812)	(52,156,696)	(35,877,684)	(4,625,527)	(16,110,183)	(2,180,098)	(515,610,239)
Decrease in the current period (Unaudited)										
Disposal and scrapping	-	260,906	-	14,436,755	2,183,231	-	1,156,194	716,972	354,329	19,108,387
30 June 2022 (Unaudited)	(349,407,897)	(3,374,440,282)	(1,671,337,228)	(2,904,675,987)	(885,148,651)	(902,221,236)	(103,066,370)	(188,520,252)	(53,873,043)	(10,432,690,946)
<b>Provision for impairment loss</b>										
31 December 2021	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
Increase in the current period (Unaudited)										
30 June 2022 (Unaudited)	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
<b>Net book value</b>										
30 June 2022 (Unaudited)	845,136,287	10,290,063,817	6,651,217,055	824,401,141	458,279,657	724,162,948	65,105,356	64,959,141	41,317,962	19,964,643,364
31 December 2021	850,164,999	10,422,108,605	5,914,660,758	795,687,970	471,191,455	760,040,632	60,869,968	69,596,628	40,643,519	19,384,964,534

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (15) Fixed assets (Continued)

The book value of fixed assets leased out by the Group through operating leases is as follows:

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Other equipment	total
Cost							
31 December 2022	27,612,492	2,187,267,267	924,917,845	26,245,099	187,658	819,923	3,167,050,284
Increase in the current period (Unaudited)	6,441,638	43,734,130	-	5,464,103	-	-	55,639,871
Decrease in the current period (Unaudited)	(113,997)	-	-	(3,554,066)	(187,658)	-	(3,855,721)
30 June 2023 (Unaudited)	33,940,133	2,231,001,397	924,917,845	28,155,136	-	819,923	3,218,834,434
Accumulated depreciation							
31 December 2022	(12,062,131)	(551,286,388)	(209,665,800)	(14,473,049)	(180,152)	(775,894)	(788,443,414)
Provision (Unaudited)	(671,103)	(32,395,401)	(13,203,958)	(646,988)	(3,753)	-	(46,921,203)
Transfer-in in the current period (Unaudited)	(1,580,886)	-	-	(2,467,980)	-	-	(4,048,866)
Decrease in the current period (Unaudited)	90,148	-	-	3,277,976	183,905	-	3,552,029
30 June 2023 (Unaudited)	(14,223,972)	(583,681,789)	(222,869,758)	(14,310,041)	-	(775,894)	(835,861,454)
Net book value							
30 June 2023 (Unaudited)	19,716,161	1,647,319,608	702,048,087	13,845,095	-	44,029	2,382,972,980
31 December 2022	15,550,361	1,635,980,879	715,252,045	11,772,050	7,506	44,029	2,378,606,870

The lease contracts of buildings, port facilities, storage facilities and other equipment signed by the Group as lessor have no residual value guarantee clauses.

The depreciation amount for fixed assets for the six months ended 30 June 2023 is RMB597,768,867 (For the six months ended 30 June 2022: RMB515,610,239). The amounts of depreciation expenses charged to cost of sales, general expenses and research and development expenditure were RMB581,538,612, RMB14,117,939 and RMB2,112,316 respectively (For the six months ended 30 June 2022: RMB498,571,884, RMB15,972,755 and RMB1,065,600).

For the six months ended 30 June 2023, the costs of fixed assets transferred from construction in progress amount to RMB1,324,062,857 (For the six months ended 30 June 2022: RMB971,587,909).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (15) Fixed assets (Continued)

- (a) As at 30 June 2023 and 31 December 2022, there is no mortgaged fixed assets in the Group.
- (b) As at 30 June 2023, the Group's provision for impairment of fixed assets for Logistics Park Development, a subsidiary of the Group, amounted to RMB24,887,847 (31 December 2022: RMB24,887,847).
- (c) As at 30 June 2023 and 31 December 2022, there were no temporarily idle fixed assets.
- (d) Fixed assets that have not received a certificate of property right:

As at 30 June 2023, properties with a carrying amount of RMB30,101,998 (Cost: RMB33,613,167) (As at 31 December 2022: carrying amount of RMB22,309,201 (Cost: RMB25,742,690)) are located on non-owned land with a book value of RMB233,194,198 (Cost: RMB250,483,326) (As at 31 December 2022: book value of RMB181,314,867 (Cost: RMB194,687,522)). The financial statements for the completion of the project have not yet been processed, so the property right certificate has not yet been processed.

#### (16) Construction in progress

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Construction in progress (a)	<b>2,297,441,998</b>	2,489,939,000
Construction materials	<b>2,198,029</b>	1,990,634
	<b><u>2,299,640,027</u></b>	<b><u>2,491,929,634</u></b>

#### (a) Construction in progress

	30 June 2023 (Unaudited)			31 December 2022		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Dongjiakou stevedoring, storage and transportation projects for liquid bulk cargo	815,365,695	-	815,365,695	844,235,682	-	844,235,682
Dongjiakou bulk cargo berths and storage yard project	648,735,617	-	648,735,617	812,763,354	-	812,763,354
Dongjiakou crude oil commercial reserve project	468,614,904	-	468,614,904	276,859,626	-	276,859,626
Dongjiakou general wharf grain silo phase III project	51,126,446	-	51,126,446	-	-	-
Other projects	313,599,336	-	313,599,336	556,080,338	-	556,080,338
	<b><u>2,297,441,998</u></b>	<b><u>-</u></b>	<b><u>2,297,441,998</u></b>	<b><u>2,489,939,000</u></b>	<b><u>-</u></b>	<b><u>2,489,939,000</u></b>

#### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

##### (16) Construction in progress (Continued)

###### (a) Construction in progress (Continued)

###### (i) Changes of major projects

Project name	Budget	31 December 2022	Increase in the current period (Unaudited)	Transfer to fixed assets (Unaudited)	30 June 2023 (Unaudited)	Percentage of project investment among budget	Progress of the project	Accumulative amount of capitalized borrowing costs	Including: Borrowing costs capitalized in the current period	Capitalization rate in the current period	Sources of capital
Dongjiakou stevedoring, storage and transportation projects for liquid bulk cargo	3,290,529,000	844,235,682	500,855,573	(529,705,560)	815,365,695	24%	24%	1,655,585	1,523,942	4%	Internal capital and borrowings from Shandong Port Finance
Dongjiakou bulk cargo berths and storage yard project	4,931,551,000	812,763,354	307,832,001	(471,859,738)	648,735,617	28%	28%	-	-	-	Internal capital
Dongjiakou crude oil commercial reserve project	4,480,000,000	276,859,626	198,104,836	(63,493,558)	468,614,904	73%	73%	-	-	-	Internal capital
Dongjiakou general wharf grain silo phase III project	1,132,850,000	-	51,126,446	-	51,126,446	5%	5%	-	-	-	Internal capital
Other projects	-	556,080,338	73,666,999	(316,148,001)	313,599,336	-	-	-	-	-	Internal capital
		<u>2,489,939,000</u>	<u>1,131,565,855</u>	<u>(1,324,062,857)</u>	<u>2,297,441,998</u>			<u>1,655,585</u>	<u>1,523,942</u>		
Project name	Budget	31 December 2021	Increase in the current period (Unaudited)	Transfer to fixed assets (Unaudited)	30 June 2022 (Unaudited)	Percentage of project investment among budget	Progress of the project	Accumulative amount of capitalized borrowing costs	Including: Borrowing costs capitalized in the current period	Capitalization rate in the current period	Sources of capital
Dongjiakou stevedoring, storage and transportation projects for liquid bulk cargo	3,960,109,000	496,308,651	325,278,066	(37,153,443)	784,433,274	57%	57%	-	-	-	Internal capital
Dongjiakou crude oil commercial reserve project	4,480,000,000	796,153,861	385,872,840	-	1,182,026,701	56%	56%	-	-	-	Internal capital, bank loan and raised funds
Dongjiakou bulk cargo berths and storage yard project	2,575,760,000	1,006,888,729	369,924,500	(17,925)	1,376,715,314	53%	53%	31,638,021	-	-	Internal capital
Dongjiakou general wharf grain silo phase II project	798,259,500	757,791,564	-	(757,791,564)	-	100%	100%	-	-	-	Internal capital
Other projects	-	456,438,673	1,977,342,290	(4,805,283)	472,742,703	-	-	-	-	-	Internal capital
		<u>3,513,501,488</u>	<u>1,278,809,696</u>	<u>(971,587,909)</u>	<u>3,815,917,992</u>			<u>31,638,021</u>	<u>-</u>		

As at 30 June 2023 and 31 December 2022, the management of the Group considered that there is no indication that the construction in progress may be impaired, therefore no provision for impairment was recorded.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (17) Right-of-use assets

	Buildings	Port facilities	Storage facilities	Machinery and equipment	Total
Cost					
31 December 2022	220,436,764	96,187,617	475,132,180	47,567,533	839,324,094
Increase in the current period (Unaudited)					
New lease contracts	8,841,288	-	24,894,184	-	33,735,472
Decrease in the current period (Unaudited)					
Lease change	(1,524,990)	-	(12,556,395)	-	(14,081,385)
Expiration of lease	-	-	(34,357,773)	-	(34,357,773)
30 June 2023 (Unaudited)	227,753,062	96,187,617	453,112,196	47,567,533	824,620,408
Accumulated depreciation					
31 December 2022	(67,540,702)	(10,352,312)	(118,465,534)	(13,361,111)	(209,719,659)
Increase in the current period (Unaudited)					
Provision	(26,301,621)	(2,070,469)	(44,022,897)	(2,675,870)	(75,070,857)
Decrease in the current period (Unaudited)					
Lease change	304,998	-	9,092,272	-	9,397,270
Expiration of lease	-	-	34,357,773	-	34,357,773
30 June 2023 (Unaudited)	(93,537,325)	(12,422,781)	(119,038,386)	(16,036,981)	(241,035,473)
Net book value					
30 June 2023 (Unaudited)	134,215,737	83,764,836	334,073,810	31,530,552	583,584,935
31 December 2022	152,896,062	85,835,305	356,666,646	34,206,422	629,604,435

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (17) Right-of-use assets (Continued)

	Buildings	Port facilities	Storage facilities	Loading equipment	Vessel	Total
Cost						
31 December 2021	181,950,083	30,740,178	226,971,617	29,796,450	91,439,655	560,897,983
Increase in the current period (Unaudited)						
New lease contracts	3,096,121	-	100,651,431	-	-	103,747,552
Decrease in the current period (Unaudited)						
Expiration of lease	-	(30,740,178)	(12,308,565)	(29,796,450)	-	(72,845,193)
30 June 2022 (Unaudited)	185,046,204	-	315,314,483	-	91,439,655	591,800,342
Accumulated depreciation						
31 December 2021	(27,964,029)	(5,732,974)	(129,461,387)	(12,402,761)	(14,477,945)	(190,039,096)
Increase in the current period (Unaudited)						
Provision	(18,225,845)	-	(34,355,516)	-	(2,412,991)	(54,994,352)
Decrease in the current period (Unaudited)						
Expiration of lease	-	5,732,974	12,308,565	12,402,761	-	30,444,300
30 June 2022 (Unaudited)	(46,189,874)	-	(151,508,338)	-	(16,890,936)	(214,589,148)
Net book value						
30 June 2022 (Unaudited)	138,856,330	-	163,806,145	-	74,548,719	377,211,194
31 December 2021	153,986,054	25,007,204	97,510,230	17,393,689	76,961,710	370,858,887

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (18) Intangible assets

	Land use right	Software	Sea area use right	Others	Total
Cost					
31 December 2022	3,423,123,141	193,626,780	124,577,210	50,307,510	3,791,634,641
Increase in the current period (Unaudited)					
Purchase	-	6,120,851	-	-	6,120,851
Internal research and development	-	27,334,240	-	-	27,334,240
Decrease in the current period (Unaudited)					
Disposal of subsidiaries	-	(53,356)	-	-	(53,356)
30 June 2023 (Unaudited)	3,423,123,141	227,028,515	124,577,210	50,307,510	3,825,036,376
Accumulated amortisation					
31 December 2022	(416,636,454)	(115,573,408)	(9,934,899)	(47,312,152)	(589,456,913)
Increase in the current period (Unaudited)					
Provision	(35,563,075)	(18,156,349)	(717,445)	(1,347,565)	(55,784,434)
Decrease in the current period (Unaudited)					
Disposal of subsidiaries	-	28,786	-	-	28,786
30 June 2023 (Unaudited)	(452,199,529)	(133,700,971)	(10,652,344)	(48,659,717)	(645,212,561)
Book value					
30 June 2023 (Unaudited)	2,970,923,612	93,327,544	113,924,866	1,647,793	3,179,823,815
31 December 2022	3,006,486,687	78,053,372	114,642,311	2,995,358	3,202,177,728



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (18) Intangible assets (Continued)

	Land use right	Software	Sea area use right	Others	Total
Cost					
31 December 2021	3,363,150,203	167,746,150	124,577,210	50,200,343	3,705,673,906
Increase in the current period (Unaudited)					
Purchase	98,747	359,875	-	-	458,622
Internal research and development	-	4,832,931	-	-	4,832,931
Decrease in the current period (Unaudited)					
Other decrease	(132,075)	-	-	-	(132,075)
30 June 2022 (Unaudited)	3,363,116,875	172,938,956	124,577,210	50,200,343	3,710,833,384
Accumulated amortization					
31 December 2021	(338,680,337)	(96,303,136)	(8,500,069)	(44,292,894)	(487,776,436)
Increase in the current period (Unaudited)					
Provision	(34,642,306)	(12,708,851)	(717,400)	(1,509,629)	(49,578,186)
Decrease in the current period (Unaudited)					
Other decrease	28,616	-	-	-	28,616
30 June 2022 (Unaudited)	(373,294,027)	(109,011,987)	(9,217,469)	(45,802,523)	(537,326,006)
Book value					
30 June 2022 (Unaudited)	2,989,822,848	63,926,969	115,359,741	4,397,820	3,173,507,378
31 December 2021	3,024,469,866	71,443,014	116,077,141	5,907,449	3,217,897,470

The amortisation of intangible assets for the six months ended 30 June 2023 is RMB55,784,434 (For the six months ended 30 June 2022: RMB49,578,186), of which the amortisation of land use rights charged to construction in progress amounted to RMB2,486,837 (For the six months ended 30 June 2022: RMB526,092).

As at 30 June 2023, the group has no land that is still in the process of certificate application (As at 31 December 2022, nil).

As at 30 June 2023 and 31 December 2022, there are no pledged intangible assets.

As at 30 June 2023 and 31 December 2022, the management of the Group considered that there was no indication of impairment of intangible assets, and therefore no provision for impairment was required.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (18) Intangible assets (Continued)

The Group's Development expenses are as follows:

	31 December 2022	Increase in current period (Unaudited)	Decrease in the current period Recorded in profit and loss (Unaudited)	Recognized as intangible assets (Unaudited)	30 June 2023 (Unaudited)
Terminal facilities development and software	<u>30,804,841</u>	<u>85,864,856</u>	<u>(50,752,626)</u>	<u>(27,334,240)</u>	<u>38,582,831</u>

For the six months ended 30 June 2023, the Group's research and development expenses amounted to RMB85,864,856 (For the six months ended 30 June 2022: RMB71,827,158), of which RMB50,752,626 (For the six months ended 30 June 2022: RMB55,906,928) was charged in Research and development expenses, of which RMB27,334,240 (For the six months ended 30 June 2022: RMB4,832,931) was recognized as intangible assets. As at 30 June 2023, the intangible assets developed by the Group accounted for 2.88% (31 December 2022: 2.08%) of the carrying amount of the total intangible assets.

#### (19) Goodwill

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	30 June 2023 (Unaudited)
Goodwill –				
Red Star Logistics	27,996,716	–	–	27,996,716
Qingdao Haiye Mercurial Logistics Co., Ltd. (“Mercurial Logistics”)	10,129,085	–	–	10,129,085
Qingdao Port Multi-purpose Terminal Co., Ltd. (“QMT”)	8,706,923	–	–	8,706,923
Qingdao Port Yuntai Logistics Co., Ltd. (“Yuntai Logistics”)	4,686,830	–	–	4,686,830
Qingdao Port Dongjiakou Liquid Chemical Terminal Co., Ltd. (“Liquid Chemical Terminal”)	<u>1,850,485</u>	<u>–</u>	<u>–</u>	<u>1,850,485</u>
	<u>53,370,039</u>	<u>–</u>	<u>–</u>	<u>53,370,039</u>
Less: Provision for impairment – Yuntai Logistics	<u>(4,686,830)</u>	<u>–</u>	<u>–</u>	<u>(4,686,830)</u>
	<u>(4,686,830)</u>	<u>–</u>	<u>–</u>	<u>(4,686,830)</u>
	<u>48,683,209</u>	<u>–</u>	<u>–</u>	<u>48,683,209</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (19) Goodwill (Continued)

The Group's goodwill was all allocated to related asset groups or groups of asset groups on the acquisition date, without any change of goodwill allocation during the six months ended 30 June 2023. The allocation was summarised by the operating segment as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Liquid bulk cargo handling and ancillary services		
– Red Star Logistics	<b>27,996,716</b>	27,996,716
Metal ore, coal and other cargo handling and ancillary services		
– Mercurial Logistics	<b>10,129,085</b>	10,129,085
Container handling services		
– QMT	<b>8,706,923</b>	8,706,923
Logistics services		
– Yuntai Logistics	<b>4,686,830</b>	4,686,830
Liquid bulk cargo stevedoring		
– Liquid Chemical Terminal	<b>1,850,485</b>	1,850,485
	<b><u>53,370,039</u></b>	<b><u>53,370,039</u></b>

During the goodwill impairment test, the Group compares the carrying amount of the relevant assets or sets of asset groups (including goodwill) with their recoverable amount. If the recoverable amount is lower than the carrying amount, the difference shall be recognised in profit or loss for the current year.

For the six months ended 30 June 2023, the Group determines the growth rate and gross profit rate based on historical experience and forecasts of market development, and uses a pre-tax interest rate that reflects the specific risks of the relevant asset group as the discount rate, which is approximately 11%-12% (For the six months ended 30 June 2022: approximately 11%). The growth rate in the forecast period is determined based on the five-year budget average growth rate of approved sales income of the relevant asset group. The growth rate in the stable period is determined by the Group with reference to the historical price index using an average growth rate of 3%(For the six months ended 30 June 2022: approximately 3%).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (20) Deferred tax assets and deferred tax liabilities

##### (a) Deferred tax assets before offsetting

	30 June 2023 (Unaudited)		31 December 2022 (Restated)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Assets revaluation surplus	2,594,266,384	648,566,596	2,636,190,100	659,047,525
Early retirement benefits	103,008,000	25,752,000	117,490,000	29,372,500
Elimination of intra-group unrealized profit	651,796,484	162,949,121	657,164,216	164,291,054
Provision for asset impairment	143,806,408	35,951,602	211,201,367	52,800,342
Accrued expenses	211,164,884	52,791,221	211,212,808	52,803,202
Lease liability (Note 2 (30))	233,752,472	58,438,118	300,507,814	75,126,953
Deductible losses	52,557,772	13,139,443	106,998,764	26,749,691
Government grant	65,290,256	16,322,564	72,821,204	18,205,301
	<u>4,055,642,660</u>	<u>1,013,910,665</u>	<u>4,313,586,273</u>	<u>1,078,396,568</u>
Including:				
Expected to be recovered within one year (inclusive)		124,393,483		122,050,825
Expected to be recovered after one year		<u>889,517,182</u>		<u>956,345,743</u>
		<u>1,013,910,665</u>		<u>1,078,396,568</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (20) Deferred tax assets and deferred tax liabilities (Continued)

##### (b) Deferred tax liabilities before offsetting

	30 June 2023 (Unaudited)		31 December 2022 (Restated)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Business combinations not under common control	202,044,652	50,511,163	205,034,192	51,258,548
Depreciation of fixed assets	147,286,220	36,821,555	159,454,340	39,863,585
Changes in fair value of wealth management products	1,459,144	364,786	6,754,304	1,688,576
Right-of-use assets (Note 2(30))	265,004,844	66,251,211	300,578,435	75,144,608
	<u>615,794,860</u>	<u>153,948,715</u>	<u>671,821,271</u>	<u>167,955,317</u>
Including:				
Expected to be recovered within one year (inclusive)		44,771,959		43,480,538
Expected to be recovered after one year		109,176,756		124,474,779
		<u>153,948,715</u>		<u>167,955,317</u>

##### (c) Deductible temporary differences and deductible losses that are not recognized as deferred tax assets are analyzed as follows:

	30 June 2023 (Unaudited)	31 December 2022
Deductible temporary differences	110,582,208	101,981,173
Deductible losses	172,914,041	164,979,368
	<u>283,496,249</u>	<u>266,960,541</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (20) Deferred tax assets and deferred tax liabilities (Continued)

(d) Deductible losses that are not recognized as deferred tax assets will expire in the following years:

	30 June 2023 (Unaudited)	31 December 2022
2023	26,275,253	26,275,253
2024	22,919,018	30,136,063
2025	52,108,240	52,108,240
2026	45,218,181	45,218,181
2027	11,241,631	11,241,631
2028	15,151,718	–
	<u>172,914,041</u>	<u>164,979,368</u>

(e) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	30 June 2023 (Unaudited)		31 December 2022 (Restated)	
	Offsetting amount	Amount after offsetting	Offsetting amount	Amount after offsetting
Deferred tax assets	(104,494,211)	909,416,454	(117,581,255)	960,815,313
Deferred tax liabilities	(104,494,211)	49,454,504	(117,581,255)	50,374,062

#### (21) Other non-current assets

	30 June 2023 (Unaudited)	31 December 2022
Foundation oil (i)	290,316,583	290,316,583
Taxes advance receipt from port facilities rental income (ii)	124,672,579	130,415,085
Construction and equipment expenditures prepaid	94,516,075	94,527,718
	<u>509,505,237</u>	<u>515,259,386</u>

(i) The Company and its subsidiary, Weifang Port Lianhua Storage Co., Ltd. (“Weifang Port Lianhua”), Qingdao Port Haiye Dongjiakou Oil Products Co., Ltd. (formerly known as Qingdao Haiye Mercuria Storage Co., Ltd.) (“Dongjiakou Oil Products”) and Dongying Port Lianhua Storage Co., Ltd. (“Dongying Port Lianhua”) and Red Star Logistics purchased some crude oil for the purpose of production and filled in the crude oil pipeline and tanks, so as to ensure the precision of oil product metering and increase the tank pressure for production safety.

(ii) The Group leased out certain land use rights, port facilities, storage facilities and other assets (collectively “Port Facilities”) in Qianwan Port Area to QQCT, a joint venture of the Group with a lease term of 30 years. By the end of 2010, the Group had received the rental payments in full. The Group calculated the tax and surcharges relating to the amounts received and recorded them as other non-current assets. The amount of taxes paid has been amortized to the other tax items in tax and surcharges pursuant to rental income recognized in each period.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (22) Provision for asset impairment

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period			30 June 2023 (Unaudited)
			Reversal (Unaudited)	Write-off (Unaudited)	Disposal of subsidiaries (Unaudited)	
Provision for bad debts of notes receivables	1,944,426	412,159	-	-	-	2,356,585
Including: Provision for bad debts on the grouping basis	1,944,426	412,159	-	-	-	2,356,585
Provision for bad debts of accounts receivable	207,915,041	-	(72,900,558)	-	(100,289)	134,914,194
Including: Provision for bad debts on the individual basis	20,962,438	-	-	-	-	20,962,438
Provision for bad debts on the grouping basis	186,952,603	-	(72,900,558)	-	(100,289)	113,951,756
Provision for bad debts of other receivables	76,437,471	14,707,675	-	-	-	91,145,146
Including: Provision for bad debts on the individual basis	56,130,888	8,601,035	-	-	-	64,731,923
Provision for bad debts on the grouping basis	20,306,583	6,106,640	-	-	-	26,413,223
Subtotal	286,296,938	15,119,834	(72,900,558)	-	(100,289)	228,415,925
Provision for impairment of fixed assets	24,887,847	-	-	-	-	24,887,847
Goodwill impairment provision	4,686,830	-	-	-	-	4,686,830
Provision for impairment of contract assets	1,997,755	-	(912,911)	-	-	1,084,844
Subtotal	31,572,432	-	(912,911)	-	-	30,659,521
	<u>317,869,370</u>	<u>15,119,834</u>	<u>(73,813,469)</u>	<u>-</u>	<u>(100,289)</u>	<u>259,075,446</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (23) Short-term borrowings

	Currency	30 June 2023 (Unaudited)	31 December 2022
Unsecured borrowings	RMB	529,868,243	268,842,243
Interest payable	RMB	250,731	245,904
		<u>530,118,974</u>	<u>269,088,147</u>

As at 30 June 2023, the interest rate of short-term borrowings ranges from 2.80% to 4.05% (31 December 2022: 3.80% to 4.35%).

#### (24) Notes payable

	30 June 2023 (Unaudited)	31 December 2022
Trade acceptance notes	685,069,609	984,132,165
Bank acceptance notes	20,312,763	50,765,874
	<u>705,382,372</u>	<u>1,034,898,039</u>

#### (25) Accounts payable

	30 June 2023 (Unaudited)	31 December 2022
Subcontract handling expenses payable	331,148,860	220,621,741
Subcontract agency fee payable	300,009,555	285,090,103
Material expenditure payable	224,428,487	270,417,932
Transportation expenses payable	170,428,977	217,304,802
Repair expenses payable	165,034,583	174,323,112
Subcontract costs payable	80,472,656	100,713,236
Rental expenses payable	68,781,904	40,165,079
Warehousing expenses payable	65,638,309	34,582,520
Others	91,327,258	92,089,823
	<u>1,497,270,589</u>	<u>1,435,308,348</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (25) Accounts payable (Continued)

(a) The ageing of accounts payable based on their recording dates is analyzed as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Within 1 year	<b>1,402,580,882</b>	1,327,397,208
Over 1 year	<b>94,689,707</b>	107,911,140
	<b><u>1,497,270,589</u></b>	<b><u>1,435,308,348</u></b>

Accounts payable is mainly recorded on the basis of the date of business occurrence, and the aging shown on the date of entry is basically the same as that shown on the date of invoice.

As at 30 June 2023, accounts payable with ageing over one year amounted to RMB94,689,707 (31 December 2022: RMB107,911,140), which were mainly subcontract costs payable and repair expenses and were not finally settled yet since the projects had not been settled.

#### (26) Contract Liabilities

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Loading fee received in advance	<b>259,554,851</b>	168,450,489
Subcontract agency fee received in advance	<b>69,327,118</b>	71,667,180
Construction fee received in advance	<b>15,962,567</b>	14,315,717
Material and equipment fee received in advance	<b>4,681,731</b>	13,920,030
Others	<b>12,752,800</b>	5,238,713
	<b><u>362,279,067</u></b>	<b><u>273,592,129</u></b>

The balance of the Group's contract liabilities amounted to RMB273,592,129 included in the carrying amount on 31 December 2022 (For the six months ended 30 June 2022: RMB216,343,911) has been recognized into revenue from main operations for the six months ended 30 June 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (27) Employee benefits payable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Short-term employee benefits payable (a)	<b>469,385,853</b>	446,349,756
Defined contribution plans payable (b)	<b>28,041,004</b>	20,981,808
Termination benefits payable (c)	<b>34,640,000</b>	34,970,000
Defined benefit plans payable (d)	<b>128,240,000</b>	128,970,000
	<b><u>660,306,857</u></b>	<b><u>631,271,564</u></b>

#### (a) Short-term employee benefits

	31 December 2022	Business combinations not under common control (Unaudited)	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	Disposal of subsidiaries (Unaudited)	<b>30 June 2023</b> <b>(Unaudited)</b>
Wages and salaries, bonus, allowances and subsidies	372,288,104	-	877,587,874	(876,996,930)	(8,015,624)	<b>364,863,424</b>
Employee welfare	1,060,389	-	46,986,865	(43,797,187)	-	<b>4,250,067</b>
Social security contributions	-	-	67,619,434	(67,619,434)	-	-
Including: Medical insurance	-	-	59,615,948	(59,615,948)	-	-
Work injury insurance	-	-	8,003,486	(8,003,486)	-	-
Housing fund	-	-	76,757,722	(75,868,955)	-	<b>888,767</b>
Labor union funds and employee education funds	10,794,648	17,742	23,219,364	(23,391,748)	(229,518)	<b>10,410,488</b>
Outsourcing costs	57,578,749	-	357,800,879	(329,467,347)	(2,534,714)	<b>83,377,567</b>
Others	4,627,866	-	28,416,967	(27,449,293)	-	<b>5,595,540</b>
	<b><u>446,349,756</u></b>	<b><u>17,742</u></b>	<b><u>1,478,389,105</u></b>	<b><u>(1,444,590,894)</u></b>	<b><u>(10,779,856)</u></b>	<b><u>469,385,853</u></b>

#### (b) Defined contribution plans

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	Disposal of subsidiaries (Unaudited)	<b>30 June 2023</b> <b>(Unaudited)</b>
Basic pensions	-	119,451,088	(119,451,088)	-	-
Unemployment insurance	-	5,225,871	(5,225,871)	-	-
Enterprise annuity	20,981,808	61,558,427	(54,277,325)	(221,906)	<b>28,041,004</b>
	<b><u>20,981,808</u></b>	<b><u>186,235,386</u></b>	<b><u>(178,954,284)</u></b>	<b><u>(221,906)</u></b>	<b><u>28,041,004</u></b>

Monthly payments of premiums on the basic pensions and unemployment insurance are calculated according to the bases and percentage prescribed by local authorities of Ministry of Human Resource and Social Security, and the payment shall not be used to offset the amount that the Group shall pay to its employees in the future.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (27) Employee benefits payable (Continued)

##### (c) Termination benefits payable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Early retirement benefits payable (Current portion)	<u>34,640,000</u>	<u>34,970,000</u>

Early retirement benefits borne by the Group are recognized as long-term employee benefits payable (Note 4(35)), the current portion of which is presented as employee benefits payable.

##### (d) Defined benefit plans

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Supplemental retirement benefits (Current portion)	<u>128,240,000</u>	<u>128,970,000</u>

Supplemental retirement benefits borne by the Group are recognized as long-term employee benefits payable (Note 4(35)), the current portion of which is presented as employee benefits payable.

#### (28) Taxes payable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Enterprise income tax payable	282,085,265	229,780,267
Unpaid VAT	57,997,350	45,146,836
Land use tax payable	20,069,437	17,901,482
Property tax payable	7,029,993	2,957,725
Stamp duty payable	2,293,611	3,270,144
Individual income tax payable	1,913,981	3,532,567
Others	<u>4,620,047</u>	<u>3,791,818</u>
	<u>376,009,684</u>	<u>306,380,839</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (29) Other payables

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Construction and equipment expenditures payable (i)	<b>3,007,315,772</b>	2,854,945,106
Dividends payable	<b>1,837,358,706</b>	285,371,337
Payables and advances from agent business (ii)	<b>742,324,407</b>	484,184,637
Guarantees and deposits payable	<b>82,905,719</b>	177,119,951
Others	<b>236,374,847</b>	184,256,885
	<b><u>5,906,279,451</u></b>	<b><u>3,985,877,916</u></b>

- (i) Construction and equipment expenditures payable are mainly payables for project construction, which remain outstanding as relevant projects have not been completed.
- (ii) Payables and advances from agent business mainly are payables and advances received on behalf of other parties by the Group relating to the entrustment from ship owners to go through the necessary procedures for the ship's access to the port and agent procurement businesses.
- (a) As at 30 June 2023, other payables over 1 year of RMB975,168,355 (31 December 2022: RMB800,532,503) were mainly construction and equipment expenditures payable which remain outstanding as are not due.

#### (30) Current portion of non-current liabilities

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Current portion of long-term borrowings (Note 4(31))	<b>246,354,098</b>	450,248,851
Current portion of long-term payables (Note 4(33))	<b>180,905,869</b>	127,847,144
Current portion of lease liabilities (Note 4(32))	<b>149,219,835</b>	142,098,748
	<b><u>576,479,802</u></b>	<b><u>720,194,743</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (31) Long-term borrowings

	Currency	30 June 2023 (Unaudited)	31 December 2022
Unsecured borrowings	RMB	1,975,496,212	1,989,947,600
Interest payable	RMB	2,454,226	2,828,851
Less: current portion (Note 4(30))	RMB	(246,354,098)	(450,248,851)
		<u>1,731,596,340</u>	<u>1,542,527,600</u>

As at 30 June 2023, interest rate of the long-term borrowings is 3.3% to 6.18% (31 December 2022: 4.2% to 6.18%).

#### (32) Lease liability

	30 June 2023 (Unaudited)	31 December 2022
Lease liabilities	544,440,712	624,462,871
Less: Current portion (Note 4(30))	(149,219,835)	(142,098,748)
	<u>395,220,877</u>	<u>482,364,123</u>

As at 30 June 2023, there was no variable lease payment based on certain percentage of sales and no lease payments related to signed but not yet started lease contracts.

As at 30 June 2023, the future minimum lease payments of short-term leases and low-value asset leases contract adopting the practical expedient according to the new lease standard was RMB1,880,654 (31 December 2022: RMB1,102,877), which should be paid within one year.

#### (33) Long-term payables

	30 June 2023 (Unaudited)	31 December 2022
Sale-leaseback arrangement deemed as mortgage loan	158,416,667	160,775,122
Less: Current portion (Note 4(30))	(158,416,667)	(45,604,289)
Entrusted borrowings	366,239,542	299,294,785
Less: Current portion (Note 4(30))	(20,539,542)	(80,294,785)
Collection and payment of welfare expenses	36,453,968	36,600,486
Less: Current portion of welfare expenses (Note 4(30))	(1,949,660)	(1,948,070)
Others	14,499,279	5,183,249
	<u>394,703,587</u>	<u>374,006,498</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (34) Deferred revenue

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	30 June 2023 (Unaudited)	Reason
Government grants (a)	<u>323,941,118</u>	<u>1,509,930</u>	<u>(12,744,870)</u>	<u>312,706,178</u>	Special funds for outer channel, etc.

#### (a) Government grants

	31 December 2022	Increase in current period (Unaudited)	Recorded in other income in the current period (Unaudited)	Other decrease (Unaudited)	30 June 2023 (Unaudited)	Assets related/ income related
Special funds for outer channel (i)	115,703,700	-	(1,957,222)	-	113,746,478	Assets related
Central government funding subsidies for food security (ii)	66,460,592	-	(749,556)	-	65,711,036	Assets related
Special support funds (iii)	51,485,181	-	(5,389,610)	-	46,095,571	Assets related
Infrastructure support funds for Weigang logistics centre project	41,177,736	-	(554,765)	-	40,622,971	Assets related
Renovation of quay shore-based facilities	20,660,000	-	(430,417)	-	20,229,583	Assets related
Integration and demonstration of key technologies of hydrogen energy port	10,100,000	-	-	-	10,100,000	Assets related
Special subsidy for shore power projects	3,890,500	-	(376,500)	-	3,514,000	Assets related
Support funds for smart port pilot project	3,500,000	-	(600,000)	-	2,900,000	Assets related
Others	10,963,409	1,509,930	-	(2,686,800)	9,786,539	Assets/income related
	<u>323,941,118</u>	<u>1,509,930</u>	<u>(10,058,070)</u>	<u>(2,686,800)</u>	<u>312,706,178</u>	

- (i) The special funds for outer channel are granted by the Ministry of Transport and the Ministry of Finance to the Group to be used for outer channel expansion project, and are recognized into profit or loss on a straight-line basis over the useful lives of the asset.
- (ii) The special support fund is the project support fund received by DMT from the State Bureau of Grain and Material Reserves for the second phase of the grain silo project, and will be transferred to fixed assets after the completion of the construction of the asset and depreciated on the straight-line basis over its useful life in the profit or loss for the current period.
- (iii) The special support fund is the project support fund received by Qingdao Port Jimo Port International Logistics Co., Ltd. ("Jimo Logistics") from the Jimo District Government of Qingdao pursuant to the "Qingdao Port Jimo Port Investment Project Policy Support Agreement", to be used for the project, and are recognized into profit or loss on a straight-line basis over the useful lives of the asset.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (35) Long-term employee benefits payable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Early retirement benefits payable (a)	<b>103,008,000</b>	117,490,000
Supplemental retirement benefits payable (b)	<b>2,517,152,000</b>	2,472,890,000
Less: Current portion	<b>(162,880,000)</b>	(163,940,000)
	<b><u>2,457,280,000</u></b>	<u>2,426,440,000</u>

Early retirement benefits represent the Group's actuarial assumptions of early retirement benefits to be paid for the early retired employees from the off-duty date to the normal retirement date by discounting the expected future cash outflows using the interest rate of government bonds that have terms to maturity approximating to the terms of the early retirement benefits and are recognized as liabilities. Supplemental retirement benefits represent the Group's actuarial assumptions of benefits to be paid by discounting the expected future cash outflows using interest rate of government bonds that have terms to maturity approximating to the terms of the supplemental retirement benefits and are recognized as liabilities.

Early retirement benefits payable and supplemental retirement benefits payable within one year are recorded in employee benefits payable (Note 4(27)).

#### (a) Early retirement benefits of the Group:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Early retirement benefits	<b>103,008,000</b>	117,490,000
Less: current portion	<b>(34,640,000)</b>	(34,970,000)
	<b><u>68,368,000</u></b>	<u>82,520,000</u>

#### (b) Supplemental retirement benefits of the Group:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Supplemental retirement benefits	<b>2,517,152,000</b>	2,472,890,000
Less: current portion	<b>(128,240,000)</b>	(128,970,000)
	<b><u>2,388,912,000</u></b>	<u>2,343,920,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (35) Long-term employee benefits payable (Continued)

(c) Movements for the Group's early retirement benefits are analyzed as follows:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Opening balance	117,490,000	130,930,000
Amount recognized in profit or loss for the current period		
– Service cost	9,350,000	31,460,000
– Net interest expense on the net obligations	1,248,000	1,730,000
– Re-measurement amount	(60,000)	–
Personnel transfer out	(2,270,000)	–
Payment of benefits	<u>(22,750,000)</u>	<u>(24,130,000)</u>
Ending balances	<u><b>103,008,000</b></u>	<u><b>139,990,000</b></u>

The main assumptions of the group's early retirement benefits payable at the balance sheet date are as follows:

	<b>30 June 2023 (Unaudited)</b>	31 December 2022
Discount rate – early retirement benefits	2.50%	2.50%

Early retirement benefits recognized in profit or loss for the current year are as follows:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
General and administrative expenses	9,290,000	31,460,000
Financial expenses	1,248,000	1,730,000



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (35) Long-term employee benefits payable (Continued)

(d) Movements for the Group's supplemental retirement benefits are analyzed as follows:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Opening balance	2,472,890,000	2,552,965,602
Amount recognized in profit or loss for the current period		
– Service cost	15,240,000	31,924,398
– Net interest expense on the net obligations	36,132,000	37,610,000
Re-measurement amount		
– Actuarial loss for the current period	98,160,000	–
Personnel transfer out	(47,790,000)	–
Payment of benefits	(57,480,000)	(44,650,000)
Ending balance	<u>2,517,152,000</u>	<u>2,577,850,000</u>

(e) Liabilities of supplemental retirement benefits as at the balance sheet date of the Group are calculated using projected unit credit method. Significant actuarial assumptions used are as follows:

	<b>30 June 2023 (Unaudited)</b>	31 December 2022
Discount rate – supplemental retirement benefits	2.75%	3.00%
Respect for the elderly, longevity, and medical benefit growth rate	0-5%	0-5%

The supplemental retirement benefits exposes the Group to various risks, the main risk is the risk of interest rate fluctuations of national debt. A fall in interest rates on Treasury bonds will lead to an increase in debt.

For the six months ended 30 June 2023 and 2022, the assumption for future mortality rate is based on the statistics of the China Life Annuitant Mortality Table (2010-2013) translated forward by three years. The actuarial assumptions are analyzed as follows:

	<b>Six months ended 30 June 2023</b>	31 December 2022
Supplemental retirement benefits –		
Average age	52.17	51.67
Average residual expected future entire duration	31.21	31.71

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (35) Long-term employee benefits payable (Continued)

- (f) The sensitivity analysis of the principal actuary assumptions adopted in the present value of the defined benefit liability of the Group is as follows:

	Change in assumption	Impact on the present value of defined benefit plan obligation	
		Increase in assumption	Decrease in assumption
Discount rate – Supplemental retirement benefits	25 basis points	3.70% down	3.96% up
Medical benefit growth rate	100 basis points	2.23% up	1.69% down

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the projected unit credit method has been applied.

- (g) As at 30 June 2023, expected maturity analysis of undiscounted defined benefit liability is as follows:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Supplemental retirement benefits	<u>128,240,000</u>	<u>128,610,000</u>	<u>386,470,000</u>	<u>4,911,630,000</u>	<u>5,554,950,000</u>

- (h) Early retirement benefits and supplemental retirement benefits recognized in profit or loss for the current year are as follows:

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
General and administrative expenses	15,240,000	31,924,398
Financial expenses	36,132,000	37,610,000

#### (36) Other non-current liabilities

	30 June 2023 (Unaudited)	31 December 2022
Lease payments collected in advance	<u>2,180,965,835</u>	<u>2,281,541,172</u>

Lease payments collected in advance mainly comprise port facilities lease payments collected in advance from related party QQCT, dock basin lease payments collected in advance from Qingdao Qianwan Container Terminal Co., Ltd (“QQCTN”) and Qingdao Qianwan United Container Terminal Co., Ltd (“QQCTU”) with a period of 30 years and Qianwan Port area storage yard lease payment collected in advance from Kubo International Mining Co., Ltd with a period of 30 years.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (37) Share capital

	31 December 2022	Movements for the current period (Unaudited)	30 June 2023 (Unaudited)
Foreign shares issued overseas	1,099,025,000	-	1,099,025,000
RMB denominated common stock	5,392,075,000	-	5,392,075,000
	<u>6,491,100,000</u>	<u>-</u>	<u>6,491,100,000</u>
	31 December 2021	Movements for the current period (Unaudited)	30 June 2022 (Unaudited)
Foreign shares issued overseas	1,099,025,000	-	1,099,025,000
RMB denominated common stock	5,392,075,000	-	5,392,075,000
	<u>6,491,100,000</u>	<u>-</u>	<u>6,491,100,000</u>

The Company completed the first issue of 705,800,000 overseas issuance of foreign shares to foreign investors on 6 June 2014. For the work of H-shares, the issue price per share was HKD3.76 (approximately RMB2.98), and the share capital increased to 4,705,800,000 shares after the issue. On 2 July 2014, the Company exercised the over-allotment option and completed the issuance of 72,404,000 shares of foreign-invested H-shares issued overseas. The issue price per share was HK\$3.76 (approximately RMB2.99), and the excess was exercised. After the placement option, the share capital increased to 4,778,204,000 shares. In addition, 77,821,000 state-owned shares (10% of the total H-shares issued) held by QDP Group were converted into H-shares and transferred to the National Council for Social Security Fund of the People's Republic of China as part of the initial public offering and over-allotment. The above funds were verified by Xinyong Zhonghe Certified Public Accountants Co., Ltd. (Special General Partnership) Co., Ltd. and issued a capital verification report numbered XYZH/2014QDA2002.

The Company completed the placement of 243,000,000 new H-shares on 18 May 2017 at a placing price of HKD4.32 (approximately equivalent to RMB3.81) per share. The share capital increased to 5,021,204,000 shares upon completion of the placement. The above-mentioned capital has been verified by PricewaterhouseCoopers Zhong Tian LLP with capital verification report of PwC ZT Yan Zi (2017) No. 527 issued accordingly.

The Company determined private placement of 1,015,520,000 domestic shares on 22 May 2017 to Shanghai China Shipping Terminal at a subscription price of RMB5.71 per share. Upon completion of the private placement of domestic shares, the share capital increased to RMB6,036,724,000. The above-mentioned capital has been verified by PricewaterhouseCoopers Zhong Tian LLP with capital verification report of PwC ZT Yan Zi (2017) No. 526 issued accordingly.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (37) Share capital (Continued)

Pursuant to the China Securities Regulatory Commission's Securities Regulatory Commission [2018] No. 1839 issued on 14 November 2018, "Review of the Approval of the Initial Public Offering of Qingdao Port International Co., Ltd.", the Company was approved to submit to the public issued 454,376,000 ordinary shares at an issue price of RMB4.61 per share. The above funds were put in place in January 2019 and were verified by PricewaterhouseCoopers Zhong Tian LLP with capital verification report of PwC ZT Yan Zi (2019) No.0026 issued accordingly. The total amount of funds raised this time was RMB2,094,673,360, the company's share capital increased by RMB454,376,000, after deducting the issue cost of RMB115,743,592, the remaining RMB1,524,553,768 was included in capital reserve (Share premium).

#### (38) Capital surplus

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	<b>30 June 2023 (Unaudited)</b>
Share premium -				
Capital premium contributed by				
Qingdao Port Group (a)	7,052,279,474	-	-	<b>7,052,279,474</b>
Capital premium contributed by				
Other Promoters (a)	783,586,608	-	-	<b>783,586,608</b>
Issue of new shares (b)	8,652,856,972	-	-	<b>8,652,856,972</b>
Shares issue expenses (b)	(242,175,098)	-	-	<b>(242,175,098)</b>
Reversal of revaluation appreciation effect				
from business combination involving				
enterprises under common control	(4,830,045,213)	-	-	<b>(4,830,045,213)</b>
Income tax effect recognized from				
revaluation appreciation	887,819,497	-	-	<b>887,819,497</b>
Business combination involving enterprises				
under common control	(416,942,220)	-	-	<b>(416,942,220)</b>
Subsidiary minority shareholders paid				
a premium	15,245,576	-	-	<b>15,245,576</b>
Acquisition of minority interests (d)	(36,737,621)	7,737,484	-	<b>(29,000,137)</b>
Other capital surplus -				
Share of changes in equity other than				
comprehensive income and profit				
distribution of investees under the				
equity method	12,500,677	3,354,771	-	<b>15,855,448</b>
	<u>11,878,388,652</u>	<u>11,092,255</u>	<u>-</u>	<b><u>11,889,480,907</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (38) Capital surplus (Continued)

	31 December 2021	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	30 June 2022 (Unaudited)
Share premium –				
Capital premium contributed by Qingdao Port Group (a)	7,052,279,474	-	-	7,052,279,474
Capital premium contributed by Other Promoters (a)	783,586,608	-	-	783,586,608
Issue of new shares (b)	8,652,856,972	-	-	8,652,856,972
Shares issue expenses (b)	(242,175,098)	-	-	(242,175,098)
Reversal of revaluation appreciation effect from business combination involving enterprises under common control	(4,830,045,213)	-	-	(4,830,045,213)
Income tax effect recognized from revaluation appreciation	887,819,497	-	-	887,819,497
Business combination involving enterprises under common control (c)	567,504,380	-	(984,446,625)	(416,942,245)
Subsidiary minority shareholders paid a premium	15,245,576	-	-	15,245,576
Acquisition of minority interests	(36,737,621)	-	-	(36,737,621)
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method	12,193,294	4,857,403	-	17,050,697
	<u>12,862,527,869</u>	<u>4,857,403</u>	<u>(984,446,625)</u>	<u>11,882,938,647</u>

- (a) The Company is a stock limited company jointly established by Qingdao Port Group and Other Promoters. The assets and liabilities as well as cash at bank and on hand contributed by Qingdao Port Group amounted to RMB10,252,279,474 and RMB400,000,000 respectively, which were approved by Qingdao SASAC. Cash at bank and on hand contributed by Other Promoters amounted to RMB1,183,586,608. The contribution amounted to RMB11,835,866,082 in total, including share capital of RMB4,000,000,000 (4,000,000,000 shares, par value at RMB1) and capital surplus of RMB7,835,866,082.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (38) Capital surplus (Continued)

- (b) The Company issued 705,800,000 foreign-listed H-shares overseas at its initial public offering on 6 June 2014. The amount of raised capital less capitalized listing expenses is RMB1,995,921,171, including share capital of RMB705,800,000 (705,800,000 shares, par value at RMB1) and capital surplus of RMB1,290,121,171. The Company exercised over-allotment option on 2 July 2014 and increased issuance of 72,404,000 foreign-listed H-shares overseas. The amount raised in over-allotment is RMB216,167,727, including share capital of RMB72,404,000 (72,404,000 shares, par value at RMB1) and capital surplus of RMB143,763,727.

The Company completed placement of 243,000,000 new H-shares on 18 May 2017. The amount of raised capital less capitalized issuance expenses is RMB912,553,972, including share capital of RMB243,000,000 (243,000,000 shares, par value at RMB1) and capital surplus of RMB669,553,972.

The Company completed proposed subscription of 1,015,520,000 domestic shares on 22 May 2017. The amount of the consideration of domestic shares less capitalized listing expenses is RMB5,798,209,236, including share capital of RMB1,015,520,000 (1,015,520,000 shares, par value at RMB1) and capital surplus of RMB4,782,689,236.

On 21 January 2019, the Company completed the initial public offering of 454,376,000 ordinary shares (A shares). The amount of raised capital less capitalized issuance expenses was RMB1,978,929,768, including share capital of RMB454,376,000 (454,376,000 shares, par value at RMB1), and capital surplus of RMB1,524,553,768.

- (c) In May 2022, the Company acquired Weihai Port, a subsidiary of Weihai Port Group, and indirectly controlled Qingwei Container. This transaction was classified as a business combination involving enterprises under common control. Therefore, the assets and liabilities of Weihai Port and Qingwei Container were stated at their carrying amounts as at the combination date, and the capital surplus was adjusted based on the difference between their carrying amounts and the considerations paid for the acquisition.
- (d) In Jan 2023, the Company purchased 5% equity in Dongjiakou Oil Products, a subsidiary of the Company, from Mercuria Energy Asia Investment Pte Ltd. After the transaction, the Company held 70% of shareholding of Dongjiakou Oil Products. The adjustment to capital surplus due to such transaction was set out as below:

Share of the identifiable net assets acquired on the transaction date calculated at the proportion of increased part of equity interests which the Company is entitled to since the date of consolidation	20,428,568
Less: Cost of purchase – cash payments	<u>(12,691,084)</u>
Adjustment to capital surplus	<u>7,737,484</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (39) Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the six months ended 30 June 2023				
	Attributable to the parent company after tax (Unaudited)	30 June 2023 (Unaudited)	Amount incurred before income tax for the current period (Unaudited)	Less: Income tax expenses (Unaudited)	Attributable to the parent company after tax (Unaudited)	Attributable to minority interests, net of tax (Unaudited)		
							31 December 2022 (Unaudited)	
Other comprehensive income items which will not be reclassified to profit or loss								
Amount changes arising from remeasurement of defined benefit plans	(40,551,764)	(95,392,832)	(135,944,596)	(98,160,000)	-	(95,392,832)	(2,767,168)	
Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method	1,683,736	-	1,683,736	-	-	-	-	
Other comprehensive income that will be subsequently reclassified to profit or loss								
Other comprehensive income that will be transferred subsequently to profit or loss under the equity method	(4,633,200)	8,109,307	3,476,107	8,109,307	-	8,109,307	-	
	<u>(43,501,228)</u>	<u>(87,283,525)</u>	<u>(130,784,753)</u>	<u>(90,050,693)</u>	<u>-</u>	<u>(87,283,525)</u>	<u>(2,767,168)</u>	

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (39) Other comprehensive income (Continued)

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the six months ended 30 June 2022				
	31 December 2021	Attributable to the parent company after tax (Unaudited)	30 June 2022 (Unaudited)	Amount incurred before income tax for the current period (Unaudited)	Less: Other comprehensive income transferred out in the current period (Unaudited)	Less: Income tax expenses (Unaudited)	Attributable to the parent company after tax (Unaudited)	Attributable to minority interests, net of tax (Unaudited)
Other comprehensive income items which will not be reclassified to profit or loss								
Amount changes arising from remeasurement of defined benefit plans	(10,233,649)	-	(10,233,649)	-	-	-	-	-
Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss	-	2,401,000	2,401,000	2,401,000	-	-	2,401,000	-
Other comprehensive income that will be subsequently reclassified to profit or loss								
Fair value changes in other debt investments	3,126,165	8,084,405	11,210,570	16,015,100	(4,465,950)	-	8,084,405	3,464,745
	<u>(7,107,484)</u>	<u>10,485,405</u>	<u>3,377,921</u>	<u>18,416,100</u>	<u>(4,465,950)</u>	<u>-</u>	<u>10,485,405</u>	<u>3,464,745</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (40) Surplus reserve

	31 December 2022	Appropriation in the current period (Unaudited)	Decrease in the current period (Unaudited)	30 June 2023 (Unaudited)
Statutory surplus reserve	<u>2,419,818,733</u>	<u>-</u>	<u>-</u>	<u>2,419,818,733</u>
	31 December 2021	Appropriation in the current period (Unaudited)	Decrease in the current period (Unaudited)	30 June 2022 (Unaudited)
Statutory surplus reserve	<u>2,002,688,003</u>	<u>-</u>	<u>-</u>	<u>2,002,688,003</u>

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital.

#### (41) Undistributed profits

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Undistributed profits at beginning of period	<b>16,641,280,437</b>	13,743,191,909
Business combinations involving entities under common control	-	43,318,400
Changes in accounting policies (Note 2(30))	-	(3,269,896)
Undistributed profits at the beginning of the period (Restated)	<b>16,641,280,437</b>	13,783,240,413
Add: Attributable to equity holders of the Company	<b>2,563,527,124</b>	2,312,589,485
Profit distribution to shareholders (a)	<b><u>(1,748,053,230)</u></b>	<u>(1,664,318,040)</u>
Undistributed profits at the end of the period	<b><u>17,456,754,331</u></b>	<u>14,431,511,858</u>

- (a) In accordance with the resolution at the Board of Shareholders' meeting dated Mar 29 2023, the Company proposed a cash dividend to the shareholders at RMB2.693 per 10 shares (including tax), amounting to RMB1,748,053,230 calculated by 6,491,100,000 issued shares.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (42) Revenue and cost of sales

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Revenue from main operations	<b>8,452,159,742</b>	9,115,064,900
Revenue from other operations	<b>705,366,448</b>	831,274,918
	<b><u>9,157,526,190</u></b>	<b><u>9,946,339,818</u></b>
	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Cost of sales from main operations	<b>(5,324,551,784)</b>	(6,186,884,208)
Cost of sales from other operations	<b>(456,837,410)</b>	(594,631,675)
	<b><u>(5,781,389,194)</u></b>	<b><u>(6,781,515,883)</u></b>

#### (a) Revenue and cost of sales from main operations

	<b>Six months ended 30 June 2023 (Unaudited)</b>		Six months ended 30 June 2022 (Unaudited)	
	<b>Revenue from main operations</b>	<b>Cost of sales from main operations</b>	Revenue from main operations	Cost of sales from main operations
Container handling and ancillary services	<b>601,136,120</b>	<b>(125,771,534)</b>	534,367,483	(162,541,239)
Metal ore, coal and other cargo handling and ancillary services	<b>2,137,401,727</b>	<b>(1,624,188,854)</b>	2,048,236,158	(1,600,206,879)
Liquid bulk cargo handling and ancillary services	<b>2,031,383,431</b>	<b>(767,002,965)</b>	1,832,636,043	(643,259,693)
Logistics and port value-added services	<b>3,599,819,866</b>	<b>(2,735,696,585)</b>	4,275,870,067	(3,416,775,376)
Port ancillary services – construction, labor and construction of port machinery	<b>82,418,598</b>	<b>(71,891,846)</b>	423,955,149	(364,101,021)
	<b><u>8,452,159,742</u></b>	<b><u>(5,324,551,784)</u></b>	<b><u>9,115,064,900</u></b>	<b><u>(6,186,884,208)</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (42) Revenue and cost of sales (Continued)

##### (b) Revenue and cost of sales from other operations

	Six months ended 30 June 2023 (Unaudited)		Six months ended 30 June 2022 (Unaudited)	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Lease revenue (i)	190,866,352	(99,286,454)	173,282,489	(84,986,429)
Sales of fuel, electricity and others	514,500,096	(357,550,956)	657,992,429	(509,645,246)
	<u>705,366,448</u>	<u>(456,837,410)</u>	<u>831,274,918</u>	<u>(594,631,675)</u>

- (i) The Group's rental income is from leasing port facilities, storage facilities, buildings, machinery and equipment and motor vehicles. For the six months ended 30 June 2023, there's no variable rental income recognized based on the certain percentage of the lessee's sales amount. (For the six months ended 30 June 2022, nil)

For the six months ended 30 June 2023, among the above revenue categories, except for contract obligations of partial port ancillary services like sales of fuel, electricity and others are satisfied at a point in time, the remaining contract obligations are satisfied over time.

As at 30 June 2023, the amounts of revenue corresponding to contract obligations that were signed but not fulfilled or not completely fulfilled were RMB362,279,067 (As at 31 December 2022: RMB273,592,129), of which is expected to be recognized as revenue during 2023.

#### (43) Taxes and surcharges

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)	Calculation and payment standard
Land use tax	36,237,725	33,919,897	3.2 -11.2 yuan/ Square meter/year
City maintenance and construction tax	12,157,840	13,421,290	7%
Property tax	11,656,247	6,320,065	Levied on prices and values
Educational surcharge	8,684,171	9,605,791	3%
Stamp duty	4,410,383	4,962,733	Proportional tax rate, Norm quota tax rate
Others	<u>6,642,851</u>	<u>6,079,521</u>	
	<u>79,789,217</u>	<u>74,309,297</u>	

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (44) General and administrative expenses

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Employee benefits	354,918,015	315,722,839
Office expenses and entertainment expenses	23,231,372	12,926,909
Depreciation of right-of-use assets	17,841,569	18,225,845
Amortisation of intangible assets	16,487,803	13,872,037
Depreciation of fixed assets	14,117,939	15,972,755
Intermediary service fee	12,286,769	7,481,888
Lease fee	7,699,517	6,657,764
Repair expenses	4,827,175	3,265,189
Fuel and utility fees	4,660,388	5,056,600
Consumption of other raw materials	2,612,081	2,264,838
Others	38,226,411	50,692,522
	<u>496,909,039</u>	<u>452,139,186</u>

#### (45) Financial expenses

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Interest expenses on deposits	-	29,582,074
Borrowings and other interest expenses	66,142,190	42,372,738
Add: Interest expense for lease liabilities	14,401,469	6,994,353
Less: Capitalized interest	(1,523,942)	(341,516)
	<u>79,019,717</u>	<u>78,607,649</u>
Less: Interest income	(59,101,367)	(185,702,570)
Effect of actuarial calculation of employee benefits	37,380,000	39,340,000
Exchange gains or losses	(5,559,504)	(61,250,034)
Others	1,028,160	4,864,166
	<u>52,767,006</u>	<u>(124,140,789)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (46) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement are categorized by nature as follows:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Subcontract cost	<b>1,890,213,499</b>	2,578,578,252
Employee benefits	<b>1,689,154,491</b>	1,631,922,711
Cost for outsourcing transportation	<b>1,058,662,861</b>	1,264,360,858
Depreciation expenses of fixed assets	<b>597,768,867</b>	515,610,239
Cost of sales for fuel and electricity	<b>292,917,321</b>	273,743,808
Procurement cost of fuel and utility fees	<b>222,064,011</b>	257,930,359
Consumption of other raw materials	<b>193,076,616</b>	232,742,528
Repair expenses (i)	<b>83,868,813</b>	80,076,582
Depreciation of right-of-use assets	<b>75,070,857</b>	54,994,352
Rental expenses (ii)	<b>61,575,468</b>	104,721,606
Amortisation of intangible assets	<b>53,297,597</b>	49,578,186
Consumption of raw materials in construction contract	<b>40,374,990</b>	165,225,345
Sales service fee	<b>34,387,576</b>	–
Consulting fee	<b>7,567,361</b>	3,930,944
Auditor's fee	<b>4,764,151</b>	3,550,944
– Annual audit services for listed companies	<b>4,754,717</b>	3,070,755
– Non-audit services	<b>9,434</b>	480,189
Depreciation of investment properties	<b>2,429,192</b>	2,923,542
Others	<b>90,930,136</b>	95,060,003
	<b><u>6,398,123,807</u></b>	<b><u>7,314,950,259</u></b>

(i) For the daily maintenance and repair expenses of fixed assets that do not meet the criteria of capitalisation, the Group included the costs related to the production and processing of inventories in the costs of inventories and recognised as cost of sale accordingly, and included the costs related to the research and development department, the administrative department and the sale department in research and development expenses, general and administrative expenses and selling and distribution expenses, respectively.

(ii) As stated in Note 2(25), the Group's lease expense incurred by short-term lease and low-value lease is recorded in profit or loss. For the six months ended 30 June 2023, the amount is RMB61,575,468 (For the six months ended 30 June 2022: RMB104,721,606).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (47) Other income

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)	Asset related/ Income related
Additional deduction of VAT input	<b>26,853,390</b>	39,878,993	–
VAT refunded as soon as collected	<b>14,740,771</b>	28,709,669	–
Government grants			
– Development support funds related to assets	<b>8,100,848</b>	8,470,727	Asset related
– Development support funds related to daily operations	<b>5,675,056</b>	18,200,797	Income related
– Special funds for outer route	<b>1,957,222</b>	1,957,222	Asset related
– Employment stabilization subsidies	<b>115,676</b>	96,024	Income related
– Other government grants	<b>1,548,663</b>	5,245,738	Income related
	<b><u>58,991,626</u></b>	<u>102,559,170</u>	

For the six months ended 30 June 2023, other income was included in the non-recurring profit or loss of the year except for VAT refunded as soon as collected.

#### (48) Investment income

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Investment income from long-term equity investments under equity method	<b>762,681,468</b>	647,398,403
Investment income from holding of financial assets held for trading	<b>14,184,229</b>	35,373,955
Investment income from disposal of long-term equity investments	<b>5,358,836</b>	–
Interest income from holding of other debt investment	–	2,912,600
Interest expenses of discounted notes	–	(1,070,212)
	<b><u>782,224,533</u></b>	<u>684,614,746</u>

There is no significant restriction on the Group's recovery of investment income.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (49) Credit impairment losses

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Provision for bad debts of notes receivable	412,159	248,155
Provision for/(Reversal of) bad debts of accounts Receivable	(78,229,774)	48,653,702
Provision for bad debts of other receivables	20,036,891	4,747,276
Provision for/(Reversal of) bad debts of long-term receivables	-	(20,655,744)
	<u>(57,780,724)</u>	<u>32,993,389</u>

#### (50) Income tax expenses

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited) (Restated)
Current income tax calculated based on tax law and related regulations	615,773,722	710,279,429
Deferred income tax	49,116,567	4,892,634
	<u>664,890,289</u>	<u>715,172,063</u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited) (Restated)
Total profit	<u>3,532,396,530</u>	<u>3,428,817,966</u>
Income tax expenses calculated at applicable tax rates	883,099,133	857,204,492
The effect of preferential tax rates	(51,133,593)	(947,309)
Investment income not subject to tax	(190,677,971)	(161,849,601)
Additional deduction of employee benefits of the disabled	(473,739)	(506,748)
Costs, expenses and losses not deductible for tax purposes	19,942,532	21,631,785
Deductible losses not recognised as deferred tax assets in the current period	3,787,930	730,227
Utilisation of previously unrecognised tax losses	(1,804,262)	(2,969,031)
Deductible temporary differences for which no deferred tax asset was recognized for the current period	<u>2,150,259</u>	<u>1,878,248</u>
Income tax expenses	<u>664,890,289</u>	<u>715,172,063</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (51) Earnings per share

##### (a) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited) (Restated)
Consolidated net profit attributable to ordinary shareholders of the Company	<b>2,563,527,124</b>	2,312,589,485
Weighted average number of ordinary shares outstanding	<b>6,491,100,000</b>	6,491,100,000
Basic earnings per share	<b>0.39</b>	0.36
Including:		
– Basic earnings per share from continuing operations	<b>0.39</b>	0.34
– Basic earnings per share from discontinued operations	–	0.02

##### (b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding. As there were no dilutive potential ordinary shares for the six months ended 30 June 2023 (for the six months ended 30 June 2022: nil), diluted earnings per share equal to basic earnings per share.

#### (52) Notes to the cash flow statement

##### (a) Cash received relating to other operating activities

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Logistics business fees collected on behalf of others	<b>111,332,042</b>	–
Interest from cash at bank	<b>65,911,922</b>	11,627,620
Railage collected on behalf	<b>53,049,709</b>	45,455,137
Lease payments received	<b>39,751,745</b>	89,126,823
Government grants	<b>8,849,325</b>	34,122,018
Receipt of deposits and guarantees	–	43,396,360
Recovery of advances for purchases	–	736,273,783
Others	<b>24,434,685</b>	30,578,978
	<b>303,329,428</b>	990,580,719



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (52) Notes to the cash flow statement (Continued)

##### (b) Cash paid relating to other operating activities

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Payment of deposits and guarantees	99,373,853	–
Payment of retirement salaries	57,480,000	44,650,000
Office expenses and entertainment expenses	27,074,138	12,926,909
Sales service fee payable	20,457,576	–
Payment for targeted procurement	20,216,772	–
Intermediary service fee	12,286,769	7,481,888
Bank service charge	1,028,160	4,864,166
Payment on behalf of logistics business	–	60,599,195
Others	20,266,854	29,900,985
	<u>258,184,122</u>	<u>160,423,143</u>

##### (c) Cash received relating to other investing activities

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Cash and cash equivalents held by subsidiaries at acquisition date	8,832,711	–
Recovery of loans provided to related parties and third parties	–	4,514,516,564
Recovery of prepayment for equity of Haiye Oil Terminal	–	261,903,564
	<u>8,832,711</u>	<u>4,776,420,128</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (52) Notes to the cash flow statement (Continued)

##### (d) Cash paid relating to other investing activities

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Provision of loans to relate parties and third parties	-	3,486,905,616
Statutory deposit reserve deposited by Qingdao Finance	-	34,174,818
	<u>-</u>	<u>3,521,080,434</u>

##### (e) Cash received relating to other financing activities

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Receipt of entrusted loan	<u>307,000,000</u>	<u>79,000,000</u>

##### (f) Cash paid relating to other financing activities

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Repayment of entrusted loans from Qingdao Port Group	245,258,658	-
Decrease in deposits received by Qingdao Finance	-	1,397,151,367
Repayments of lease liabilities	64,624,946	70,968,476
Repayment of factoring borrowings of Shangang commercial factoring	-	50,009,722
Acquisition of minority interests of Dongjiakou Oil Products	<u>12,691,084</u>	-
	<u>322,574,688</u>	<u>1,518,129,565</u>

For the six months ended 30 June 2023, the total lease-related cash outflow paid by the Group was RMB190,923,996 (For the six months ended 30 June 2022: 187,470,488). Except for the amount paid for repayment of lease liabilities included in the financing activities mentioned above, the remaining cash outflows are included in operating activities.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (53) Supplementary information to the cash flow statement

##### (a) Supplementary information to the cash flow statement

###### *Reconciliation from net profit to cash flows from operating activities*

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Net profit	2,867,506,241	2,713,645,903
Add/Less: Asset impairment losses	(912,911)	6,104,068
Credit impairment losses	(57,780,724)	32,993,389
Depreciation of right-of-use assets	75,070,857	54,994,352
Depreciation of fixed assets and investment properties	600,198,059	518,533,781
Amortization of intangible assets	53,297,597	49,578,186
Amortization of long-term prepaid expenses	12,759,539	10,569,398
Gains on disposal of fixed assets, intangible assets and other non-current assets	(4,906,263)	(1,364,270)
Amortisation of deferred income	(10,058,070)	(10,427,949)
Losses from scrapped fixed assets	(572,518)	(83,541)
Income on changes in fair value	1,018,336	326,550
Financial expenses	104,822,334	(112,185,344)
Investment income	(782,224,533)	(685,684,958)
Decrease/(Increase) in deferred tax	49,116,567	4,892,634
Decrease/(Increase) in inventories	13,229,214	(23,420,066)
Decrease/Increase in operating receivables	(314,884,039)	(202,379,944)
Increase/Decrease in operating payables	434,503,614	830,867,865
Net cash flows from operating activities	<u>3,040,183,300</u>	<u>3,186,960,054</u>

###### *Significant operating activities, investing activities and operating activities that do not involve cash receipts and payments.*

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Goods and services purchased by endorsement of notes receivable	483,953,821	510,147,795
Long-term assets acquired by endorsement of notes receivable	5,070,096	29,059,496
Increase of right-of-use assets in the current period	33,735,472	103,747,552

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (53) Supplementary information to the cash flow statement (Continued)

##### (a) Supplementary information to the cash flow statement (Continued)

###### *Net movements in cash*

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Cash at the end of the period	<b>10,362,646,076</b>	7,799,945,149
Less: Cash at the beginning of the period	<b><u>(9,021,244,964)</u></b>	<u>(8,247,817,077)</u>
Net increase/(decrease) in cash	<b><u>1,341,401,112</u></b>	<u>(447,871,928)</u>

###### *Cash*

	<b>30 June 2023 (Unaudited)</b>	31 December 2022
Cash at bank and on hand (Note 4(1))	<b>10,630,778,312</b>	9,183,323,879
Less: Term deposits with initial term of over 3 months	<b>(225,000,000)</b>	(129,540,000)
Other restricted cash balance	<b>(24,899,500)</b>	(7,440,791)
Interest receivable	<b><u>(18,232,736)</u></b>	<u>(25,098,124)</u>
Cash at the end of the period	<b><u>10,362,646,076</u></b>	<u>9,021,244,964</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (53) Supplementary information to the cash flow statement (Continued)

##### (b) Acquisition or disposal of subsidiaries and other business units

###### *Disposal of subsidiaries and other business units*

	Six months ended 30 June 2023	Six months ended 30 June 2022
Cash received from disposal of subsidiaries and other business units in the current period	122,314,641	-
Including: Tongan Security	1	-
Vado Investment	107,782,194	-
Qingdao Port (Group) Engineering Co., Ltd. ("Port Engineering")	14,532,446	-
Less: Cash held by subsidiaries at the date when control is lost	(16,031,590)	-
Including: Tongan Security	(16,031,590)	-
Net cash received from disposal of subsidiaries	106,283,051	-

For the six months ended 30 June 2023, the disposed subsidiary was Tongan Security. Please refer to Note 5(1) for the disposal prices and net assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (54) Monetary items denominated in foreign currencies

	30 June 2023 (Unaudited)		
	Foreign currencies balance	Conversion rate	RMB balance
Cash at bank and on hand –			
USD	33,761,163	7.2258	243,951,412
EUR	4,249,158	7.8771	33,471,042
HKD	29,900	0.9220	27,567
			<u>277,450,021</u>
Accounts receivable –			
USD	15,492,938	7.2258	111,948,871
EUR	12,959	7.8771	102,079
JPY	94,050	0.0501	4,711
			<u>112,055,661</u>
Other receivables –			
USD	7,040,929	7.2258	50,876,345
Advances to suppliers –			
USD	33,926	7.2258	245,142
Accounts payable –			
USD	(10,343,445)	7.2258	(74,739,665)
JPY	(42,600)	0.0501	(2,134)
			<u>(74,741,799)</u>
Other payables –			
USD	(3,735,008)	7.2258	(26,988,421)

Monetary items denominated in foreign currencies above means all currencies except RMB.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 5 CHANGES OF THE SCOPE OF CONSOLIDATION

#### (1) Disposal of subsidiaries

##### (a) Aggregated information of subsidiaries disposed of in the current year:

Name of subsidiary	Proceeds from disposal	Original shareholding proportion	Disposal proportion	Remaining proportion	Method of disposal	Timing of losing control	Basis for judgement of timing of losing control	Difference between proceeds from disposal and corresponding shares of net assets in the consolidated financial statements	Amount transferred
									from other comprehensive income related to initial equity investment to investment income or loss
Tongan Security (i)	1	100%	100%	0	Equity transfer	5 June 2023	Signature of equity transfer agreement	5,401,724	-

- (i) On 5 June 2023, the Company sold 100% of its equity interests in Tongan Security to Shandong Port Group Service Development Group Co., Ltd., resulting in an income of RMB5,401,724 (Note 5(1)(b)). Upon completion of the transaction, the Company no longer holds equity interests in Tongan Security.

##### (b) Gains or losses on disposal are as follows:

Tongan Security	Amount
Disposal price	1
Less: Tongan Security's share of net assets at the level of consolidated financial statements	(5,401,723)
Investment income from disposal	<u>5,401,724</u>

#### (2) Changes in the scope of consolidation for other reasons

In June 2023, Shandong Quarantine Treatment Co., Ltd., the shareholder of the Company's joint venture Ganghai Logistics, withdrew from Ganghai Logistics by reducing capital. After the capital reduction, the registered capital of Ganghai Logistics was RMB2,600,000. The Company held 100% equity interest in Ganghai Logistics and therefore accounted for it as a subsidiary. In the same month, the Company transferred its equity interest in Ganghai Logistics to Qingdao Port Logistics, a subsidiary of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES

#### (1) Equity interest in subsidiaries

##### (a) Constitution of the enterprise group

Name of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding		Acquisition method
						Direct	Indirect	
QDP Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Integrated logistics	24,500	100%	-	Set-up or investment
Qingdao GLS Shipping Co., Ltd. ("GLS Shipping")	Limited Liability Company	Qingdao, China	Qingdao, China	Shipping agency	2,250	100%	-	Set-up or investment
Ocean Shipping Repair	Limited Liability Company	Qingdao, China	Qingdao, China	Shipping repair services	285	100%	-	Set-up or investment
Ocean Shipping Tally	Limited Liability Company	Qingdao, China	Qingdao, China	Ocean shipping tally services	199	84%	-	Set-up or investment
Qingdao Gangjia Logistics Co., Ltd. ("Gangjia Logistics")	Limited Liability Company	Qingdao, China	Qingdao, China	Logistics services	500	51%	-	Set-up or investment
Port Service	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	700	100%	-	Set-up or investment
QMT	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling services	15,200	100%	-	Business combinations involving enterprises not under common control
Mercuria Logistics (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling services	USD4,930	62%	-	Business combinations involving enterprises not under common control
Dongjiakou Oil Products (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	41,479	70%	-	Business combinations involving enterprises not under common control
Qingdao Port E-Link Logistics Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	1,000	-	65%	Set-up or investment
Eimskip Coldchain (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Logistics services	2,000	70%	-	Set-up or investment
Qingdao Port Dongjiakou Bulk Cargo Logistics Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	10,000	-	51%	Set-up or investment
Lianjie Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	CFS	5,000	-	58%	Set-up or investment



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (a) Constitution of the enterprise group (Continued)

Name of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding		Acquisition method
						Direct	Indirect	
Qingdao Port Jiefeng International Logistics Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	CFS	1,500	-	51%	Set-up or investment
Jieyuntong Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	2,000	-	51%	Set-up or investment
Qingdao Port Pulp Logistics Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	1,000	-	55%	Set-up or investment
Qingdao Port Properties	Limited Liability Company	Qingdao, China	Qingdao, China	Property management	800	100%	-	Set-up or investment
Culture Media	Limited Liability Company	Qingdao, China	Qingdao, China	Media services	300	100%	-	Set-up or investment
Qingdao Port International Development (Hong Kong) Co., Ltd. ("International Development")	Limited Liability Company	Hong Kong, China	Hong Kong, China	Investment management	4,043	100%	-	Business combination involving enterprises under common control
Qingdao Port Tongze Trading Co., Ltd. ("Tongze Trading")	Limited Liability Company	Qingdao, China	Qingdao, China	Sales of goods	1,000	100%	-	Set-up or investment
DMT (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling services	60,000	80%	-	Set-up or investment
Qingdao Port Svitzer Towage Co., Ltd. ("Svitzer Towage") (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Lightering services	21,000	55%	-	Set-up or investment
Lianhua Pipeline	Limited Liability Company	Qingdao, China	Qingdao, China	Fuel storage	86,600	51%	-	Set-up or investment
Qingdao Port Lianxin International Logistics Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	CFS	2,000	-	58%	Set-up or investment
Weifang Port Lianhua	Limited Liability Company	Weifang, China	Weifang, China	Fuel storage	25,000	-	100%	Set-up or investment
Qingdao Port Qianwan Port Area Bonded Logistics Center Co., Ltd. ("Bonded Logistics Centre")	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	2,500	63%	37%	Business combinations involving enterprises not under common control
Dongying Port Lianhua	Limited Liability Company	Dongying, China	Dongying, China	Fuel storage	38,000	-	70%	Set-up or investment

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (a) Constitution of the enterprise group (Continued)

Name of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding		Acquisition method
						Direct	Indirect	
Qingdao Port Dongjiakou Liquid Chemical Co., Ltd. ("Liquid Chemical Terminal") (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling services	71,000	51%	-	Business combinations involving enterprises not under common control
Qingdao Port Lianhua International Logistics Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	2,000	-	60%	Set-up or investment
Yuntai Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	8,000	-	100%	Business combinations involving enterprises not under common control
Lugang Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	5,000	-	100%	Set-up or investment
Jimo Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	15,000	-	60%	Set-up or investment
Shengshi Logistics Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	1,000	-	58%	Set-up or investment
Shandong Qingdong Pipeline Co., Ltd. ("Qingdong Pipe")	Limited Liability Company	Qingdao, China	Qingdao, China	Oil pipeline transportation	50,000	51%	-	Set-up or investment
Waili Inspection	Limited Liability Company	Qingdao, China	Qingdao, China	Check and inspection	400	-	100%	Set-up or investment
Qingdao Qinggang Tongda Energy Co., Ltd. ("Tongda Oil & Gas") (formerly known as Qingdao Bonded Port Tongda Oil and Gas Co., Ltd.)	Limited Liability Company	Qingdao, China	Qingdao, China	LNG operation	6,595	100%	-	Set-up or investment
Shandong Qingzi Logistics Co., Ltd. ("Qingzi Logistics")	Limited Liability Company	Qingdao, China	Zibo, China	Logistics services Pipeline transportation	20,000	100%	-	Set-up or investment
Zhenhua Petroleum Storage	Limited Liability Company	Qingdao, China	Qingdao, China	Fuel storage	66,000	51%	-	Set-up or investment
Zhonglin QDP Supply Chain	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	5,000	-	65%	Set-up or investment
Nangang Oil & Gas	Limited Liability Company	Qingdao, China	Qingdao, China	LNG operation	5,000	-	55%	Set-up or investment
Qingdao Qilu Fuhai Warehousing Co., Ltd. ("Qilu Fuhai Warehousing")	Limited Liability Company	Qingdao, China	Qingdao, China	Stevedoring, handling and storage	25,000	60%	-	Set-up or investment

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (a) Constitution of the enterprise group (Continued)

Name of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding		Acquisition method
						Direct	Indirect	
International oil port Company	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	10,000	100%	-	Set-up or investment
Production guarantee Company	Limited Liability Company	Qingdao, China	Qingdao, China	Textile and Apparel, Apparel Industry	3,000	51%	-	Set-up or investment
Qinggang Power Supply Company	Limited Liability Company	Qingdao, China	Qingdao, China	Electricity and heat production and supply industry	15,000	100%	-	Set-up or investment
Red Star Logistics Company	Limited Liability Company	Qingdao, China	Qingdao, China	Fuel handling	21,566	90%	-	Business combination not under common control
Construction Management Center Company	Limited Liability Company	Qingdao, China	Qingdao, China	Engineering Management	1,000	100%	-	Set-up or investment
Ganghai Logistics Company	Limited Liability Company	Qingdao, China	Qingdao, China	CFS	260	-	100%	Business combinations involving enterprises not under common control
Emergency Rescue Company	Limited Liability Company	Qingdao, China	Qingdao, China	Emergency services	5,000	100%	-	Set-up or investment
AVIC Industry Operation Service Company	Limited Liability Company	Qingdao, China	Qingdao, China	Property management	600	51%	-	Set-up or investment
Weihai Port Company	Limited Liability Company	Weihai, China	Weihai, China	Stevedoring, stacking, logistics	10,035	51%	-	Business combination involving enterprises under common control
Qingwei Container Company	Limited Liability Company	Weihai, China	Weihai, China	Stevedoring, handling and storage	14,000	49%	51%	Business combination involving enterprises under common control
China Weihai Shipping Agency Co., Ltd. ("Shipping Agency")	Limited Liability Company	Weihai, China	Weihai, China	Shipping agency	500	-	55%	Business combination involving enterprises under common control

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (a) Constitution of the enterprise group (Continued)

Name of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding		Acquisition method
						Direct	Indirect	
China Ocean Shipping Tally Weihai Co., Ltd. ("China Ocean Shipping Tally Weihai")	Limited Liability Company	Weihai, China	Weihai, China	Tallying	130	-	84%	Business combination involving enterprises under common control
Weihai Gangfeng Shipping Agency Co., Ltd. ("Gangfeng Shipping Agency")	Limited Liability Company	Weihai, China	Weihai, China	Shipping agency	50	-	100%	Business combination involving enterprises under common control
Weihai Shichang Logistics Co., Ltd. ("Shichang Logistics")	Limited Liability Company	Weihai, China	Weihai, China	Transportation	2,000	-	100%	Business combination involving enterprises under common control
Logistics Park Development	Limited Liability Company	Weihai, China	Weihai, China	Logistics and storage	10,000	-	100%	Business combination involving enterprises under common control
Shandong Weihai Port International Trade Co., Ltd. ("Weihai Port International Trade")	Limited Liability Company	Weihai, China	Weihai, China	Logistics and storage	500	-	100%	Business combination involving enterprises under common control
Container Development	Limited Liability Company	Qingdao, China	Qingdao, China	Transportation agency of container cargo	3,000	100%	-	Set-up or investment
Barge Company	Limited Liability Company	Qingdao, China	Qingdao, China	Ship towing services	4,500	100%	-	Set-up or investment
Shandong Port Land and Sea Quantai (Qingdao) Supply Chain Co., Ltd. ("Land and Sea Quantai")	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo agency	4,000	54%	-	Set-up or investment

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (a) Constitution of the enterprise group (Continued)

- (i) The decisions on Mercuria Logistics' relevant operating activities are made by the resolution of the Board which subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 3 out of 5 board members in Mercuria Logistics, so the voting rights held by the Company is 60%.

As at 30 October 2014, the Company acquired 65% equity of Dongjiakou Oil Products through increase in capital and shares, and Dongjiakou Oil Products was treated as a subsidiary and included in the consolidation scope. In January 2023, the registered capital of Dongjiakou Oil Products was changed from \$65,000,000 to RMB414,790,000, of which the Company subscribed a capital of RMB290,350,000 and held 70% of the equity of Dongjiakou Oil Products. As of 30 June 2023, both the Company and its minority shareholder have completed their capital contributions to Dongjiakou Oil Products, and the voting rights held by the Company in accordance with the proportion of paid in capital are 70%.

The percentage of shareholding in Eimskip Coldchain held by the Company is 70%. The decisions on Eimskip Coldchain's relevant operating activities are made by the resolution of the Board which subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 3 out of 5 board members in Eimskip Coldchain, so the voting rights held by the Company is 60%.

The percentage of shareholding in DMT held by the Company is 80%. The decisions on DMT's relevant operating activities are made by the resolution of the Board which subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 4 out of 6 board members in DMT, so the voting rights held by the Company is 67%.

The actual percentage of shareholding in Svitzer Towage held by the Company is 55%. The decisions on Svitzer Towage's relevant operating activities are made by the Board of Directors. The resolution of the Board of Directors should be subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 3 out of 5 board members in Svitzer Towage, so the voting rights held by the Company is 60%.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (a) Constitution of the enterprise group (Continued)

###### (i) (Continued)

In December 2019, Liquid Chemical Terminal attracted minority shareholders' investments. The Company's actual percentage of shareholding in Liquid Chemical Terminal changed from 100% to 51%. The decisions on relevant operating activities of Liquid Chemical Terminal are made by the Board of Directors. The resolution of the Board of Directors should be subject to the approval of more than half of the directors who attended the Board's meeting. The Company can designate 3 out of 5 board members in Liquid Chemical Terminal, so the voting rights held by the Company is 60%.

For the six months ended 30 June 2023, the company's subsidiaries are all unlisted enterprises and have not issued stocks or bonds.

##### (b) Subsidiary with significant minority interests

Name of subsidiary	Shareholding of minority shareholders	Gains and losses attributable to minority interests for the six months ended 30 June 2023 (Unaudited)	Dividends declared to minority interests for the six months ended 30 June 2023 (iii) (Unaudited)	30 June 2023 Minority interests (Unaudited)
Weihai Port (i)	49%	3,615,110	(320,000)	607,077,596
Lianhua Pipeline (ii)	49%	154,396,133	(300,506,049)	1,113,524,581
Liquid Chemical Terminal	49%	11,142,732	(6,944,153)	379,137,517

(i) The main financial information of Weihai Port is composed of Weihai Port and its subsidiaries.

(ii) The main financial information of Lianhua Pipeline consists of Lianhua Pipeline and its subsidiaries Weifang Port Lianhua and Dongying Port Lianhua.

(iii) All dividends declared to minority shareholders for the six months ended 30 June 2023 had been paid in that year.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (b) Subsidiary with significant minority interests (Continued)

The main financial information of the above important non-wholly owned subsidiaries is as follows:

	30 June 2023 (Unaudited)		
	Weihai Port	Lianhua Pipeline	Liquid Chemical Terminal
Current assets	629,678,650	941,043,564	127,165,942
Non-current assets	2,008,341,683	2,754,723,956	798,334,993
Total assets	<u>2,638,020,333</u>	<u>3,695,767,520</u>	<u>925,500,935</u>
Current liabilities	(786,153,743)	(547,169,226)	(150,065,511)
Non-current liabilities	(420,987,127)	(997,275,000)	(1,009,998)
Total liabilities	<u>(1,207,140,870)</u>	<u>(1,544,444,226)</u>	<u>(151,075,509)</u>
	31 December 2022		
	Weihai Port	Lianhua Pipeline	Liquid Chemical Terminal
Current assets	539,569,187	1,313,648,261	96,569,197
Non-current assets	2,042,828,658	2,828,446,322	798,489,560
Total assets	<u>2,582,397,845</u>	<u>4,142,094,583</u>	<u>895,058,757</u>
Current liabilities	(796,795,316)	(986,617,557)	(128,003,478)
Non-current liabilities	(371,906,099)	(720,580,000)	(930,000)
Total liabilities	<u>(1,168,701,415)</u>	<u>(1,707,197,557)</u>	<u>(128,933,478)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (1) Equity interest in subsidiaries (Continued)

##### (b) Subsidiary with significant minority interests (Continued)

	Six months ended 30 June 2023 (Unaudited)		
	Weihai Port	Lianhua Pipeline	Liquid Chemical Terminal
Revenue	441,442,737	749,349,824	46,117,862
Net profit	16,301,411	314,899,404	22,874,667
Total comprehensive income	16,301,411	314,899,404	22,874,667
Cash flows from operating activities	(11,066,802)	569,927,741	42,443,584
	Six months ended 30 June 2022 (Unaudited)		
	Weihai Port	Lianhua Pipeline	Liquid Chemical Terminal
Revenue	278,716,751	878,059,857	24,470,008
Net profit	27,807,341	431,583,567	9,367,087
Total comprehensive income	24,737,341	431,583,567	9,367,087
Cash flows from operating activities	385,635,624	480,728,878	39,762,077

#### (2) Interests in joint ventures and associates

##### (a) General information of material joint ventures

	Major business location	Place of registration	Principle activities	Whether strategic to the Group's activities	Shareholding	
					Direct	Indirect
QQCT	Qingdao, China	Qingdao, China	Container stevedoring and stacking	Yes	51%	-
Qingdao Shihua	Qingdao, China	Qingdao, China	Liquid bulk stevedoring and stacking	Yes	50%	-

The above equity investments are measured using equity method by the Group.



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (2) Interests in joint ventures and associates (Continued)

##### (b) Summarized financial information of material joint ventures:

	30 June 2023 (Unaudited)		31 December 2022	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Current assets	1,767,009,241	3,636,505,260	1,436,325,016	2,924,690,818
Including: Cash	1,283,709,422	3,232,290,500	1,204,419,287	2,559,821,124
Non-current assets	2,245,199,906	12,079,353,464	2,290,732,518	11,976,980,676
Total assets	<u>4,012,209,147</u>	<u>15,715,858,724</u>	<u>3,727,057,534</u>	<u>14,901,671,494</u>
Current liabilities	(458,927,431)	(2,015,571,653)	(435,369,067)	(2,275,331,367)
Non-current liabilities	(15,755,000)	(2,672,365,537)	(15,280,000)	(2,564,338,451)
Total liabilities	<u>(474,682,431)</u>	<u>(4,687,937,190)</u>	<u>(450,649,067)</u>	<u>(4,839,669,818)</u>
Minority interests	-	269,946,930	-	254,988,313
Attributable to shareholders of the Company	<u>3,537,526,716</u>	<u>10,757,974,604</u>	<u>3,276,408,467</u>	<u>9,807,013,363</u>

Considering the impact of the fair value of identifiable assets and liabilities at acquisition (i):

	30 June 2023 (Unaudited)		31 December 2022	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Current assets	1,767,009,241	3,636,505,260	1,436,325,016	2,924,690,818
Including: Cash	1,283,709,422	3,232,290,500	1,204,419,287	2,559,821,124
Non-current assets	2,245,199,906	12,396,639,805	2,290,732,518	12,329,234,546
Total assets	<u>4,012,209,147</u>	<u>16,033,145,065</u>	<u>3,727,057,534</u>	<u>15,253,925,364</u>
Current liabilities	(458,927,431)	(2,015,571,653)	(435,369,067)	(2,275,331,367)
Non-current liabilities	(15,755,000)	(2,751,687,122)	(15,280,000)	(2,652,401,919)
Total liabilities	<u>(474,682,431)</u>	<u>(4,767,258,775)</u>	<u>(450,649,067)</u>	<u>(4,927,733,286)</u>
Minority interests	-	276,536,968	-	261,578,351
Attributable to shareholders of the Company	<u>3,537,526,716</u>	<u>10,989,349,322</u>	<u>3,276,408,467</u>	<u>10,064,613,727</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (2) Interests in joint ventures and associates (Continued)

##### (b) Summarized financial information of material joint ventures (Continued):

	30 June 2023 (Unaudited)		31 December 2022	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Shares of net assets in proportion (i)	1,768,763,358	5,532,841,991	1,638,204,234	5,053,096,888
Adjustments				
– Goodwill	–	1,672,785,426	–	1,672,785,426
– Unrealized profits arising from internal transactions	(53,971,148)	(89,760,474)	(56,210,484)	(93,302,476)
Carrying amount of investment in joint ventures	<u>1,714,792,210</u>	<u>7,115,866,943</u>	<u>1,581,993,750</u>	<u>6,632,579,838</u>
	Six months ended 30 June 2023 (Unaudited)		Six months ended 30 June 2022 (Unaudited)	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Revenue	738,139,538	2,611,102,465	752,890,954	2,456,003,795
Financial expenses	7,760,876	(26,504,161)	4,823,673	(57,512,577)
Income tax expenses	(92,377,434)	(292,618,938)	(88,628,159)	(256,858,514)
Net profit	258,990,002	962,420,536	282,298,576	940,687,138
Net profit attributable to the Company	258,990,002	947,560,874	282,298,576	926,592,753
Other comprehensive income	–	–	–	–
Total comprehensive income	<u>258,990,002</u>	<u>947,560,874</u>	<u>282,298,576</u>	<u>926,592,753</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (2) Interests in joint ventures and associates (Continued)

##### (b) Summarized financial information of material joint ventures (Continued):

Considering the impact of the fair value of identifiable assets and liabilities at acquisition (i):

	Six months ended 30 June 2023 (Unaudited)		Six months ended 30 June 2022 (Unaudited)	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Net profit	258,990,002	936,194,890	282,298,576	906,025,925
Net profit attributable to the Company	258,990,002	921,335,228	282,298,576	891,931,540
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>258,990,002</u>	<u>921,335,228</u>	<u>282,298,576</u>	<u>891,931,540</u>
Dividends received from joint ventures	-	-	-	-

- (i) The share of the net asset of the joint ventures was calculated by the share proportion of the Group, based on the equity attributable to shareholders of the joint ventures in the consolidated financial statement of the joint ventures, adjusted pursuant to the fair value of the identifiable assets and liabilities of the joint ventures at the acquisition date and conformed to accounting policies of the Group. The assets involved in the transactions between the Group and joint ventures do not constitute a business.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (2) Interests in joint ventures and associates (Continued)

##### (c) General information of material associates

	Major business location	Place of registration	Principal activities	Whether strategic to the Group's activities	Shareholding (%)	
					Direct	Indirect
Shandong Port Finance	Qingdao, China	Qingdao, China	Financial Business	Yes	34.63%	-

##### (d) Summarised financial information for material associates

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
	<b>Shandong</b> <b>Port Finance</b>	Shandong Port Finance
Current assets	<b>18,664,059,826</b>	15,904,222,727
Including: Cash	<b>8,966,521,925</b>	6,070,562,426
Non-current assets	<b>8,152,566,899</b>	8,723,027,114
Total assets	<b>26,816,626,725</b>	24,627,249,841
Current liabilities	<b>(22,043,005,309)</b>	(20,073,004,171)
Non-current liabilities	<b>(41,955,463)</b>	(43,666,118)
Total liabilities	<b>(22,084,960,772)</b>	(20,116,670,289)
Minority interests	-	-
Attributable to shareholders of the Company	<b>4,731,665,953</b>	4,510,579,552
	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
	<b>Shandong</b> <b>Port Finance</b>	Shandong Port Finance
Shares of net assets in proportion (i)	<b>1,638,575,919</b>	1,562,013,699
Adjustments		
- Goodwill	<b>93,461,987</b>	93,461,987
Carrying amount of investment in associates	<b>1,732,037,906</b>	1,655,475,686

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 6 EQUITY INTEREST IN OTHER ENTITIES (CONTINUED)

#### (2) Interests in joint ventures and associates (Continued)

##### (d) Summarised financial information for material associates (Continued)

	<b>Six months ended</b> <b>30 June 2023</b> <b>(Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
	<b>Shandong</b> <b>Port Finance</b>	Shandong Port Finance
Revenue	325,267,311	–
Financial expenses	2,437,434	–
Income tax expenses	(65,974,386)	–
Net profit	197,669,400	–
Net profit attributable to the Company	197,669,400	–
Other comprehensive income	23,417,000	–
Total comprehensive income	<u>221,086,400</u>	<u>–</u>

##### (e) Summarized financial information of insignificant joint ventures and associates

	<b>Six months ended</b> <b>30 June 2023</b> <b>(Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Joint ventures:		
Aggregated carrying amount of investments	1,850,224,738	1,811,577,629
Aggregate of the following items in proportion		
Net profit (i)	50,236,003	29,057,116
Other comprehensive income (i)	–	–
Total comprehensive income	<u>50,236,003</u>	<u>29,057,116</u>
Associates:		
Aggregated carrying amount of investments	1,598,729,313	1,021,364,863
Aggregate of the following items in proportion		
Net profit (i)	47,663,831	7,934,474
Other comprehensive income (i)	–	–
Total comprehensive income	<u>47,663,831</u>	<u>7,934,474</u>

- (i) The net profit and other comprehensive income have taken into account the impacts of both the fair value of the identifiable assets and liabilities upon the acquisition of investment in joint ventures and associates and conformed to accounting policies of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 7 SEGMENT INFORMATION

The Group's management assesses the Group's performance and determines reportable segments by service category. Different service categories require different technologies and marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions on resources allocation to these segments and to assess their performance.

The Group identified 5 reportable segments as follows:

- Container handling and ancillary services: loading and discharging of containers, storage and port management.
- Metal ores, coal and other cargo handling and ancillary services: loading and discharging of metal ore, coal, grains, break bulk cargo and other cargo, storage and port management.
- Liquid bulk handling and ancillary services: loading and discharging of liquid bulk, storage, transport and port management.
- Logistics and port value-added services: CFS, provision of cargo logistics, agency, towing, tallying and other services.
- Port ancillary services: provision of engineering of construction and installation, supplying electricity power and fuel for port area and others.

In 2022, Shandong Port Finance was changed from a subsidiary of the Company to an associate, and the Group no longer listed the financial segment from the reporting period.

The Group's major operational activities are carried out in Mainland China. The Group's management does not separately manage the production and operation by region. Therefore, segment performance is not separately presented by region.

Inter-segment transfer prices are mutually agreed with reference to the market price. The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 7 SEGMENT INFORMATION (CONTINUED)

(a) Segment information for the six months ended 30 June 2023 and as at 30 June 2023 is listed as follows (Unaudited):

	Container handling and ancillary services	Metal ores, coal and other cargo handling and ancillary services	Liquid bulk handling and ancillary services	Logistics and port value-added services	Port ancillary services	Unallocated	Elimination among segments	Total
Revenue from external customers	601,136,120	2,137,401,727	2,031,383,431	3,599,819,866	787,785,046	-	-	9,157,526,190
Inter-segment revenue	84,263,571	84,338,949	71,367,342	43,213,039	544,234,442	-	(827,417,343)	-
External cost of sales	(125,771,534)	(1,624,188,854)	(767,002,965)	(2,735,696,585)	(528,729,256)	-	-	(5,781,389,194)
Inter-segment cost of sales	(84,263,571)	(93,136,518)	(85,461,397)	(42,167,081)	(493,917,516)	-	798,946,083	-
Interest income	3,568,518	3,285,495	12,170,105	15,232,420	5,187,954	19,656,875	-	59,101,367
Interest expenses	(12,207,793)	(35,238,952)	(70,740,086)	(10,870,410)	(543,558)	(3,279,641)	53,860,723	(79,019,717)
Investment income from								
associates and joint ventures	478,833,716	14,541,543	139,379,913	43,611,574	95,266,087	(15,392,498)	6,471,550	762,711,885
Other investment income	3,616,381	-	-	(73,305)	5,401,724	64,428,571	(53,860,723)	19,512,648
Asset impairment losses	-	-	192,558	-	720,353	-	-	912,911
Credit impairment losses	-	(529,001)	1,635,961	(18,010,682)	74,684,446	-	-	57,780,724
Depreciation of right-of-use assets	-	(2,380,851)	(10,445,911)	(42,811,934)	(1,752,885)	(17,679,276)	-	(75,070,857)
Depreciation and amortization	(33,234,706)	(155,266,848)	(267,423,244)	(67,078,020)	(115,604,019)	(27,648,358)	-	(666,255,195)
Total profit	880,056,629	329,071,422	1,290,702,639	784,851,383	359,589,178	(89,875,011)	(21,999,710)	3,532,396,530
Income tax expenses	(85,621,146)	(18,706,607)	(206,120,687)	(177,983,647)	(47,869,722)	(128,588,480)	-	(664,890,289)
Net profit	<u>794,435,483</u>	<u>310,364,815</u>	<u>1,084,581,952</u>	<u>606,867,736</u>	<u>311,719,456</u>	<u>(218,463,491)</u>	<u>(21,999,710)</u>	<u>2,867,506,241</u>
Total assets	<u>10,794,632,306</u>	<u>10,716,141,839</u>	<u>17,072,855,258</u>	<u>7,356,203,424</u>	<u>7,857,825,352</u>	<u>9,742,888,586</u>	<u>(3,278,096,363)</u>	<u>60,262,450,402</u>
Total liabilities	<u>1,096,445,149</u>	<u>5,277,235,847</u>	<u>5,442,498,252</u>	<u>2,231,671,843</u>	<u>3,893,480,639</u>	<u>3,579,096,910</u>	<u>(3,294,853,254)</u>	<u>18,225,575,386</u>
Non-cash expenses other than depreciation and amortization	<u>736,751</u>	<u>22,398,099</u>	<u>8,143,363</u>	<u>11,678,673</u>	<u>6,279,065</u>	<u>2,545,518</u>	<u>-</u>	<u>51,781,469</u>
Long-term equity investments in associates and joint ventures	<u>7,122,921,740</u>	<u>1,209,507,139</u>	<u>2,408,192,266</u>	<u>640,172,233</u>	<u>2,355,278,736</u>	<u>275,578,996</u>	<u>-</u>	<u>14,011,651,110</u>
Additions of non-current assets (i)	<u>1,049,813</u>	<u>444,808,975</u>	<u>670,020,685</u>	<u>40,237,804</u>	<u>117,306,036</u>	<u>8,308,915</u>	<u>(40,072,138)</u>	<u>1,241,660,090</u>

(i) Non-current assets do not include financial assets, long-term equity investments and deferred tax assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 7 SEGMENT INFORMATION (CONTINUED)

(b) Segment information for the six months ended 30 June 2022 and as at 31 December 2022 is listed as follows (Restated):

	Container handling and ancillary services	Metal ores, coal and other cargo handling and ancillary services	Liquid bulk handling and ancillary services	Logistics and port value-added services	Port ancillary services	Financial services	Unallocated	Elimination among segments	Total
Revenue from external customers	534,367,483	2,048,236,158	1,832,636,043	4,275,870,067	1,255,230,067	173,831,356	-	-	10,120,171,174
Inter-segment revenue	31,254,495	40,033,277	36,777	5,331,211	453,750,549	78,154,539	-	(608,560,848)	-
External cost of sales	(162,541,239)	(1,600,206,879)	(643,259,693)	(3,416,775,376)	(958,732,696)	(35,872,667)	-	-	(6,817,388,550)
Inter-segment cost of sales	(31,254,495)	(40,033,277)	(36,777)	(5,331,211)	(42,310,312)	(408,361,796)	-	527,327,868	-
Interest income	1,531,925	2,165,628	10,931,833	7,384,899	2,519,604	-	29,647,637	(42,310,312)	11,871,214
Interest expenses	(12,172,439)	(38,909,324)	(83,587,110)	(28,515,349)	(12,881,156)	-	(3,242,984)	136,573,380	(42,734,982)
Investment income from									
associates and joint ventures	463,789,560	(5,065,351)	151,112,783	36,941,536	14,099,371	7,703,223	(25,420,591)	4,237,872	647,398,403
Other investment income	-	-	-	-	(1,070,212)	26,125,555	72,145,413	(59,984,413)	37,216,343
Asset impairment losses	-	-	-	-	(6,104,068)	-	-	-	(6,104,068)
Credit impairment losses	(26,532)	5,992,193	(21,316,345)	(27,115,328)	(16,885,270)	26,357,893	-	-	(32,993,389)
Depreciation of right-of-use assets	-	-	-	(36,768,507)	(18,225,845)	-	-	-	(54,994,352)
Depreciation and amortization	(26,473,145)	(156,019,229)	(197,610,821)	(63,873,854)	(114,431,855)	(990,132)	(19,282,329)	-	(578,681,365)
Total profit	801,715,446	272,656,105	1,243,082,105	753,734,220	211,652,587	226,200,755	(37,573,675)	(42,649,577)	3,428,817,966
Income tax expenses	(64,059,790)	(9,446,603)	(244,633,904)	(143,486,915)	(5,951,246)	(61,978,895)	(185,614,710)	-	(715,172,063)
Net profit	<u>737,655,656</u>	<u>263,209,502</u>	<u>998,448,201</u>	<u>610,247,305</u>	<u>205,701,341</u>	<u>164,221,860</u>	<u>(223,188,385)</u>	<u>(42,649,577)</u>	<u>2,713,645,903</u>
Total assets	<u>10,807,397,032</u>	<u>10,323,963,035</u>	<u>15,310,287,982</u>	<u>6,519,350,437</u>	<u>7,234,836,265</u>	<u>1,898,484,081</u>	<u>8,949,763,295</u>	<u>(3,568,189,421)</u>	<u>57,475,892,706</u>
Total liabilities	<u>906,056,959</u>	<u>4,295,119,903</u>	<u>5,143,386,223</u>	<u>2,204,994,351</u>	<u>3,914,303,464</u>	<u>-</u>	<u>3,245,690,805</u>	<u>(3,510,559,494)</u>	<u>16,198,992,211</u>
Non-cash expenses other than depreciation and amortization	<u>1,330,000</u>	<u>40,242,087</u>	<u>20,157,757</u>	<u>23,515,322</u>	<u>11,455,624</u>	<u>-</u>	<u>13,573,488</u>	<u>-</u>	<u>110,274,278</u>
Long-term equity investments in associates and joint ventures	<u>6,640,226,239</u>	<u>1,198,818,922</u>	<u>1,905,358,893</u>	<u>606,784,313</u>	<u>447,442,152</u>	<u>1,798,484,081</u>	<u>290,971,494</u>	<u>-</u>	<u>12,888,086,094</u>
Additions of non-current assets (i)	<u>5,117,150</u>	<u>998,975,092</u>	<u>1,486,723,917</u>	<u>108,308,252</u>	<u>512,013,107</u>	<u>136,032</u>	<u>276,533,346</u>	<u>(24,767,691)</u>	<u>3,363,039,205</u>

(i) Non-current assets do not include financial assets, long-term equity investments and deferred tax assets.



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 7 SEGMENT INFORMATION (CONTINUED)

- (c) Reconciliation between reportable segment revenue from external customers, reportable segment interest income, reportable segment cost of sales and reportable segment interest expenses and amounts in consolidated financial statements is listed as follows:

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Revenue –		
Reportable segment revenue from external customers	9,157,526,190	10,120,171,174
Reclassification of interest income from external customers of Shandong Port Finance (i)	<u>-</u>	<u>(173,831,356)</u>
Consolidated revenue (Note 4(42))	<u>9,157,526,190</u>	<u>9,946,339,818</u>
Interest income –		
Reportable segment interest income	59,101,367	11,871,214
Reclassification of interest income from external customers of Shandong Port Finance (i)	<u>-</u>	<u>173,831,356</u>
Consolidated interest income (Note 4(45))	<u>59,101,367</u>	<u>185,702,570</u>
Cost of sales –		
Reportable segment cost of sales	5,781,389,194	6,817,388,550
Reclassification of interest expenses from external customers of Shandong Port Finance (ii)	<u>-</u>	<u>(35,872,667)</u>
Consolidated cost of sales (Note 4(42))	<u>5,781,389,194</u>	<u>6,781,515,883</u>
Interest expenses –		
Reportable segment interest expenses	79,019,717	42,734,982
Reclassification of interest expenses from external customers of Shandong Port Finance (ii)	<u>-</u>	<u>35,872,667</u>
Consolidated interest expenses (Note 4(45))	<u>79,019,717</u>	<u>78,607,649</u>

- (i) Reportable segment revenue from external customers includes interest income from external customers of Shandong Port Finance, which is presented as financial expenses – interest income in the consolidated financial statements.
- (ii) Reportable segment cost of sales includes interest expenses of Shandong Port Finance, which is presented as finance expenses – interest expenses in the consolidated financial statements.

The Group's main revenue from external customers and additions to non-current assets other than financial assets and deferred tax assets are mainly gained or located in China.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

#### (1) The parent company

##### (a) General information of the parent company

	Category of entity	Place of registration	Legal representative	Principal activities
Qingdao Port Group	Limited Liability Company	Qingdao, China	Su Jianguang	Port operation and management

The Company's ultimate controlling party is Shandong Provincial State-owned Assets Supervision and Administration Commission.

##### (b) Registered capital and changes in registered capital of the parent company

	31 December 2022	Increase in the current period	Decrease in the current period	30 June 2023
Qingdao Port Group	<u>1,860,000,000</u>	<u>-</u>	<u>-</u>	<u>1,860,000,000</u>

##### (c) The percentages of shareholding and voting rights in the Company held by the parent company

	30 June 2023		31 December 2022	
	Shareholding	Voting rights	Shareholding	Voting rights
Qingdao Port Group	<u>55.77%</u>	<u>55.77%</u>	<u>55.77%</u>	<u>55.77%</u>

#### (2) Subsidiaries

The general information and other related information of the subsidiaries is set out in Note 6.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (3) Information of joint ventures and associates

Except for the information of significant joint ventures and associates disclosed in Note 6, joint ventures and associates with which the Group having related party transactions are as follows:

Name of company	Relationship with the Group
Qingdao Shihua	Joint venture
West United	Joint venture
Huaneng Qingdao	Joint venture
QQCT	Joint venture
QDOT	Joint venture
Shenzhouxing Cargo Agency	Joint venture
Evergreen Container	Joint venture
Lianrong Logistics	Joint venture
United Shipping Agency	Joint venture
Linyi Express	Joint venture
Orient Container	Joint venture
China Shipping Agency	Joint venture
Ganghai Logistics	Joint venture
Ocean Bridge International	Joint venture
Haiwan Liquid Chemical	Joint venture
PetroChina Storage	Joint venture
Dongjiakou IMC Logistics	Joint venture
Dongjiakou Sinotrans Logistics	Joint venture
Qinggang Equipment Manufacture	Associate
Qingdao Port Engineering	Associate
Overseas Development Qingdao	Associate
Qianwan International Supply Chain	Associate
Shandong Port Energy	Associate
Lianhai Logistics	Associate
Qingdao Port Engineering Design Institute	Associate
Hailian Container	Associate
Shandong Port Finance	Associate
Unitrans	Associate
Qinggang International Trade Logistics	Associate
INE	Associate
Gangying E-commerce	Associate
QDP CTC	Associate
Qingyin Financial Leasing	Associate
GBS Supply Chain	Associate
GSDN	Associate
COSCO Abu Dhabi	Associate

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties

Name of company	Relationship with the Group
Qingdao Port Investment and Construction (Group) Co., Ltd. ("QDP Investment Group")	Controlled by the same parent company
Shangang Shanhai Property (Qingdao) Co., Ltd. (Shangang Shanhai Property)	Controlled by the same parent company
Weihai Weigang Property Management Co., Ltd. ("Weihai Property")	Controlled by the same parent company
Shandong Port Qinggang Shihua Energy Development Co., Ltd. ("Qinggang Shihua")	Controlled by the same parent company
Qingdao Hongyu Catering Co., Ltd. ("Hongyu Hotel") (Used name: Qingdao Hongyu Grand Hotel)	Controlled by the same parent company
Qingdao Fuwai Cardiovascular Hospital Co., Ltd. ("Fuwai Hospital")	Controlled by the same parent company
Weihai Gangtong Information Technology Co., Ltd. ("Weihai Gangtong Technology")	Controlled by the same parent company
Shandong Port Group Weihai Port Co., Ltd. ("Weihai Port Group") (Used name: Weihai Port Group Co., Ltd.)	Controlled by the same parent company
Weihai Dingxin Construction Engineering Co., Ltd. ("Weihai Dingxin Construction")	Controlled by the same parent company
Qingdao Port Investment Asset Management Co., Ltd. ("Qingdao Port Investment Asset Management") (Used name: Qingdao Port Investment Real Estate Co., Ltd.)	Controlled by the same parent company
Weihai Gangsheng Shipping Co., Ltd. ("Weihai Gangsheng Shipping") (Used name: Weihai Gangsheng Barge Co., Ltd.)	Controlled by the same parent company
Qingdao International Cruises Co., Ltd. ("International Cruises")	Controlled by the same parent company
Qingdao Harbour Vocational and Technical College ("QHVTC")	Controlled by the same parent company
Shandong Port Shipping Group (Weihai) Co., Ltd. ("Shandong Port Shipping Weihai") (formerly known as Weihai Jinfeng Freight Forwarding Co., Ltd.)	Controlled by the same parent company
Shandong Weihai Port International Logistics Co., Ltd. ("Weihai Port International Logistics")	Controlled by the same parent company
Shandong Weihai Port International Passenger Transportation Co., Ltd. ("Weihai Port International Passenger Transportation")	Controlled by the same parent company
Qingdao Port Finance Guarantee Co., Ltd. ("Finance Guarantee")	Controlled by the same parent company
Qingdao Qinggang International Travel Service Co., Ltd. ("Qingdao Port Travel Agency")	Controlled by the same parent company
Qingdao Port Pilot Station Co., Ltd. ("QDP Pilot Station")	Controlled by the same parent company
Weihai Shichang Liquor Industry Co., Ltd. ("Weihai Shichang Liquor Industry")	Controlled by the same parent company
Qingdao Yongli Insurance Agency Co., Ltd. ("Yongli Insurance")	Controlled by the same parent company

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Weihai Jiaodong International Container Shipping Co., Ltd. ("Jiaodong International Container Shipping")	Controlled by the same parent company
Shandong Port Cloud Digital Technology Co., Ltd. ("Shandong Port Cloud Digital Technology")	Controlled by the same parent company
Shandong Port Investment Holdings Co., Ltd. ("Shandong Port Investment") (Used name: Shandong Port Financial Holdings Co., Ltd.)	Controlled by the same parent company
Shandong Port Micro Lending Co., Ltd. ("Micro Lending Company")	Controlled by the same parent company
Beijing Zhonggang Jinyuan Financial Leasing Co., Ltd. ("Zhonggang Jinyuan")	Controlled by the same parent company
Qingdao Huanhai Bay Development & Construction Co., Ltd. ("Huanhai Bay Development & Construction")	Controlled by the same parent company
Shandong Port Commercial Factoring Co., Ltd. ("Shandong Port Commercial Factoring")	Controlled by the same parent company
Shandong Port Fund Management Co., Ltd. ("Fund Management")	Controlled by the same parent company
Qingdao Port International Finance Leasing Co., Ltd. ("Qingdao Leasing")	Controlled by the same parent company
Shandong Port Insurance Brokerage Co., Ltd. ("Insurance Brokerage")	Controlled by the same parent company
Rizhao Port Group Shanghai Commercial Factoring Co., Ltd. ("Rizhao Port Commercial Factoring")	Controlled by the same parent company
Qingdao International Cruise Port Development & Construction Co., Ltd. ("International Cruise Port Development & Construction")	Controlled by the same parent company
Shandong Port International Supply Chain Management Co., Ltd. ("Shandong Port Supply Chain")	Controlled by the same parent company
Shandong Port Group Ship Service Co., Ltd. ("Shandong Port Ship Service")	Controlled by the same parent company
Shandong Gainsense Futures Co., Ltd. ("Shandong Gainsense Futures")	Controlled by the same parent company
North Oil & Gas (Shandong) Industry Development Co., Ltd. ("North Oil & Gas")	Controlled by the same parent company
Qingdao Port Asset Management Co., Ltd. ("Assets Management Company")	Controlled by the same parent company
Weihai Yufeng Energy Co., Ltd. ("Weihai Yufeng Energy")	Controlled by the same parent company
Shandong Board of Trade Co., Ltd. ("Shandong Board of Trade") (Used name: Rizhao Commodity Exchange Centre Co., Ltd.)	Controlled by the same parent company
Yantai Gangrong Commercial Factoring Co., Ltd. ("Yantai Gangrong Commercial Factoring")	Controlled by the same parent company
Rizhao Port Group Shanghai Financial Leasing Co., Ltd. ("Rizhao Port Financial Leasing")	Controlled by the same parent company

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Weihai Zhongda Shipping Co., Ltd. (“Weihai Zhongda Shipping”)	Controlled by the same parent company
Qinggang (Shenzhen) Commercial Factoring Co., Ltd. Qingdao Branch (“Qinggang Commercial Factoring”)	Controlled by the same parent company
Qingdao Dongjiakou Railway Co., Ltd. (“Dongjiakou Railway”)	Associate of the parent company
Qingdao Cruise Home Port CDF Duty Free Merchandise Co., Ltd. (Cruise Home Port Duty Free Merchandise)	Associate of the parent company
Qingdao Cruise Home Port Development and Construction Co., Ltd. (“Cruise Home Port Development and Construction”)	Associate of the parent company
Qingdao Qianwan United Container Terminal Co., Ltd. (“QQCTU”)	Joint venture of QQCTN, and shared the same key management personnel with the company
Qingdao Qianwan Container Terminal Co., Ltd. (“QQCTN”)	Subsidiary of QQCT
Qingdao Qianwan United Advance Container Terminal Co., Ltd. (“QQCTUA”)	Joint venture of QQCTU, and shared the same key management personnel with the company
Qingdao Qianwan Intelligent Container Terminal Co., Ltd. (“QQCTI”)	Subsidiary of QQCTN, and shared the same key management personnel with the company
Qingdao Port Group	Parent company
Shenzhen Unitrans Agency Co., Ltd. (“Shenzhen UA”)	Subsidiary of the Group’s associated companies
Shandong Port Group Co., Ltd.	Shareholder of Qingdao Port Group
Shandong Port Land and Sea International Logistics Group Development Co., Ltd. (“Shandong Port Land and Sea International Logistics”)	Subsidiary of Shandong Port Group
Rizhao Kingda Shipbuilding Heavy Industry Co., Ltd. (“Kingda Shipbuilding Heavy Industry”)	Subsidiary of Shandong Port Group
Shangang Express (Qingdao) Shipping Co., Ltd. (“Shangang Express”) (formerly known as: Shandong Port Shipping Tongbao (Qingdao) Container Transportation Co., Ltd.)	Subsidiary of Shandong Port Group
Shandong Port Technology Group Qingdao Co., Ltd. (“Technology Company”)	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics Liaocheng Co., Ltd. (“Shandong Port Land and Sea Liaocheng”)	Subsidiary of Shandong Port Group
Shandong Luhai Heavy Industry Co., Ltd. (“Luhai Heavy Industry”)	Subsidiary of Shandong Port Group
Shandong Port Shipping Group Co., Ltd. (“Shandong Port Shipping Group”)	Subsidiary of Shandong Port Group
Shandong Port Overseas Development Group Yantai Co., Ltd. (“Shandong Port Overseas Development Yantai Company”)	Subsidiary of Shandong Port Group
Shandong Port Overseas Development Group Co., Ltd. (“Shandong Port Overseas Development”)	Subsidiary of Shandong Port Group

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Shandong Port Overseas Development Group Rizhao Co., Ltd. ("Shandong Port Overseas Development Rizhao Company")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics Bohai Bay Co., Ltd. ("Land and Sea International Logistics Bohai Bay")	Subsidiary of Shandong Port Group
Shangang Shanhai Security (Shandong) Co., Ltd. ("Shangang Shanhai Security") (formerly known as Qingdao Tongan Security Service Co., Ltd.)	Subsidiary of Shandong Port Group
Shandong Port Luhai International Logistics Group Co., Ltd. ("Luhai International Logistics")	Subsidiary of Shandong Port Group
Shandong Port Group Service Development Group Co., Ltd. ("Shandong Port Service Development")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics (Zhengzhou) Co., Ltd. ("Shandong Port Land and Sea (Zhengzhou)")	Subsidiary of Shandong Port Group
Shandong Harbor Construction Group Co., Ltd. ("Shandong Harbor Construction Group")	Subsidiary of Shandong Port Group
Shandong Port Group Cultural Media Co., Ltd. ("Shandong Port Cultural Media")	Subsidiary of Shandong Port Group
Shandong Port Technology Group Co., Ltd. ("Shandong Port Technology Group")	Subsidiary of Shandong Port Group
Shandong Gangtong Engineering Management Consultancy Co., Ltd. ("Shandong Gangtong Engineering Management Consultancy")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics (Xinjiang) Co., Ltd. ("Shandong Port Land and Sea (Xinjiang)")	Subsidiary of Shandong Port Group
Shandong Port Shipping Group Yantai Container Shipping Co., Ltd. ("Shandong Port Shipping Yantai Container")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics Rizhao Co., Ltd. ("Land and Sea Logistics Rizhao")	Subsidiary of Shandong Port Group
Yantai Port Ro-Ro Logistics Co., Ltd. ("Yantai Port Ro-Ro Logistics")	Subsidiary of Shandong Port Group
Beijing Lugang Holding Development Group Co., Ltd. ("Lugang Holding Development")	Subsidiary of Shandong Port Group
Longkou Port Shipping Agency Co., Ltd. ("Longkou Port Shipping Agency")	Subsidiary of Shandong Port Group
Rizhao Lingang International Logistics Co., Ltd. ("Rizhao Lingang International Logistics")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics (Jinan) Co., Ltd. ("Shandong Port Land and Sea (Jinan)")	Subsidiary of Shandong Port Group
Shandong Port Group Weifang Port Co., Ltd. ("Shandong Port Weifang Port")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea (Jinan) Hotel Management Co., Ltd. ("Shandong Port Land and Sea Hotel Management")	Subsidiary of Shandong Port Group

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Rizhao Gangwan Engineering Inspection Co., Ltd. ("Rizhao Gangwan Engineering Inspection")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics (Lanzhou) Co., Ltd. ("Shandong Port Land and Sea (Lanzhou)")	Subsidiary of Shandong Port Group
Xinjiang Rizhao Port Logistics Park Co., Ltd. ("Xinjiang Rizhao Port Logistics Park")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics Yantai Co., Ltd. ("Land and Sea Logistics Yantai")	Subsidiary of Shandong Port Group
Shandong Port Sunshine Huicai Service Co., Ltd. ("Shandong Port Sunshine Huicai")	Subsidiary of Shandong Port Group
Rizhao Port Information Technology Co., Ltd. ("Rizhao Information Technology")	Subsidiary of Shandong Port Group
Yantai Port Co., Ltd. ("Yantai Port")	Subsidiary of Shandong Port Group
Rizhao Port Co., Ltd. ("Rizhao Port")	Subsidiary of Shandong Port Group
Rizhao Port Construction Supervision Co., Ltd. ("Rizhao Port Construction Supervision")	Subsidiary of Shandong Port Group
Shandong Port Land and Sea International Logistics (Hainan) Co., Ltd. ("Shandong Port Land and Sea (Hainan)")	Subsidiary of Shandong Port Group
Longkou Port Group Co., Ltd. ("Longkou Port Group")	Subsidiary of Shandong Port Group
Rizhao Xinlan Wood Inspection Co., Ltd. ("Rizhao Xinlan Wood")	Subsidiary of Shandong Port Group
Qingdao Shangang Cultural Industry Co., Ltd. ("Qingdao Shangang Cultural Industry")	Subsidiary of Shandong Port Group
Yantai Seaport International Shipping Agency Co., Ltd. ("Yantai Seaport International Shipping Agency")	Subsidiary of Shandong Port Group
Rizhao Port Jifa Yuanda International Logistics Co., Ltd. ("Rizhao Port Jifa Yuanda")	Subsidiary of Shandong Port Group
China Ocean Shipping Agency Yantai Co., Ltd. ("China Ocean Shipping Agency Yantai")	Subsidiary of Shandong Port Group
Shandong Port International Trade Group Co., Ltd. ("Shangang International Trade")	Subsidiary of Shandong Port Group
Shandong Port Group Binzhou Port Co., Ltd. ("Shandong Port Group Binzhou Port")	Subsidiary of Shandong Port Group
Shandong Gangyi Commercial Development Co., Ltd. ("Shandong Gangyi Commercial")	Subsidiary of Shandong Port Group
Shandong Port Industry City Integration Development Group Co., Ltd. ("Shandong Port Industry City Integration Development")	Subsidiary of Shandong Port Group
Shandong Port Equipment Group Co., Ltd. ("Shandong Port Equipment Group")	Subsidiary of Shandong Port Group
Shandong Port Vocational Education Group Co., Ltd. ("Shandong Port Vocational Education")	Subsidiary of Shandong Port Group



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Shandong Port International Trade Group Rizhao Co., Ltd. ("Shandong Port International Trade Rizhao Company")	Subsidiary of Shandong Port Group
Shandong Port International Trade Group Qingdao Co., Ltd. ("Shandong Port International Trade Qingdao Company")	Subsidiary of Shandong Port Group
Shandong Port and Shipping Energy Trade Co., Ltd. ("Port and Shipping Energy")	Subsidiary of Shandong Port Group
Shandong Port Bipi Energy Trade Co., Ltd. ("Bipi Energy")	Subsidiary of Shandong Port Group
Shandong Land Sea Mutual Fund Management Co., Ltd. ("Shandong Land Sea Mutual Fund Management")	Subsidiary of Shandong Port Group
Qingdao Shangang Creative Industry Co., Ltd. ("Shangang Creative")	Subsidiary of Shandong Port Group
Shandong Port Cruise Cultural Tourism Group Co., Ltd. ("Shandong Port Cruise Cultural Tourism")	Subsidiary of Shandong Port Group
Shandong Port Technology Group Rizhao Co., Ltd. ("Shandong Port Technology Rizhao Company")	Subsidiary of Shandong Port Group
Shandong Port Industry City Integration Development Bohai Bay Co., Ltd. ("Shandong Port Industry City Integration Development Bohai Bay Company")	Subsidiary of Shandong Port Group
Shandong Port Bohai Bay Port Group Co., Ltd. ("Bohai Bay Group")	Subsidiary of Shandong Port Group
Qingdao Xintong Shangang Culture&Sports Industry Co., Ltd. ("Shangang Culture&Sports")	Subsidiary of Shandong Port Group
Shandong CCCC Navigation Engineering Co., Ltd. ("Shandong CCCC Navigation")	Subsidiary of Shandong Port Group
Rizhao Haitong Liner Co., Ltd. ("Haitong Liner")	Subsidiary of Shandong Port Group
Rizhao Port Yulang Co., Ltd. ("Rizhao Port Yulang")	Subsidiary of Shandong Port Group
Yellow River Delta Construction Engineering Co., Ltd. ("Yellow River Delta Construction")	Subsidiary of Shandong Port Group
Shandong Port Technology Group Yantai Co., Ltd. ("Shandong Port Technology Yantai Company")	Subsidiary of Shandong Port Group
Shandong Port International Trade Group Yantai Co., Ltd. ("Shandong Port International Trade Yantai Company")	Subsidiary of Shandong Port Group
Rizhao Port Group Finance Co., Ltd. ("Rizhao Finance")	Subsidiary of Shandong Port Group
Rizhao Port Machinery Engineering Co., Ltd. ("Rizhao Port Machinery Engineering")	Subsidiary of Shandong Port Group
Rizhao Lanshan Wansheng Port Industry Co., Ltd. ("Rizhao Lanshan Port")	Subsidiary of Shandong Port Group
Yantai Port Group Penglai Port Co., Ltd. ("Penglai Port")	Subsidiary of Shandong Port Group
Dongying Guangli Port Wharf Construction Co., Ltd. ("Guangli Port Wharf Construction")	Subsidiary of Shandong Port Group

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Shandong United Energy Pipeline Transportation Co., Ltd. ("Shandong United Energy Pipeline")	Subsidiary of Shandong Port Group
Shandong Port Yantai Port Group Co., Ltd. ("Yantai Port Group")	Subsidiary of Shandong Port Group
Rizhao Port Shangang Terminal Co., Ltd. ("Rizhao Port Shangang Terminal")	Subsidiary of Shandong Port Group
Longkou Bingang Liquid Chemicals Terminal Co., Ltd. ("Longkou Bingang Liquid Chemicals")	Subsidiary of Shandong Port Group
Shandong Port Industry City Integration Development Rizhao Co., Ltd. ("Shandong Port Industry City Integration Development Rizhao Company")	Subsidiary of Shandong Port Group
Yantai Port Group Laizhou Port Co., Ltd. ("Yantai Port Laizhou Port")	Subsidiary of Shandong Port Group
Shandong Gangyuan Pipeline Logistics Co., Ltd. ("Shandong Gangyuan Pipeline")	Subsidiary of Shandong Port Group
Yantai Port Container Terminals Co., Ltd. ("Yantai Port Container Terminals")	Subsidiary of Shandong Port Group
Rizhao Port Ship Machinery Industry Co., Ltd. ("Rizhao Port Ship Machinery")	Subsidiary of Shandong Port Group
Rizhao Shihua Crude Oil Terminal Co., Ltd. ("Rizhao Shihua")	Subsidiary of Shandong Port Group
China Ocean Shipping Tally Longkou Co., Ltd. ("China Ocean Shipping Tally Longkou")	Subsidiary of Shandong Port Group
Shandong Port Engineering Senior Technical School Co., Ltd. ("Shandong Port Engineering Senior Technical School")	Subsidiary of Shandong Port Group
Longkou Port Group Railway Co., Ltd. ("Longkou Port Railway")	Subsidiary of Shandong Port Group
Rizhao Port Luda Construction Co., Ltd. ("Rizhao Port Luda")	Subsidiary of Shandong Port Group
Penglai Port Passenger Terminal Co., Ltd. ("Penglai Port Passenger Terminal")	Subsidiary of Shandong Port Group
Longkou Xinggang Industry Co., Ltd. ("Longkou Xinggang Industry")	Subsidiary of Shandong Port Group
Longkou Port Marine Bunker Supply Co., Ltd. ("Longkou Port Marine Bunker")	Subsidiary of Shandong Port Group
Yantai Port Barge Co., Ltd. ("Yantai Port Barge")	Subsidiary of Shandong Port Group
Longkou Ganglong Handling Co., Ltd. ("Longkou Ganglong Handling")	Subsidiary of Shandong Port Group
Yantai Ganghang Investment Development Co., Ltd. ("Yantai Ganghang")	Subsidiary of Shandong Port Group
Shouguang Port Co., Ltd. ("Shouguang Port")	Subsidiary of Shandong Port Group
Yantai Port Western Port Area Development Co., Ltd. ("Yantai Port Western Port Area Development")	Subsidiary of Shandong Port Group
Shandong Bohai Bay Haixin Port Co., Ltd. ("Bohai Bay Haixin Port")	Subsidiary of Shandong Port Group

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Shangang Industrial Finance Development (Rizhao) Co., Ltd. ("Shangang Industrial Finance Development Rizhao")	Subsidiary of Shandong Port Group
Yantai Gangneng Bulk Cargo Terminal Co., Ltd. ("Yantai Gangneng Bulk Cargo Terminal")	Subsidiary of Shandong Port Group
Rizhao Port Phoenix Bay Development and Construction Co., Ltd. ("Phoenix Bay Development and Construction")	Subsidiary of Shandong Port Group
Binzhou Port Group Co., Ltd. ("Binzhou Port")	Subsidiary of Shandong Port Group
Shangang Shanhai Production Guarantee (Shandong) Co., Ltd. ("Shangang Production Guarantee")	Subsidiary of Shandong Port Group
Yantai Port Operation Guarantee Co., Ltd. ("Yantai Port Operation Guarantee")	Subsidiary of Shandong Port Group
Yantai International Container Terminal Co., Ltd. ("Yantai Container")	Subsidiary of Shandong Port Group
Shandong Port Group Hainan Co., Ltd. ("Shandong Port Group Hainan Company")	Subsidiary of Shandong Port Group
Yantai Huigang Handling Co., Ltd. ("Huigang Handling")	Subsidiary of Shandong Port Group
Yantai Harbor International Logistics Co., Ltd. ("Yantai Harbor International Logistics")	Subsidiary of Shandong Port Group
Weihai Shanhai Cultural Tourism Development Co., Ltd. ("Shanhai Cultural Tourism Development")	Subsidiary of Shandong Port Group
China Ocean Shipping Tally Yantai Co., Ltd. ("China Ocean Shipping Tally Yantai")	Subsidiary of Shandong Port Group
Shandong Port Rizhao Port Group Co., Ltd. ("Rizhao Port Group")	Subsidiary of Shandong Port Group
Shandong Port Group Dongying Port Co., Ltd. ("Dongying Port")	Subsidiary of Shandong Port Group
Yantai Port Supply Chain Logistics Co., Ltd. ("Yantai Port Supply Chain")	Subsidiary of Shandong Port Group
Laizhou Hairun Port Management Co., Ltd. ("Laizhou Hairun Port Management")	Subsidiary of Shandong Port Group
Rizhao Port Container Development Co., Ltd. ("Rizhao Port Container Development")	Subsidiary of Shandong Port Group
Shandong Port Shihua Haihui Industry and Trade Co., Ltd. ("Shandong Port Shihua Haihui Industry and Trade")	Subsidiary of Shandong Port Group
Rizhao Port Group Lanshan Port Co., Ltd. ("Rizhao Port Group Lanshan Port")	Subsidiary of Shandong Port Group
Dongying Linghang Port Co., Ltd. ("Dongying Linghang Port")	Subsidiary of Shandong Port Group
Shandong Port Engineering Management Consulting Co., Ltd. ("Shandong Port Engineering Management")	Subsidiary of Shandong Port Group
Rizhao Port Bibo Port Service Co., Ltd. ("Bibo Port Service")	Subsidiary of Shandong Port Group
Rizhao Port Huafeng Warehouse Co., Ltd. ("Huafeng Warehouse")	Subsidiary of Shandong Port Group

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
Shandong Tonggang Logistics Co., Ltd. (“Tonggang Logistics”)	Subsidiary of Shandong Port Group
Rizhao Jinqiao Energy Saving Technology Co., Ltd. (“Jinqiao Energy Saving”)	Subsidiary of Shandong Port Group
China Marine Bunker Qingdao Co., Ltd. (“China Marine Bunker Qingdao”)	Controlled by COSCO shipping group
COSCO SHIPPING Lines (Qingdao) Co., Ltd. (“COSCO SHIPPING Lines Qingdao”)	Controlled by COSCO shipping group
Orient Overseas Container Line (China) Co., Ltd. (“OOCL”)	Controlled by COSCO shipping group
China Ocean Shipping Agency Co., Ltd. (“China Ocean Shipping Agency”)	Controlled by COSCO shipping group
Shanghai COSCO SHIPPING Ports Investment Ltd. (“Shanghai COSCO SHIPPING Ports Investment”)	Controlled by COSCO shipping group
Shanghai Pan-Asia Shipping Co., Ltd. (“Shanghai Pan-Asia Shipping”)	Controlled by COSCO shipping group
Qingdao Ocean & Great Asia Logistics Co., Ltd. (“Ocean & Great Asia”)	Controlled by COSCO shipping group
Tianjin COSCO Shipping Container Lines Co., Ltd. (“Tianjin Shipping Container”)	Controlled by COSCO shipping group
Qingdao Zhongran Industrial Co., Ltd. (“Zhongran Industrial”)	Controlled by COSCO shipping group
Qingdao COSCO Shipping Air Freight Forwarding Co., Ltd. (“Qingdao COSCO Shipping Air Freight Forwarding”)	Controlled by COSCO shipping group
Qingdao COSCO Shipping Logistics Supply Chain Co., Ltd. (“COSCO Shipping Logistics Supply Chain”)	Controlled by COSCO shipping group
COSCO SHIPPING Lines (Henan) Co., Ltd. (“COSCO SHIPPING Lines Henan”)	Controlled by COSCO shipping group
Orient Overseas Logistics (China) Co., Ltd. (“Orient Overseas Logistics”)	Controlled by COSCO shipping group
COSCO Weizhi Container Logistics (Shanghai) Co., Ltd. (“COSCO Weizhi Container Logistics”)	Controlled by COSCO shipping group
China Rizhao Ocean Shipping Agency Co., Ltd. (“Rizhao Ocean Shipping Agency”)	Controlled by COSCO shipping group
China Lianyungang Ocean Shipping Agency Co., Ltd. (“Lianyungang Ocean Shipping Agency”)	Controlled by COSCO shipping group
Guangzhou COSCO Shipping Container Lines Co., Ltd. (“Guangzhou Shipping Container”)	Controlled by COSCO shipping group
China Qingdao Ocean Shipping Agency Co., Ltd. (“Qingdao Ocean Shipping Agency”)	Controlled by COSCO shipping group
Tianjin Penavico Freight&Forwarding Co., Ltd. (“Tianjin Penavico”)	Controlled by COSCO shipping group
Sanlly Container Service Co., Ltd. (“Sanlly Container”)	Controlled by COSCO shipping group
Guangzhou Haijian Engineering Consultancy Co., Ltd. (“Haijian Engineering Consultancy”)	Controlled by COSCO shipping group

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
COSCO SHIPPING Lines Co., Ltd. (“COSCO SHIPPING Lines”)	Controlled by COSCO shipping group
China Marine Bunker Hebei Co., Ltd. (“China Marine Bunker Hebei”)	Controlled by COSCO shipping group
South China COSCO Shipping Container Lines Co., Ltd. (South China COSCO Shipping Container”)	Controlled by COSCO shipping group
China Ocean Shipping Tally Rizhao Co., Ltd. (“China Ocean Shipping Tally (Rizhao)”)	Controlled by COSCO shipping group
Qingdao COSCO Shipping Communication Technology Co., Ltd. (“COSCO Shipping Communication Technology”)	Controlled by COSCO shipping group
COSCO Shipping Agency (Basuo) Co., Ltd. (“COSCO Shipping Agency (Basuo)”)	Controlled by COSCO shipping group
COSCO International Freight (Jiangsu) Co., Ltd. (“Jiangsu COSCO International Freight”)	Controlled by COSCO shipping group
Qingdao Ocean Shipping Daya Bonded Logistics Co., Ltd. (“Ocean Shipping Daya Bonded Logistics”)	Controlled by COSCO shipping group
Qingdao Harbor International Logistics Co., Ltd. (“Harbor Logistics”)	Controlled by COSCO shipping group
Xiamen COSCO Shipping Logistics Co., Ltd. (“Xiamen COSCO Shipping Logistics”)	Controlled by COSCO shipping group
Qingdao COSCO Shipping Logistics Co., Ltd. (“COSCO Shipping Logistics”)	Controlled by COSCO shipping group
Xinxinhai Shipping Co., Ltd. (“Xinxinhai Shipping”)	Controlled by COSCO shipping group
Zhejiang Xinggang International Freight Agency Co., Ltd. (“Xinggang International Freight”)	Controlled by COSCO shipping group
COSCO Shipping Ferry Co., Ltd. (“COSCO Shipping Ferry”)	Controlled by COSCO shipping group
Shenzhen Shipping Globally Supply Chain Management Co., Ltd. (“Shipping Globally Supply Chain”)	Controlled by COSCO shipping group
COSCO Shipping Customs Clearance (Qingdao) Co., Ltd. (“COSCO Shipping Customs Clearance”)	Controlled by COSCO shipping group
Tianjin Yuanchang Reefer Container Service Co., Ltd. (“Yuanchang Reefer Container”)	Controlled by COSCO shipping group
Shanghai Puhai Shipping Co., Ltd. (“Shanghai Puhai Shipping”)	Controlled by COSCO shipping group
COSCO International Freight (Xiamen) Co., Ltd. (“Xiamen COSCO International Freight”)	Controlled by COSCO shipping group
COSCO SHIPPING Special Transportation Co., Ltd. (“COSCO SHIPPING Special Transportation”)	Controlled by COSCO shipping group
Shanghai Beihai Shipping Co., Ltd. (“Shanghai Beihai Shipping”)	Controlled by COSCO shipping group
Xi’an COSCO Shipping Container Lines Co., Ltd. (“Xi’an COSCO Shipping Container”)	Controlled by COSCO shipping group
Qingdao COSCO Shipping Container Lines International Logistics Co., Ltd. (“Qingdao COSCO Container Lines International Logistics”)	Controlled by COSCO shipping group

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (4) Other related parties (Continued)

Name of company	Relationship with the Group
COSCO Shipping (Hong Kong) Investment Development Co., Ltd. ("COSCO Shipping Investment Development")	Controlled by COSCO shipping group
Qingdao COSCO Konoike Logistics Co., Ltd. ("COSCO Konoike Logistics")	Controlled by COSCO shipping group
China Marine Bunker Lianyungang Co., Ltd. ("China Marine Bunker Lianyungang")	Controlled by COSCO shipping group
COSCO (Qingdao) Ship Supply Co., Ltd. ("Qingdao COSCO Ship")	Controlled by COSCO shipping group
COSCO Shipping Agency Co., Ltd. ("COSCO Shipping Agency")	Controlled by COSCO shipping group
Qingdao COSCO Shipping Engineering Logistics Co., Ltd. ("Qingdao COSCO Shipping Engineering Logistics")	Controlled by COSCO shipping group
Henan COSCO Shipping Logistics Co., Ltd. ("Henan COSCO Shipping Logistics")	Controlled by COSCO shipping group
COSCO Shipping Seafarer Management Co., Ltd. ("COSCO Shipping Seafarer Management")	Controlled by COSCO shipping group
COSCO Shipping (Qingdao) Co., Ltd. ("COSCO Shipping Qingdao")	Controlled by COSCO shipping group
China Marine Bunker YINDA Qingdao Co., Ltd. ("China Marine Bunker YINDA")	Controlled by COSCO shipping group
Lianyungang Ocean Fluid Handling Equipment Co., Ltd. ("Lianyungang Ocean Fluid")	Controlled by COSCO shipping group
Shanghai Times Shipping Co., Ltd. ("Times Shipping")	Controlled by COSCO shipping group

#### (5) Related party transactions

##### Pricing policy

The Group's purchases, sales, provision or acceptance of services with related parties are conducted in accordance with the pricing and settlement terms agreed with the other party in the ordinary course of business. The rents collected and paid to related parties shall be determined after negotiation between the two parties. The interest rate of loans provided by Qingdao Finance, the Company's subsidiary to related parties and deposits from related parties is negotiated by the two parties on the basis of reference to the benchmark interest rate of the People's Bank of China for the same period or the loan market quoted rate announced by the National Interbank Funding Center.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services

###### (i) Purchase of goods or services:

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Qingdao Port Engineering	Purchasing engineering materials and Engineering and design services	635,230,165	493,589,998
Qinggang Shihua	Loading & unloading and logistics services	311,820,541	220,190,537
Qinggang Equipment Manufacture	Purchasing engineering materials and Engineering and design services	78,151,961	—
Shandong Port Land and Sea International Logistics	Loading & unloading and logistics services	67,426,462	—
West United	Loading & unloading and logistics services	57,405,853	66,361,406
Kingda Shipbuilding Heavy Industry	Engineering and design services	44,973,805	314,210
China Shipbuilding Qingdao	Purchasing fuel	42,354,404	57,841,512
Shangang Express	Engineering and design services	41,725,988	1,428,271
Huaneng Qingdao Technology Company	Loading & unloading and logistics services	41,074,104	33,290,686
	Software development, information operation and maintenance services	40,631,774	31,199,053
Overseas Development Qingdao	Loading & unloading and logistics services	30,392,524	—
Shandong Port Land and Sea Liaocheng	Loading & unloading and logistics services	26,234,259	52,594,053
COSCO SHIPPING Lines Qingdao	Loading & unloading and logistics services	24,785,813	69,971,166
QDP Investment Group	Purchasing engineering materials and engineering services	15,617,472	757,353
Qianwan International Supply Chain	Loading & unloading and logistics services	11,403,250	—
Luhai Heavy Industry	Purchasing engineering materials and Engineering and design services	8,538,344	—
OOCL	Loading & unloading and logistics services	7,576,442	27,370,831
Shangang Shanghai Property	Water supply services	6,865,174	—
QQCTU	Loading & unloading and logistics services	6,800,666	7,815,690
Shandong Port Shipping Group	Loading & unloading and logistics services	6,309,560	—
China Ocean Shipping Agency	Loading & unloading and logistics services	5,911,800	15,939,951
Shandong Port Engineering Management	Engineering and design services	5,381,483	—
Shandong Port Overseas Development Yantai Company	Loading & unloading and logistics services	5,248,759	—
Weigang Property	Catering service	4,752,644	4,995,651
QQCTN	Loading & unloading and logistics services	4,750,655	1,363,084

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services (Continued)

##### (i) Purchase of goods or services: (Continued)

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Dongjiakou Railway	Loading & unloading and logistics services	4,673,997	23,255,734
Qinggang Shihua	Loading & unloading and logistics services	4,480,165	12,861,995
QQCT	Loading & unloading and logistics services	4,353,680	8,852,547
Shandong Port Energy	Purchasing fuel	3,539,698	5,246,089
Luhai logistics Bohai Bay	Loading & unloading and logistics services	3,008,010	9,541,852
Luhai International Logistics	Loading & unloading and logistics services	2,923,431	40,879,692
QDOT	Loading & unloading and logistics services	2,823,996	6,557,435
Hongyu Hotel	Catering service	2,761,916	3,957,661
Fuwai Hospital	Medical service	2,581,924	11,516,538
Shandong Harbor Construction Group	Engineering and design services	1,671,229	59,228,883
Shandong Port Land and Sea (Xinjiang)	Loading & unloading and logistics services	665,002	7,139,118
China Marine Bunker Hebei	Purchasing fuel	-	3,713,186
Other related parties	Loading & unloading, logistics, travelling and factoring services	37,510,153	40,860,346
		<u>1,602,357,103</u>	<u>1,318,634,528</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services (Continued)

##### (ii) Selling goods and rendering services:

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
QQCT	Transporting, loading & unloading, repairing and other services	276,278,374	209,420,231
Shandong Port Land and Sea International Logistics	Transporting, loading & unloading, repairing and other services	190,784,471	–
QQCTN	Transporting, loading & unloading, repairing and other services	101,195,564	79,863,408
China Ocean Shipping Agency	Transporting, loading & unloading, repairing and other services	95,565,091	78,123,933
Qinggang Shihua	Transporting, loading & unloading, repairing and other services	72,293,910	140,490,914
Shangang International Trade	Transporting, loading & unloading, repairing and other services	72,014,278	65,178,941
QQCTU	Transporting, loading & unloading, repairing and other services	63,592,037	51,658,171
QDOT	Transporting, loading & unloading, repairing and other services	62,664,912	59,797,487
Land and Sea International Logistics Bohai Bay	Transporting, loading & unloading, repairing and other services	46,577,255	50,352,306
Shenzhouxing Cargo Agency	Transporting, loading & unloading, repairing and other services	30,468,915	30,045,152
Overseas Development Qingdao	Transporting, loading & unloading, repairing and other services	28,530,426	7,885,289
Shangang Express	Transporting, loading & unloading, repairing and other services	28,407,877	4,097,792
Ocean & Great Asia	Transporting, loading & unloading, repairing and other services	23,976,460	26,160,799
QQCTUA	Transporting, loading & unloading, repairing and other services	20,075,937	12,513,732
Evergreen Container	Transporting, loading & unloading, repairing and other services	19,771,346	17,548,953
COSCO SHIPPING Lines Qingdao	Transporting, loading & unloading, repairing and other services	16,233,051	32,666,775
Orient Container	Transporting, loading & unloading, repairing and other services	15,047,740	11,716,117

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services (Continued)

##### (ii) Selling goods and rendering services: (Continued)

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Qingdao Port Group	Transporting, loading & unloading, repairing and other services	13,631,430	13,730,466
Jiaodong International Container Shipping	Transporting, loading & unloading, repairing and other services	13,219,408	8,403,148
Shanghai Pan-Asia Shipping	Transporting, loading & unloading, repairing and other services	13,067,075	13,697,133
COSCO SHIPPING Lines	Transporting, loading & unloading, repairing and other services	12,943,992	12,098,379
QDP Investment Group	Transporting, loading & unloading, repairing and other services	11,617,117	8,928,096
Huaneng Qingdao	Transporting, loading & unloading, repairing and other services	9,920,331	4,307,862
Shandong Port Land and Sea Liaocheng	Transporting, loading & unloading, repairing and other services	9,768,394	3,434,556
Lianhai Logistics	Transporting, loading & unloading, repairing and other services	9,387,710	9,496,515
China Shipping Agency	Transporting, loading & unloading, repairing and other services	8,123,653	6,291,696
Lianrong Logistics	Transporting, loading & unloading, repairing and other services	8,051,359	7,462,702
Rizhao Ocean Shipping Agency	Transporting, loading & unloading, repairing and other services	7,998,022	519
Ganghai Logistics	Transporting, loading & unloading, repairing and other services	7,972,164	12,120,461
United Shipping Agency	Transporting, loading & unloading, repairing and other services	7,215,897	5,378,824
Luhai International Logistics	Transporting, loading & unloading, repairing and other services	7,027,949	188,661,686
Xiamen COSCO Shipping Logistics	Transporting, loading & unloading, repairing and other services	5,699,587	11,354,174
Land and Sea International Logistics Rizhao	Transporting, loading & unloading, repairing and other services	5,458,342	378,567
Shandong Port Land and Sea (Xinjiang)	Transporting, loading & unloading, repairing and other services	5,386,552	2,168,668

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services (Continued)

##### (ii) Selling goods and rendering services: (Continued)

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Weihai Port International Logistics	Transporting, loading & unloading, repairing and other services	4,705,663	687,057
Shandong Port Shipping Weihai	Transporting, loading & unloading, repairing and other services	4,259,562	14,855,120
Shandong Port Land and Sea Hotel Management	Transporting, loading & unloading, repairing and other services	3,446,561	–
QHVTC	Transporting, loading & unloading, repairing and other services	3,150,994	86,353
Shandong Port Land and Sea (Zhengzhou)	Transporting, loading & unloading, repairing and other services	3,128,985	1,252,102
COSCO Weizhi Container Logistics	Transporting, loading & unloading, repairing and other services	2,999,527	1,865,420
Ocean Bridge International	Transporting, loading & unloading, repairing and other services	2,936,416	131,143
COSCO Shipping Logistics	Transporting, loading & unloading, repairing and other services	2,352,927	10,532,120
Dongjiakou Railway	Transporting, loading & unloading, repairing and other services	1,513,473	8,348,549
Shandong Port Shipping Group	Transporting, loading & unloading, repairing and other services	1,343,995	16,876,828
Qingdao Ocean Shipping Agency	Transporting, loading & unloading, repairing and other services	679,143	35,261,324
Dongjiakou IMC Logistics	Transporting, loading & unloading, repairing and other services	425,103	4,245,860
Shandong Port International Trade Group Rizhao Co., Ltd.	Transporting, loading & unloading, repairing and other services	324,356	21,962,771
Shandong Port Supply Chain	Transporting, loading & unloading, repairing and other services	38,049	3,900,297
COSCO Shipping Logistics Supply Chain	Transporting, loading & unloading, repairing and other services	–	3,940,320
Other related parties	Transporting, loading & unloading, repairing and other services	40,368,508	43,064,446
		<u>1,391,639,888</u>	<u>1,352,443,162</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services (Continued)

##### (ii) Selling goods and rendering services: (Continued)

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Rizhao Port Machinery Engineering	Construction services	4,128,440	-
QDP Investment Group	Construction services	760,728	1,764,602
Technology Company	Construction services	356,302	277,016
QQCTU	Construction services	308,769	115,447
Qingdao Port Engineering	Construction services	241,696	3,548,930
Shandong Harbor Construction Group	Construction services	-	11,423,393
Rizhao Port	Construction services	-	2,706,422
Shandong CCCC Navigation	Construction services	-	1,695,137
QQCT	Construction services	-	1,548,445
Huanhai Bay Development & Construction	Construction services	-	1,128,440
Rizhao Lanshan Port	Construction services	-	908,257
International Cruise Port Development & Construction	Construction services	-	776,629
Other related parties	Construction services	116,435	1,333,039
		<u>5,912,370</u>	<u>27,225,757</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services (Continued)

##### (ii) Selling goods and rendering services: (Continued)

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
QDOT	Sales of water, electricity, steam and oil	89,347,458	86,717,604
QQCT	Sales of water, electricity, steam and oil	51,010,420	70,074,784
QQCTN	Sales of water, electricity, steam and oil	37,060,363	35,452,048
Qingdao Shihua	Sales of water, electricity, steam and oil	6,277,712	5,815,524
West United	Sales of water, electricity, steam and oil	6,107,424	7,643,337
QQCTUA	Sales of water, electricity, steam and oil	5,971,474	8,743,483
Qingdao Port Engineering	Sales of water, electricity, steam and oil	4,954,528	5,500,367
QQCTU	Sales of water, electricity, steam and oil	4,726,971	4,913,305
Rizhao Port	Sales of water, electricity, steam and oil	4,551,967	10,542,910
Evergreen Container	Sales of water, electricity, steam and oil	3,268,067	3,636,287
QDP Investment Group	Sales of water, electricity, steam and oil	2,918,386	8,309,494
Shandong Harbor Construction Group	Sales of water, electricity, steam and oil	2,490,018	1,297,541
Shenzhouxing Cargo Agency	Sales of water, electricity, steam and oil	2,407,050	2,748,408
Qinggang Equipment Manufacture	Sales of water, electricity, steam and oil	2,396,057	—
Yantai Port	Sales of water, electricity, steam and oil	2,208,831	10,520,502
Qingdao Port Group	Sales of water, electricity, steam and oil	2,020,608	2,057,737
Orient Container	Sales of water, electricity, steam and oil	1,601,491	1,619,158
Lianhai Logistics	Sales of water, electricity, steam and oil	1,377,709	1,554,647
Technology Company	Sales of water, electricity, steam and oil	1,003,436	946,376
International Cruises	Sales of water, electricity, steam and oil	961,851	815,309
Lianrong Logistics	Sales of water, electricity, steam and oil	928,981	857,995
Rizhao Lanshan Port	Sales of water, electricity, steam and oil	486,372	3,061,553
Longkou Port Group	Sales of water, electricity, steam and oil	363,013	1,118,981
Rizhao Port Group	Sales of water, electricity, steam and oil	—	5,865,478
Other related parties	Sales of water, electricity, steam and oil	11,506,354	11,338,067
		<u>245,946,541</u>	<u>291,150,895</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (a) Purchase and sale of goods, and rendering and receiving of services (Continued)

##### (ii) Selling goods and rendering services: (Continued)

Related party	Contents of transactions	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
QQCTU	Sales of port machinery and other machineries	-	61,430,000
Shandong Port Weifang Port	Sales of port machinery and other machineries	-	23,480,000
QQCTN	Sales of port machinery and other machineries	-	12,219,463
Rizhao Lanshan Port	Sales of port machinery and other machineries	-	10,510,000
Rizhao Port	Sales of port machinery and other machineries	-	10,470,000
QQCT	Sales of port machinery and other machineries	-	8,260,000
West United	Sales of port machinery and other machineries	-	2,213,628
Other related parties	Sales of port machinery and other machineries	-	1,457,058
		<u>-</u>	<u>130,040,149</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (b) Leases

(i) Lease income confirmed by the Group as a lessor:

Related Parties	Type of leased assets	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
QQCT	Buildings, storage facilities, port facilities and vehicles	113,846,882	113,900,819
Qingdao Shihua	Buildings, storage facilities and machinery and equipment	55,008,192	69,882,877
QDOT	Storage facilities and vehicles	18,758,249	8,652,760
Qingdao Port Engineering	Buildings, storage facilities	8,077,814	1,083,570
QQCTN	Storage facilities and vehicles	5,583,324	4,596,396
Evergreen Container	Buildings, storage facilities	5,093,960	5,094,789
QQCTU	Buildings, port facilities and vehicles	4,732,562	4,692,585
Orient Container	Buildings, storage facilities	4,004,607	4,006,945
Lianhai Logistics	Storage facilities and machinery and equipment	3,482,714	3,484,253
Lianrong Logistics	Buildings, storage facilities	2,639,920	2,424,019
Other related party	Buildings, storage facilities and machinery and equipment	11,108,236	7,223,787
		<u>232,336,460</u>	<u>225,042,800</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (b) Leases (Continued)

(ii) Right-of-use assets leased by the Group as a lessee:

Related Parties	Lease asset type	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
QQCT	Buildings	1,115,212	–
QQCTU	Storage facilities	844,215	26,194,545
Shangang International Trade	Office	2,709,691	–
Qingdao Port Group	Storage facilities	–	2,897,162
QDP Investment Group	Buildings	–	1,647,789
		<u>4,669,118</u>	<u>30,739,496</u>

(iii) Interest expense from lease liabilities incurred by the Group as a lessee:

Related Parties	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Shandong Port Finance	8,685,885	–
Qingdao Port Group	2,528,635	3,304,466
QQCTU	388,902	576,064
Other related parties	254,189	206,630
	<u>11,857,611</u>	<u>4,087,160</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (b) Leases (Continued)

(iv) Other assets leased by the Group as a lessee:

Related Parties	Type of leased assets	Lease fee confirmed for the six months ended 30 June 2023 (Unaudited)	Lease fee confirmed for the six months ended 30 June 2022 (Unaudited)
Qingdao Port Group	Buildings, land use rights, storage facilities, machinery and equipment, vehicles	37,205,247	48,925,402
QDP Investment Group	Buildings, port facilities, storage facilities, machinery and equipment, vehicles	17,211,890	16,446,319
West United	Storage facilities, land use rights	5,443,111	3,030,847
QQCTU	Buildings, land use rights	4,575,903	5,318,602
QDOT	Storage facilities	2,642,355	4,255,063
Dongjiakou Sinotrans Logistics	Storage facilities, port facilities	2,022,225	1,619,048
Weihai Port Group	Buildings	1,607,936	870,367
Dongjiakou Railway	Storage facilities	952,895	–
QQCT	Buildings, machinery and equipment	504,453	1,229,808
Other related parties	Buildings, storage facilities and machinery and equipment	2,524,905	1,893,767
		<u>74,690,920</u>	<u>83,589,223</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (c) Finance lease and capital loans

##### (i) Borrowings from Shandong Port Finance –

	Amount	Starting date	Due Date
Shandong Port Finance	2,000,000	2023-01-05	2024-01-04
Shandong Port Finance	11,500,000	2023-01-18	2029-01-17
Shandong Port Finance	4,000,000	2023-01-18	2024-01-17
Shandong Port Finance	28,523,823	2023-01-28	2033-01-27
Shandong Port Finance	13,166,560	2023-01-31	2033-01-30
Shandong Port Finance	10,000,000	2023-02-09	2024-02-08
Shandong Port Finance	800,000	2023-02-27	2024-02-26
Shandong Port Finance	368,072	2023-02-27	2033-02-26
Shandong Port Finance	42,610,931	2023-03-06	2033-03-05
Shandong Port Finance	50,000,000	2023-03-30	2026-03-29
Shandong Port Finance	4,700,000	2023-04-18	2028-04-17
Shandong Port Finance	24,192,158	2023-04-27	2028-04-26
Shandong Port Finance	60,000,000	2023-05-11	2024-05-10
Shandong Port Finance	39,034,726	2023-05-29	2033-05-28
Shandong Port Finance	29,000,000	2023-05-30	2028-05-29
Shandong Port Finance	1,200,000	2023-06-06	2024-06-05
Shandong Port Finance	120,000,000	2023-06-26	2024-06-25
Shandong Port Finance	23,938,758	2023-06-26	2033-06-25
Shandong Port Finance	20,000,000	2023-06-27	2024-06-26
	<u>485,035,028</u>		

##### (ii) Obtaining factoring loan –

	Amount	Starting date	Due Date
Qingdao Port Group	100,000,000	2023-05-23	2026-05-22
Qingdao Port Group	20,000,000	2023-05-23	2024-05-22
Qingdao Port Group	50,000,000	2023-03-22	2024-03-21
Qingdao Port Group	137,000,000	2023-05-30	2026-05-30
	<u>307,000,000</u>		

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (c) Finance lease and capital loans (Continued)

##### *(iii) Interest income from borrowings and finance leases*

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
QDOT	-	26,655,719
QQCTN	-	20,335,342
Shandong Port International Trade Qingdao Company	-	16,154,932
Weihai Port Group	-	8,959,363
QQCTU	-	8,480,447
Qingdao Port Engineering	-	8,157,967
QDP Investment Group	-	6,291,609
Shandong Port Supply Chain	-	3,998,564
PetroChina Storage	-	1,328,561
Fuwai Hospital	-	1,128,512
West United	-	853,033
QQCT	-	149,178
Other related parties	-	663,906
	<u>-</u>	<u>103,157,133</u>

##### *(iv) Interest income -*

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Shandong Port Finance	<u>46,490,832</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (c) Finance lease and capital loans (Continued)

##### (v) Interest expenses on deposits –

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
QQCT	–	5,425,351
Qingdao Shihua	–	4,663,908
Qingdao Port Group	–	4,323,088
QQCTN	–	4,220,735
Shandong Port Investment	–	1,753,472
International Cruise Port Development & Construction	–	2,269,635
Technology Company	–	984,897
Dongjiakou IMC Logistics	–	979,668
QQCTU	–	637,359
QDP Investment Group	–	606,828
West United	–	375,807
Qingdao Port Travel Agency	–	330,756
Fuwai Hospital	–	268,129
Shandong Port Cloud Digital Technology	–	260,044
QDOT	–	257,282
QDP CTC	–	241,401
Yongli Insurance	–	232,189
Shandong Port Commercial Factoring	–	125,971
Other related parties	–	1,631,507
	<u>–</u>	<u>29,588,027</u>

##### (vi) Interest expenses on related party borrowings –

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Shandong Port Finance	<b>54,233,492</b>	–
Qingdao Port Group	<b>4,670,013</b>	1,593,222
Shandong Port Commercial Factoring	–	958,399
	<u><b>58,903,505</b></u>	<u>2,551,621</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (d) Investment income

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
QQCT	481,552,918	465,454,586
Qingdao Shihua	131,723,408	143,553,883
Shandong Port Finance	68,452,913	–
Unitrans	14,947,321	13,455,742
Qinggang Equipment Manufacture	13,463,246	–
Qingyin Financial Leasing	13,379,976	7,703,223
West United	11,005,471	8,154,223
Evergreen Container	10,929,762	10,611,459
PetroChina Storage	8,864,052	9,231,571
Qinggang International Trade Logistics	7,584,778	–
Shenzhouxing Cargo Agency	5,096,771	6,812,018
Orient Container	3,687,009	3,212,824
Technology Company	2,654,064	2,214,584
QDOT	2,370,990	(12,047,578)
Lianrong Logistics	1,894,463	1,580,438
Huaneng Qingdao	1,866,223	836,756
Overseas Development Qingdao	1,834,713	428,482
Shandong Harbor Construction Group	1,503,100	–
United Shipping Agency	1,461,709	1,210,085
Lianhai Logistics	1,350,579	1,172,803
Haiwan Liquid Chemical	1,020,861	731,924
Shandong Port Energy	902,944	627,483
Hailian Container	822,800	(1,840,500)
China Shipping Agency	762,885	375,356
Ocean Bridge International	637,000	361,786
Dongjiakou IMC Logistics	178,441	46,712
Qianwan International Supply Chain	30,634	–
Shandong Port Land and Sea (Jinan)	26,571	23,988
GBS Supply Chain	–	(249,773)
Dongjiakou IMC Logistics	(61,275)	(90,596)
Ganghai Logistics	(73,305)	(744,117)
Linyi Express	(127,797)	(389,797)
QDP CTC	(802,711)	(85,607)
GSBN	(3,347,566)	–
Qingdao Port Engineering	(6,058,769)	10,467,036
COSCO Abu Dhabi	(15,392,498)	(25,420,591)
	<u>764,141,681</u>	<u>647,398,403</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (e) Remuneration of key management

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Remuneration of key management	<u>5,468,529</u>	<u>5,350,681</u>

##### (f) Other related party transactions

##### (i) *Port construction fees, harbour dues and port facility security expenses received and paid on behalf of related parties to their clients.*

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Funds received under the entrustment of related parties –		
QQCT	2,204,874,801	179,008,295
QQCTN	835,456,587	61,866,624
QQCTU	696,344,522	25,303,003
QQCTUA	<u>204,236,128</u>	<u>9,107,293</u>
	<u>3,940,912,038</u>	<u>275,285,215</u>
Funds paid to related parties –		
QQCT	2,117,165,560	181,822,169
QQCTN	821,810,676	63,074,865
QQCTU	679,009,436	23,253,693
QQCTUA	<u>198,086,898</u>	<u>10,023,639</u>
	<u>3,816,072,570</u>	<u>278,174,366</u>

Port construction fees, harbour dues and port facility security expenses received and paid on behalf of related parties are collected by the Company's subsidiary QDP Logistics on behalf of related parties including QQCT, QQCTU, QQCTUA and QQCTN from their clients and paid to above related parties.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (f) Other related party transactions (Continued)

##### (ii) Port dues received by related parties on behalf of the Company

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Qingdao Shihua	40,859,228	49,867,925
QQCT	30,069,970	27,083,116
QDOT	18,059,769	21,366,642
QQCTN	13,098,119	12,724,034
QQCTU	11,931,538	14,995,520
QQCTUA	4,030,231	5,219,668
West United	3,546,343	4,143,412
	<u>121,595,198</u>	<u>135,400,317</u>

Related parties such as Qingdao Shihua and QQCT charge customers for port charges, berthing fees, and security fees for the cargo and submit 50% of them to the Company.

##### (iii) Accept the commission payment of related parties

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Qinggang Equipment Manufacture	119,360,211	5,219,668
QDOT	52,420,916	35,877,116
Qingdao Port Engineering	44,097,741	55,991,627
QQCT	33,743,388	27,505,684
QQCTU	18,196,047	17,615,923
Qingdao Shihua	14,482,635	13,573,701
West United	7,059,443	9,911,106
QQCTN	6,392,808	6,832,917
Qingdao Port Group	4,085,143	2,415,447
Fuwai Hospital	1,581,008	1,524,933
Evergreen Container	1,104,173	1,923,442
Other related party	8,230,518	2,826,604
	<u>310,754,031</u>	<u>181,218,168</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (5) Related party transactions (Continued)

##### (f) Other related party transactions (Continued)

##### (iv) Disposal of subsidiaries

For the six months ended 30 June 2023, the Company disposed of 100% of its equity interests in Tongan Security to Shandong Port Group Service Development Group Co., Ltd., resulting in an income of RMB5,401,724 (Note 5(1)(b)). Upon completion of the transaction, the Company no longer holds equity interests in Tongan Security.

#### (6) Related party balance

##### (a) Cash at bank and on hand

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Shandong Port Finance – Cash at bank	<b>9,343,856,727</b>	8,467,959,020
Shandong Port Finance – Other cash balances	<b>4,842,549</b>	6,096,521
Shandong Port Finance – Accrued interest	<b>18,034,294</b>	23,557,472
	<b><u>9,366,733,570</u></b>	<b><u>8,497,613,013</u></b>

##### (b) Notes receivable

	<b>30 June 2023 (Unaudited)</b>		31 December 2022	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Qingdao Port Engineering	<b>40,426,388</b>	<b>(1,270,383)</b>	50,099,482	(1,615,072)
Qinggang Equipment Manufacture	<b>18,336,067</b>	<b>(576,204)</b>	622,452	(20,066)
QDP Investment Group	<b>1,120,000</b>	<b>(35,196)</b>	–	–
International Cruises	<b>630,972</b>	<b>(19,828)</b>	1,074,066	(34,625)
West United	–	–	891,448	(28,738)
Qingdao Port Group	–	–	868,594	(28,001)
	<b><u>60,513,427</u></b>	<b><u>(1,901,611)</u></b>	<b><u>53,556,042</u></b>	<b><u>(1,726,502)</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (c) Accounts receivable

	30 June 2023 (Unaudited)		31 December 2022	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Qingdao Shihua	219,870,021	(9,859,966)	172,036,813	(5,345,968)
QDOT	113,155,133	(18,012,026)	86,136,947	(7,982,123)
Shandong Port Land and Sea				
International Logistics	51,646,929	(1,800,612)	53,784,384	(1,665,452)
QQCT	35,184,303	(1,286,936)	7,027,781	(222,187)
Shangang Express	32,438,640	(1,130,937)	22,411,448	(693,978)
Land and Sea International				
Logistics Bohai Bay	30,134,823	(1,050,617)	30,508,451	(944,705)
QQCTN	21,762,247	(812,868)	184,358,302	(108,552,336)
Qingdao Port Engineering	16,978,986	(612,486)	1,485,123	(45,987)
Shenzhouxing Cargo Agency	14,111,638	(491,986)	12,684,834	(392,790)
QQCTU	13,028,234	(1,020,428)	5,159,131	(159,827)
Evergreen Container	10,665,069	(371,826)	6,314,093	(195,518)
Jiaodong International				
Container Shipping	10,630,287	(370,613)	14,504,918	(449,150)
QDP Investment Group	10,196,134	(429,494)	13,453,817	(991,348)
Qingdao Port Group	8,328,933	(1,325,330)	10,273,448	(1,781,323)
Ocean & Great Asia	7,739,955	(269,845)	10,024,242	(310,404)
Orient Container	6,086,128	(212,186)	4,781,119	(148,049)
QQCTUA	5,472,518	(190,793)	3,571,625	(110,597)
Overseas Development				
Qingdao	5,407,318	(188,520)	-	-
Shandong Port Land and				
Sea (Zhengzhou)	5,159,341	(179,875)	1,914,212	(59,274)
Shangang Shanghai Property	4,548,993	(158,596)	-	-
Qinggang Equipment				
Manufacture	4,519,047	(1,035,695)	4,062,310	(968,024)
Rizhao Port Machinery				
Engineering	4,500,000	(208,029)	-	-
Land and Sea Logistics				
Rizhao	4,376,636	(152,586)	2,124,343	(65,781)
Weihai Port International				
Logistics	4,365,099	(152,184)	471,476	(14,599)
Shandong Port Land and				
Sea Liaocheng	3,391,796	(118,251)	5,352,787	(165,751)
Lianhai Logistics	2,923,770	(101,934)	3,143,468	(97,339)

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (c) Accounts receivable (Continued)

	30 June 2023 (Unaudited)		31 December 2022	
	Amount	Provision for bad debts	Amount	Provision for bad debts
China Ocean Shipping Agency	2,916,901	(101,694)	2,753,899	(85,275)
Shandong Port Shipping Group	2,833,456	(101,780)	707,644	(21,912)
Luhai International Logistics	2,769,885	(96,569)	60,027,298	(1,858,766)
Dongjiakou IMC Logistics	2,638,625	(2,635,006)	2,639,294	(2,635,012)
Shanghai Pan-Asia Shipping	2,516,885	(87,748)	1,401,658	(43,403)
Shandong Port Industry City Integration Development	2,490,359	(86,824)	1,751,083	(54,223)
Lianrong Logistics	2,366,151	(82,493)	2,468,589	(76,441)
West United	2,339,386	(234,455)	2,030,789	(62,884)
Rizhao Port	598,657	(20,872)	3,948,542	(122,268)
Shandong Port Shipping Weihai	109,946	(3,833)	10,356,746	(320,700)
Qinggang International Trade Logistics	65,060	(2,268)	4,549,034	(140,862)
Ganghai Logistics	-	-	15,108,402	(467,837)
Xiamen COSCO Shipping Logistics	-	-	2,137,500	(66,188)
Other related parties	22,897,679	(967,749)	18,183,050	(725,419)
	<u>691,164,968</u>	<u>(45,965,910)</u>	<u>783,648,600</u>	<u>(138,043,700)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (d) Contract assets

	30 June 2023 (Unaudited)		31 December 2022	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Shandong Harbor				
Construction Group	7,659,376	(143,714)	7,659,376	(121,475)
QDP Investment Group	4,963,438	(93,130)	4,360,487	(69,156)
Huanhai Bay Development & Construction	4,699,683	(88,181)	4,699,683	(74,536)
Qingdao Port Engineering	3,297,856	(61,878)	4,173,339	(66,188)
Qinggang Equipment Manufacture	1,595,180	(29,931)	8,211,850	(130,238)
QQCT	1,585,282	(29,745)	1,585,282	(25,142)
QQCTN	1,191,177	(22,350)	1,191,177	(18,892)
QQCTU	746,267	(14,002)	409,709	(6,498)
PetroChina Storage	-	-	689,726	(10,939)
QDOT	-	-	19,394,669	(307,594)
Qingdao shihua	-	-	3,900,763	(61,865)
Other related parties	901,948	(16,922)	1,163,159	(18,446)
	<u>26,640,207</u>	<u>(499,853)</u>	<u>57,439,220</u>	<u>(910,969)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (e) Advances to suppliers

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Qinggang Equipment Manufacture	20,775,000	1,971,000
West United	7,067,664	9,537,536
Shandong Port Land and Sea International Logistics	3,420,006	26,500
Dongjiakou Railway	2,181,859	–
QDP Investment Group	1,490,608	1,528,948
Technology Company	1,058,640	270,000
Weihai Yufeng Energy	737,000	–
Shandong Port Technology Group	597,000	–
COSCO SHIPPING Lines Qingdao	594,291	601,381
Qingdao Port Group	457,906	–
Shandong Port Energy	436,560	149
China Ocean Shipping Agency	328,770	167,926
Shanghai Pan-Asia Shipping	108,832	233,982
Other related parties	835,617	458,489
	<u>40,089,753</u>	<u>14,795,911</u>

##### (f) Other receivables

##### *Dividend receivable –*

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Hailian Container	<u>1,433,647</u>	<u>–</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (f) Other receivables (Continued)

##### Other –

	30 June 2023 (Unaudited)		31 December 2022	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Qinggang Equipment				
Manufacture	90,293,075	(4,002,166)	78,150,866	(2,719,107)
Overseas Development	28,141,879	(1,207,221)	13,140,000	(454,116)
Qingdao Port Engineering	23,329,269	(1,001,478)	35,865,026	(1,256,258)
QDOT	14,035,491	(588,294)	30,837,973	(1,090,378)
Shandong Port Equipment				
Group	13,547,585	(416)	13,537,891	–
Qingdao Shihua	11,284,296	(484,070)	7,469,264	(258,501)
QQCT	9,791,773	(404,133)	2,956,594	(102,179)
Weihai Port International				
Passenger Transportation	8,925,829	(528,373)	9,032,971	(336,323)
QDP Investment Group	7,887,156	(444,337)	8,108,336	(276,215)
QQCTU	6,890,536	(295,588)	2,036,550	(69,289)
West United	6,359,497	(190,465)	10,916,416	(316,515)
Rizhao Lanshan Port	5,940,000	(254,812)	–	–
China Foreign Shipping				
Agency	5,910,386	(106,644)	2,107,000	(30,353)
Qingdao Port Group	4,117,572	(211,190)	3,219,120	(111,201)
QQCTN	3,497,830	(150,049)	2,065,425	(71,381)
Ocean Bridge International	3,001,807	(128,770)	2,908,438	(100,515)
Lianrong Logistics	2,606,362	(154,007)	141,345	(4,887)
COSCO SHIPPING Lines				
Qingdao	2,110,000	(32,296)	510,000	(7,292)
Evergreen Container	2,045,174	(43,120)	3,620,286	(69,587)
OOCL	2,034,751	(87,010)	1,090,911	(37,499)
Luhai International Logistics	1,500,862	–	1,500,862	–
Shandong Harbor				
Construction Group	956,556	(41,109)	14,546,845	(536)
Qingdao Ocean Shipping				
Agency	334,567	(14,352)	14,234,629	(478,978)
Ganghai Logistics	–	–	19,368,427	(669,369)
Other related parties	13,801,778	(593,138)	8,151,262	(245,403)
	<u>268,344,031</u>	<u>(10,963,038)</u>	<u>285,516,437</u>	<u>(8,705,882)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (g) Short-term borrowings

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Shandong Port Finance – Unsecured	<b>371,000,000</b>	188,800,000
Shandong Port Finance – Accrued interest	<b>250,731</b>	211,987
	<b><u>371,250,731</u></b>	<b><u>189,011,987</u></b>

##### (h) Notes payable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Qingdao Port Engineering	<b>144,316,934</b>	286,970,482
Qinggang Equipment Manufacture	<b>34,749,277</b>	46,793,439
QDP Investment Group	<b>12,714,540</b>	–
Qinggang International Trade Logistics	<b>1,159,614</b>	473,054
Shandong Gangtong Engineering Management Consultancy	<b>675,870</b>	1,174,911
Hongyu Hotel	<b>307,753</b>	–
Lianyungang Ocean Fluid	<b>260,000</b>	108,700
Shandong Harbor Construction Group	–	7,772,119
Qinggang Commercial Factoring	–	154,000
	<b><u>194,183,988</u></b>	<b><u>343,446,705</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (i) Accounts payable

	30 June 2023 (Unaudited)	31 December 2022
Qingdao Shihua	358,093,228	166,158,629
Qingdao Port Engineering	189,106,464	161,556,729
Qingdao Port Group	17,732,476	184,123
Qinggang Equipment Manufacture	16,569,628	9,800,203
QDP Investment Group	15,705,001	20,156,898
Shandong Port Land and Sea International Logistics	15,175,458	13,445,146
West United	15,114,593	19,042,463
Shangang Express	14,552,460	131,009
Overseas Development Qingdao	11,287,160	–
QDOT	10,826,862	15,658,576
China Marine Bunker Qingdao	9,129,253	7,145,123
Huaneng Qingdao	8,363,738	10,464,708
Weihai Dingxin Construction	8,242,005	7,727,253
Qianwan Automobile Supply Chain	7,407,415	3,004,389
Technology Company	7,173,530	1,214,913
Shangang Shanhai Security	6,881,057	–
Shandong Port Overseas Development Yantai Company	5,721,147	–
QQCTU	5,446,447	1,087,816
Dongjiakou Sinotrans Logistics	5,238,894	3,115,558
Shandong Port Overseas Development Rizhao Company	5,030,462	–
Luhai Heavy Industry	4,295,359	88,840
Shandong Port Shipping Group	3,693,286	471,912
QQCT	3,615,564	2,217,242
Qinggang Shihua	3,194,579	954,122
Luhai International Logistics	2,627,829	6,627,750
Land and Sea International Logistics Bohai Bay	1,430,533	3,203,736
Shandong Port Land and Sea Liaocheng	1,070,410	15,089,848
Other related parties	16,361,033	17,041,326
	<u>769,085,871</u>	<u>485,588,312</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (j) Advances from customers

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Lianhai Logistics	2,804,056	–
Qianwan International Automobile Supply Chain	237,850	1,626,590
Shenzhouxing Cargo Agency	26,465	180,989
Shandong Port Energy	1,291	1,291
West United	–	486,449
QDP Pilot Station	–	5,837
	<u>3,069,662</u>	<u>2,301,156</u>

##### (k) Contract liabilities

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
COSCO SHIPPING Lines Qingdao	10,707,458	2,591,370
Shandong Port Shipping Group	3,126,978	1,681,791
Ocean & Great Asia	2,410,381	2,891,601
Qingdao Port Group	2,376,579	2,376,579
China Foreign Shipping Agency	1,337,364	346,394
Technology Company	1,021,374	–
QDP Investment Group	819,227	581,498
West United	812,225	82,925
Land and Sea International Logistics Rizhao	545,000	186,000
United Shipping Agency	520,144	50,000
China Shipping Agency	502,265	2,265
Dongjiakou Railway	390,360	365,758
QQCTN	386,667	–
Shandong Port Land and Sea International Logistics	345,265	386,939
Shandong Port Finance	274,167	–
Shandong Port Sunshine Huicai	265,424	808
China Marine Bunker Qingdao	240,121	4,500
Rizhao Ocean Shipping Agency	200,000	–
Shandong Port Land and Sea (Xinjiang)	–	2,560,900
Evergreen Container	–	1,004,480
Other related parties	1,233,682	1,778,453
	<u>27,514,681</u>	<u>16,892,261</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (1) Other payables

##### *Dividends payable –*

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Qingdao Ocean Shipping Agency	<u><b>643,500</b></u>	<u>–</u>

##### *Other –*

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Qingdao Port Engineering	<b>1,359,940,663</b>	976,125,122
Qinggang Equipment Manufacture	<b>303,763,253</b>	387,181,910
QQCT	<b>137,407,561</b>	46,073,685
QQCTU	<b>33,953,463</b>	24,716,940
QDP Investment Group	<b>30,643,203</b>	40,271,483
Shangang Shanhai Security	<b>30,327,759</b>	–
QQCTN	<b>24,985,998</b>	10,469,033
Qingdao Port Group	<b>21,254,787</b>	20,297,284
Technology Company	<b>15,553,453</b>	9,389,777
Evergreen Container	<b>14,384,631</b>	10,382,689
Shandong Gangtong Engineering Management Consultancy	<b>13,519,937</b>	1,140,800
QQCTUA	<b>13,243,523</b>	5,818,956
Kingda Shipbuilding Heavy Industry	<b>12,128,000</b>	–
COSCO SHIPPING Lines Qingdao	<b>2,740,248</b>	13,440,972
China Foreign Shipping Agency	<b>94,219</b>	13,864,428
Others	<u><b>27,752,038</b></u>	<u>29,351,962</u>
	<u><b>2,041,692,736</b></u>	<u>1,588,525,041</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (m) Other non-current liabilities

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
QQCT	2,124,797,371	2,223,508,059
QQCTN	41,562,510	42,821,980
QQCTU	10,691,513	11,296,693
Shandong Port Group	<u>2,036,816</u>	—
	<u><b>2,179,088,210</b></u>	<u><b>2,277,626,732</b></u>

##### (n) Long-term borrowings

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Shandong Port Finance – Unsecured	1,975,496,212	1,989,947,600
Shandong Port Finance – Accrued interest	<u>2,454,226</u>	<u>2,828,851</u>
	<u><b>1,977,950,438</b></u>	<u><b>1,992,776,451</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (6) Related party balance (Continued)

##### (o) Lease liabilities

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Shandong Port Finance	<b>310,688,239</b>	323,955,057
Qingdao Port Group	<b>88,871,944</b>	104,109,847
QQCTU	<b>14,120,669</b>	18,070,995
Dongjiakou Sinotrans Logistics	<b>7,867,725</b>	–
QDP Investment Group	<b>3,757,288</b>	7,499,347
Shangang International Trade	<b>2,767,438</b>	–
West United	<b>2,603,943</b>	5,026,677
QQCT	<b>1,004,202</b>	413,434
Qingdao Port Investment Asset Management	<b>92,688</b>	184,029
	<b><u>431,774,136</u></b>	<b><u>459,259,386</u></b>

##### (p) Long-term payables

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Qingdao Port Group	<b>366,239,542</b>	239,239,785
Qingdao Leasing	<b>124,275,001</b>	120,870,833
Shandong Port Finance	<b>37,545,833</b>	40,053,778
	<b><u>528,060,376</u></b>	<b><u>400,164,396</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (7) Operating lease receipts after the balance sheet date

Pursuant to the signed irrevocable operating lease contract, in addition to the operating lease out commitments mentioned in Note 4 (36), the Group's future collection of related party rents is summarized as follows:

	30 June 2023 (Unaudited)	31 December 2022
QQCT	199,671,396	254,419,738
QQCTN	71,577,600	27,613,628
QQCTU	68,265,280	82,980,000
Qingdao Shihua	40,619,120	40,209,800
QQCTUA	17,099,200	16,470,000
QDOT	14,853,791	7,833,000
Evergreen Container	10,661,400	115,073,895
Orient Container	8,391,180	-
Lianhai Logistics	4,186,476	2,877,723
Shenzhouxing Cargo Agency	3,724,804	8,114,232
Hailian Container	3,647,550	995,825
Technology Company	1,785,723	-
Shangang Shanhai Property	1,587,975	-
Qianwan International Supply Chain	1,400,249	4,446,121
Qingdao Port Group	1,185,402	1,185,402
Shandong Port Energy	680,046	-
Qinggang Equipment Manufacture	633,832	-
Shangang Shanhai Security	524,046	-
Qingdao Port Engineering	401,454	2,478,013
China Marine Bunker Qingdao	322,914	313,314
Lianrong Logistics	240,000	-
Qinggang International Trade Logistics	187,830	-
West United	179,947	1,897,800
Weihai Shichang Liquor Industry	148,750	21,250
Shangang Production Guarantee	147,656	-
Haiwan Liquid Chemical	46,080	-
Shandong Port Investment	31,818	-
Weihai Port International Logistics	15,757	-
Shandong Port Shipping Weihai	14,484	-
Ganghai Logistics	-	34,560
Fuwai Hospital	-	11,040
	<u>452,231,760</u>	<u>566,975,341</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 9 COMMITMENTS

#### (1) Capital commitments

Capital expenditures contracted for by the Group at the balance sheet date but are not yet necessary to be recognized on the balance sheet are as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Port facilities and others	<u><b>797,151,457</b></u>	<u><b>861,378,733</b></u>

### 10 OTHER MATTERS

On 30 June 2023, the Company entered into the Asset Purchase Agreement with Rizhao Port Group, pursuant to which, the Company conditionally agreed to purchase 100% equity interests in Rizhao Port Oil Terminal Co., Ltd., 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd., and 100% equity interests in Rizhao Gangrong Port Co., Ltd. held by Rizhao Port Group; and entered into the Asset Purchase Agreement with Yantai Port Group, pursuant to which, the Company conditionally agreed to purchase 67.56% equity interests in Yantai Port Co., Ltd., 60.00% equity interests in Yantai Port Group Laizhou Port Co., Ltd., 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd., 64.91% equity interests in Yantai Ganghang Investment Development Co., Ltd. and 100% equity interests in Yantai Port Operation Guarantee Co., Ltd. held by Yantai Port Group. As at the date of this announcement, the transaction has not been completed.

### 11 OPERATING LEASE RECEIPTS AFTER THE BALANCE SHEET DATE

The Group's future rent collection (undiscounted amount) as a lessor after the balance sheet date is summarized as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Within a year	<b>156,187,617</b>	147,116,037
One to two years	<b>47,984,272</b>	55,352,960
Two to three years	<b>45,979,306</b>	50,603,190
Three to four years	<b>45,186,943</b>	47,908,179
Four to five years	<b>44,970,943</b>	46,987,619
More than five years	<u><b>132,768,900</b></u>	<u><b>239,953,200</b></u>
	<u><b>473,077,981</b></u>	<u><b>587,921,185</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISK

The Group's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk and other), credit risk and liquidity risk. The financial risks and the risk management policies adopted by the Group to reduce the risks are as follows:

The Board of Directors is responsible for planning and establishing the risk management structure of the Group, formulating the Group's risk management policies and relevant guidelines and monitoring the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks the Group exposes to. Specific risks are explicitly stipulated by these risk management policies, covering management of market risk, credit risk and liquidity risk, etc. The Group assesses market environment and changes of operating activities of the Group periodically to determine whether updates are needed for risk management policies and systems. Risk management of the Group is carried out by the risk management committee pursuant to the approval of the Board of Directors. Risk management committee identifies, evaluates and mitigates relevant risks through close cooperation with other business departments of the Group. The Group's audit department periodically reviews the risk management controls and procedures, and reports the results to the Group's Audit Committee.

#### (1) Market risk

##### (a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. Foreign exchange risk arises from transactions denominated in foreign exchange (foreign currency assets and liabilities and foreign currency transactions are mainly denominated in USD and EUR). The Group monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize foreign exchange risks. For the six months ended 30 June 2023, the Group did not sign forward foreign exchange contracts or currency swap contracts.

As at 30 June 2023 and 31 December 2022, the carrying amounts in RMB equivalent of the Group's financial assets, financial liabilities and lease liabilities denominated in foreign currencies are summarized below:

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (CONTINUED)

#### (1) Market risk (Continued)

##### (a) Foreign exchange risk (Continued)

	30 June 2023 (Unaudited)			
	USD	EUR	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	243,951,412	33,471,042	27,567	277,450,021
Receivables	111,948,871	102,079	4,711	112,055,661
Other receivables	50,876,345	–	–	50,876,345
Advances to suppliers	245,142	–	–	245,142
	<u>407,021,770</u>	<u>33,573,121</u>	<u>32,278</u>	<u>440,627,169</u>
Financial liabilities denominated in foreign currency –				
Payables	(74,739,665)	–	(2,134)	(74,741,799)
Other payables	(26,988,421)	–	–	(26,988,421)
	<u>(101,728,086)</u>	<u>–</u>	<u>(2,134)</u>	<u>(101,730,220)</u>
	31 December 2022			
	USD	EUR	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	275,705,176	2,157,778	27,295	277,890,249
Receivables	191,384,582	133,308	–	191,517,890
Other receivables	215,793,855	107,782,193	–	323,576,048
	<u>682,883,613</u>	<u>110,073,279</u>	<u>27,295</u>	<u>792,984,187</u>
Financial liabilities denominated in foreign currency –				
Payables	(241,132,727)	–	(8,927)	(241,141,654)
Other payables	(121,101,809)	–	–	(121,101,809)
	<u>(362,234,536)</u>	<u>–</u>	<u>(8,927)</u>	<u>(362,243,463)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (CONTINUED)

#### (1) Market risk (Continued)

##### (a) Foreign exchange risk (Continued)

As at 30 June 2023, if RMB had strengthened/weakened by 4% against the USD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB9,159,000 (31 December 2022: approximately RMB9,619,000) lower/higher for various financial assets and liabilities dominated in USD held by the Group whose recording currency is RMB, which would have no effect on other comprehensive income. As at 30 June 2023, if RMB had strengthened/weakened by 4% against the EUR while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB1,007,000 (31 December 2022: RMB3,302,000) higher/lower for various financial assets and liabilities dominated in EUR held by the Group whose recording currency is RMB, which would have no effect on other comprehensive income.

##### (b) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing borrowings including long-term bank borrowings and debentures payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions.

As at 30 June 2023, the Group's long-term interest-bearing liabilities included the principal of borrowings amounting to RMB1,975,496,212 (Note 4(31)), of which RMB1,181,766,621 accrued interest at a floating rate by reference to LPR during the same period and the rest at a fixed rate.

As at 30 June 2023, the Group's long-term payables included sales and leaseback that were deemed as mortgaged borrowings, and the principal of entrusted borrowings totalling RMB523,400,000 (Note 4(33)), of which RMB157,500,000 accrued interest at a floating rate and the rest at a fixed rate.

The Group continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new liability and the interest expenses with respect to the Group's outstanding floating rate liability, and therefore could have a certain effect on the Group's financial position. The management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. For the six months ended 30 June 2023 and 2022, the Group did not enter into any interest rate swap agreements.

As at 30 June 2023, if borrowings from Shandong Port Finance at the floating interest rate had risen/fallen by 50 basis points while all other variables held constant, the Group's net profit for the year would be approximately RMB5,022,250 (31 December 2022: RMB4,857,000)



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (CONTINUED)

#### (1) Market risk (Continued)

##### (c) Other price risk

The Group's other price risks mainly arise from all kinds of equity instrument investments, with risk of changes in the price of equity instruments.

As at 30 June 2023, if the expected price of the Group's various equity instrument investments increased or decreased by 10% while all other variables had been held constant, the Group's net profit would have increased or decreased by approximately RMB29,538,000 (31 December 2022: approximately RMB29,538,000).

#### (2) Credit risk

The Group's credit risk mainly arises from cash at bank and on hand, notes receivables, accounts receivables, contract assets, receivables financing, other receivables, debt investments, other debt investments, and investments in debt instrument at fair value through profit or loss that are not included in the impairment assessment scope. As at the balance sheet date, the carrying amount of the Group's financial assets represented the maximum exposure of the Group.

The Group's cash at bank and on hand is mainly cash at bank deposited at state-owned banks and other medium or large size listed banks with good reputation and a higher credit rating. The Group does not expect that there will be any significant credit risk and losses from non-performance by these banks.

In addition, the Group has relevant policies to limit the credit risk exposure on notes receivable, accounts receivable, financing receivables, other receivables and contract assets. The Group assesses the credit quality of and sets credit periods on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 30 June 2023 and 31 December 2022, the Group did not make provisions for bad debts regarding the long-term receivables due from Hunan Kupu disclosed in Note 4(11) as the value of the collateral provided by the debtor exceeded its gross carrying amount; except for this, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (CONTINUED)

#### (3) Liquidity risk

Each subsidiary within the Group is responsible for its own cash flow projections. On the basis of summarizing the cash flow forecasts of each subsidiary, the Group continuously monitors short-term and long-term capital needs at the group level to ensure that sufficient cash reserves are readily available and continuous monitoring of compliance with the loan agreement provisions, from major financial institutions to obtain sufficient backup funds to meet short-term and long-term funding needs.

The financial liabilities of the Group at the balance sheet date are analyzed by their maturity date below at their undiscounted contractual cash flows:

	30 June 2023 (Unaudited)				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	539,121,476	-	-	-	539,121,476
Notes payable	705,382,372	-	-	-	705,382,372
Accounts payable	1,497,270,589	-	-	-	1,497,270,589
Other payables	5,906,279,451	-	-	-	5,906,279,451
Current portion of non-current liabilities	579,620,471	-	-	-	579,620,471
Long-term payables	-	302,175,593	929,368,920	739,564,346	1,971,108,859
Lease liabilities	-	117,919,471	174,602,289	207,533,297	500,055,057
Long-term payables	-	37,777,760	365,427,984	26,705,668	429,911,412
	<u>9,227,674,359</u>	<u>457,872,824</u>	<u>1,469,399,193</u>	<u>973,803,311</u>	<u>12,128,749,687</u>
	31 December 2022				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	275,323,604	-	-	-	275,323,604
Notes payable	1,034,898,039	-	-	-	1,034,898,039
Accounts payable	1,435,308,348	-	-	-	1,435,308,348
Other payables	3,985,877,916	-	-	-	3,985,877,916
Current portion of non-current liabilities	744,276,152	-	-	-	744,276,152
Long-term payables	-	236,758,698	983,798,383	581,878,800	1,802,435,881
Lease liabilities	-	143,089,818	204,155,515	206,618,344	553,863,677
Long-term payables	-	150,570,570	214,894,959	26,860,136	392,325,665
	<u>7,475,684,059</u>	<u>530,419,086</u>	<u>1,402,848,857</u>	<u>815,357,280</u>	<u>10,224,309,282</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (CONTINUED)

#### (3) Liquidity risk (Continued)

Bank borrowings and the borrowings from Shandong Port Finance are analysed by repayment terms as follows:

	30 June 2023 (Unaudited)			31 December 2022		
	Bank borrowings	Borrowings from Shandong Port Finance	Other borrowings	Bank borrowings	Borrowings from Shandong Port Finance	Other borrowings
Within 1 year	158,868,243	617,604,829	178,956,209	80,076,160	639,260,838	125,899,074
1 to 2 years	-	228,040,000	30,200,000	-	170,429,737	135,170,833
2 to 5 years	-	822,557,863	315,500,000	-	836,297,863	199,000,000
Over 5 years	-	680,998,477	-	-	535,800,000	-
	<u>158,868,243</u>	<u>2,349,201,169</u>	<u>524,656,209</u>	<u>80,076,160</u>	<u>2,181,788,438</u>	<u>460,069,907</u>

### 13 FAIR VALUE ESTIMATES

The level of fair value measurement is determined by the lowest level of inputs which has significant impact on fair value management:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

#### (1) Assets and liabilities measured at fair value on a recurring basis

As at 30 June 2023, the assets measured at fair value on a continuing basis are listed below at the 3 levels above (Unaudited):

	Level 1	Level 2	Level 3	Total
Monetary assets				
Financial assets held for trading –				
Wealth management products	-	-	601,459,145	601,459,145
Equity investments	3,439,188	-	-	3,439,188
Financing receivables –				
Notes receivable	-	-	337,366,773	337,366,773
Other non-current financial assets –				
Equity investment	-	-	393,840,402	393,840,402
Total	<u>3,439,188</u>	<u>-</u>	<u>1,332,666,320</u>	<u>1,336,105,508</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 13 FAIR VALUE ESTIMATES (CONTINUED)

#### (1) Assets and liabilities measured at fair value on a recurring basis (Continued)

As at 31 December 2022, the assets measured at fair value on a continuing basis are listed below at the 3 levels above:

	Level 1	Level 2	Level 3	Total
Monetary assets				
Financial assets held for trading –				
Wealth management products	–	–	995,407,305	995,407,305
Equity investments	4,457,524	–	–	4,457,524
Financing receivables –				
Notes receivable	–	–	280,619,222	280,619,222
Other non-current financial assets –				
Equity investment	–	–	393,840,402	393,840,402
Total	<u>4,457,524</u>	<u>–</u>	<u>1,669,866,929</u>	<u>1,674,324,453</u>

The Group has no continuing liabilities measured at fair value.

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There are no transfers between levels for the current year.

For financial instruments traded in active markets, the Group determines their fair value with their active market quotations; for financial instruments not traded in active markets, the Group uses valuation techniques to determine their fair value. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of valuation technique mainly include risk-free interest rate, benchmark interest rate, expected yield, PE multiplier, PB multiplier, and liquidity discount.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 13 FAIR VALUE ESTIMATES (CONTINUED)

#### (1) Assets and liabilities measured at fair value on a recurring basis (Continued)

Changes of the above Level 3 financial assets are analyzed below:

	31 December 2022	Purchase (Unaudited)	Sale (Unaudited)	Settle (Unaudited)	30 June 2023 (Unaudited)	The total profit of the current period is included in the profit and loss (a) (Unaudited)
Monetary assets						
Financial assets held for trading –						
Wealth management products	995,407,305	1,178,654,814	-	(1,572,602,974)	601,459,145	11,662,793
Financing receivables –						
Bank acceptance notes receivable	280,619,222	399,396,422	(297,395,202)	(45,253,669)	337,366,773	-
Other non-current financial assets –						
Equity investment	393,840,402	-	-	-	393,840,402	1,503,100
Total	<u>1,669,866,929</u>	<u>1,578,051,236</u>	<u>(297,395,202)</u>	<u>(1,617,856,643)</u>	<u>1,332,666,320</u>	<u>13,165,893</u>

	31 December 2021	Purchase (Unaudited)	Sale (Unaudited)	Settle (Unaudited)	30 June 2022 (Unaudited)	The total profit of the current period is included in the profit and loss (a) (Unaudited)
Monetary assets						
Financial assets held for trading –						
Wealth management products	545,938,786	843,883,577	(229,791,733)	-	1,160,030,630	14,128,059
Financing receivables –						
Bank acceptance notes receivable	384,875,823	772,221,497	(331,447,379)	(563,487,439)	262,162,502	(1,070,212)
Other non-current financial assets –						
Equity investment	292,351,677	-	-	-	292,351,677	10,000,000
Total	<u>1,223,166,286</u>	<u>1,616,105,074</u>	<u>(561,239,112)</u>	<u>(563,487,439)</u>	<u>1,714,544,809</u>	<u>23,057,847</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 13 FAIR VALUE ESTIMATES (CONTINUED)

#### (1) Assets and liabilities measured at fair value on a recurring basis (Continued)

- (a) Gains or losses included in the current profit and loss are included in the income statement, such as changes in fair value changes, investment income, etc.

The relevant information for Level 3 measured at fair value is as follows:

	Fair value on 30 June 2023 (Unaudited)	Valuation techniques	Parameter	Inputs		The relationship of fair value	Observable/ Unobservable
				Range/ Weighted average			
Financial assets held for trading – Wealth management products	601,459,145	Discounted cash flow	Expected yield	2.50%-3.28%		Positive correlation	Unobservable
Receivables financing – Bank acceptance notes receivable	337,366,773	Discounted cash flow	Expected discount rate	2.8%-3.55%		Negative correlation	Unobservable
				PE multiplier: 1.6-19.0 PB multiplier: 0.1-5.4			
Other non-current financial assets – Equity investment	393,840,402	Marketing method	Comparable listed company PE multiplier, etc.	Lack of liquidity discount: 20%-30%		Positive correlation	Unobservable
	<u>1,332,666,320</u>						
	Fair value on 31 December 2022	Valuation techniques	Parameter	Inputs		The relationship of fair value	Observable/ Unobservable
				Range/ Weighted average			
Financial assets held for trading – Wealth management products	995,407,305	Discounted cash flow	Expected yield	2.88%-3.60%		Positive correlation	Unobservable
Receivables financing – Bank acceptance notes receivable	280,619,222	Discounted cash flow	Expected discount rate	3.65%-3.85%		Negative correlation	Unobservable
				PE multiplier: 1.6-19.0 PB multiplier: 0.1-5.4			
Other non-current financial assets – Equity investment	393,840,402	Marketing method	Comparable listed company PE multiplier, etc.	Lack of liquidity discount: 20%-30%		Positive correlation	Unobservable
	<u>1,669,866,929</u>						

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 13 FAIR VALUE ESTIMATES (CONTINUED)

#### (2) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities measured at amortized cost mainly include notes receivables, accounts receivable, other receivables, debt investments, long-term receivables, short-term borrowings, notes payable, accounts payables, other payables, bonds payable, long-term borrowings, long-term payables, lease liability, etc.

The carrying amount of the financial assets and liabilities mentioned above not measured at fair value has little difference with their fair value.

### 14 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group is not subject to external mandatory capital requirements and monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by interest bearing liabilities deducting cash and cash equivalents. Total capital is calculated by shareholder's equity presented in consolidated balance sheet plus net debt.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 14 CAPITAL MANAGEMENT (CONTINUED)

As at 30 June 2023 and 31 December 2022, the Group's gearing ratio is as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Principal on bank borrowings (Note 4(23), (31))	<b>2,505,364,455</b>	2,258,789,843
Entrusted borrowings (Note 4(33))	<b>365,900,000</b>	299,294,785
Sales and leaseback that were deemed as mortgaged borrowings (Note 4(33))	<b>157,500,000</b>	160,775,122
Less: Cash (Note 4(53)(a))	<b><u>(10,362,646,076)</u></b>	<u>(9,021,244,964)</u>
Net asset	<b><u>(7,333,881,621)</u></b>	<u>(6,302,385,214)</u>
Shareholders' equity	<b><u>42,036,875,016</u></b>	<u>41,276,900,495</u>
Total capital	<b><u>34,702,993,395</u></b>	<u>34,974,515,281</u>
Gearing ratio	<b><u>Not applicable</u></b>	<u>Not applicable</u>

As at 30 June 2023, the amount of cash and cash equivalents of the Group exceeded the amount of interest-bearing liabilities.

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

#### (1) Cash at bank and on hand

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Cash at bank	<b>246,023,952</b>	77,419,777
Deposits at Shandong Port Finance	<b>4,345,026,827</b>	3,220,508,753
Other cash balances	<b>39,960</b>	3,033,226
Interest receivable	<b><u>1,782,973</u></b>	<u>2,365,038</u>
	<b><u>4,592,873,712</u></b>	<u>3,303,326,794</u>
Including: amounts deposited abroad	<b><u>40,039</u></b>	<u>39,119</u>

As at 30 June 2023, other monetary funds included the deposit of RMB39,960 deposited by the Company to the bank for the issuance of acceptance bills (31 December 2022: RMB2,642,605 for the issuance of acceptance notes and RMB390,621 for the issuance of letters of guarantee).



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (2) Accounts receivable

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Accounts receivable	<b>521,218,378</b>	431,980,735
Less: Provision for bad debts	<b><u>(16,929,646)</u></b>	<u>(98,579,299)</u>
	<b><u>504,288,732</u></b>	<u>333,401,436</u>

The Company's income is partially made by cash, advances from customers, bank acceptance notes and trade acceptance notes. The remains are settled mainly by providing credit terms of 30-90 days.

#### (a) The age of receivables and provision for bad debts are as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Within 1 year	<b>516,538,510</b>	248,209,472
1 to 2 years	<b>2,606,121</b>	3,969,675
2 to 3 years	<b>2,073,747</b>	68,987,140
Over 3 years	<b><u>-</u></b>	<u>110,814,448</u>
	<b><u>521,218,378</u></b>	<u>431,980,735</u>

Accounts receivable are mainly recorded based on the date of transaction. The ageing of accounts receivable represented based on their recording dates is basically the same as the ageing represented based on the dates of invoice.

#### (b) As at 30 June 2023, the total amount of top five accounts receivable is analyzed as follows:

	<b>Amount</b>	<b>Provision for bad debts</b>	<b>% of total accounts receivable balance</b>
Total amount of top five accounts receivable	<b><u>124,532,011</u></b>	<b><u>(4,613,804)</u></b>	<b><u>24%</u></b>

#### (c) As at 30 June 2023, the Group had no accounts receivable derecognized due to factoring without recourse (As at 31 December 2022: nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (2) Accounts receivable (Continued)

##### (d) Bad debt provision

The Company measures the provision of accounts receivable based on the lifetime ECL regardless of whether there exists a significant financing component.

Accounts receivables are analyzed by category as follows:

	30 June 2023 (Unaudited)			
	Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Lifetime ECL rate
Bad debt provision on the grouping basis				
Group A	122,328,148	23.47%	-	-
Group C	398,890,230	76.53%	(16,929,646)	4.24%
	<u>521,218,378</u>	<u>100.00%</u>	<u>(16,929,646)</u>	
	31 December 2022			
	Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Lifetime ECL rate
Bad debt provision on the grouping basis				
Group A	15,694,015	3.63%	-	-
Group B	179,774,508	41.62%	(90,057,428)	50.09%
Group C	236,512,212	54.75%	(8,521,871)	3.60%
	<u>431,980,735</u>	<u>100.00%</u>	<u>(98,579,299)</u>	

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (2) Accounts receivable (Continued)

##### (d) Bad debt provision (Continued)

- (i) As at 30 June 2023 and 31 December 2022, the Company had no accounts receivable of which the provision for bad debts is made on the individual basis.
- (ii) Accounts receivable for which the related provision for bad debts is provided on the grouping basis are analyzed as follows:

Accounts Receivable Group B – Accounts receivable from engineering and construction businesses of companies outside the scope of consolidation:

	31 December 2022		
	Ending balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount
Within 1 year	–	–	–
1 to 2 years	–	–	–
2 to 3 years	68,960,060	29.58%	(20,396,142)
Over 3 years	110,814,448	62.86%	(69,661,286)
	<u>179,774,508</u>		<u>(90,057,428)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (2) Accounts receivable (Continued)

##### (d) Bad debt provision (Continued)

- (ii) Accounts receivable for which the related provision for bad debts is provided on the grouping basis are analyzed as follows: (Continued)

Accounts Receivable Group C – Accounts receivable except for engineering and construction businesses of companies outside the scope of consolidation:

	30 June 2023 (Unaudited)		
	Ending balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount
Within 1 year	396,322,472	3.70%	(14,683,411)
1 to 2 years	494,011	34.92%	(172,488)
Over 2 years	2,073,747	100.00%	(2,073,747)
	<u>398,890,230</u>		<u>(16,929,646)</u>
	31 December 2022		
	Ending balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount
Within 1 year	232,515,457	3.14%	(7,296,743)
1 to 2 years	3,969,675	30.18%	(1,198,048)
Over 2 years	27,080	100.00%	(27,080)
	<u>236,512,212</u>		<u>(8,521,871)</u>

- (iii) For the six months ended 30 June 2023, the Group's bad debts reversed amounted to RMB81,649,653, which were provided on a collective basis. There was no provision for bad debts of significant accounts receivables that was written off.

- (e) As at 30 June 2023, the Company has no pledge of accounts receivable (31 December 2022: nil).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (3) Financing receivables

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Bank acceptance notes	<u>137,729,291</u>	<u>139,360,896</u>

- (a) Certain bank acceptance notes satisfied the derecognition criteria were discounted and endorsed frequently by the Company for the purpose of daily treasury management, which thereby categorised the balance of these bank acceptance notes with good credit rating as financial assets at fair value through other comprehensive income. As at 30 June 2023, the company measures the provision for bad debts based on the expected credit loss for lifetime. The Company believes that its bank acceptance notes do not expose to significant credit risk and will not cause significant losses by bank default.
- (b) As at 30 June 2023 and 31 December 2022, the Company had no pledged acceptance notes.
- (c) As at 30 June 2023, the bank acceptance notes that the Company has endorsed but have not yet expired amounted to RMB404,703,919 and has derecognized (31 December 2022: RMB789,364,368).

#### (4) Other receivables

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Dividend receivable	217,336,994	393,863,559
Entrusted loans provided to subsidiaries	136,000,000	–
Construction expenditures paid on behalf of subsidiaries	29,999,957	29,999,957
Equity interest transfer payment	28,154,663	28,070,337
Supplementary medical insurance fund	17,732,977	17,019,910
Deposits and guarantees receivable	2,317,000	3,849,419
Collection and payment of railway freight	376,142	29,131,116
Receivables from Red Star Logistics, a subsidiary	–	137,192,700
Others	<u>75,318,651</u>	<u>28,920,661</u>
	<b>507,236,384</b>	668,047,659
Less: Provision for bad debts	<u>(8,673,052)</u>	<u>(5,833,970)</u>
	<u><b>498,563,332</b></u>	<u>662,213,689</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (4) Other receivables (Continued)

##### (a) The age of other receivables is as follows:

	<b>30 June 2023</b> <b>(Unaudited)</b>	31 December 2022
Within 1 year	<b>459,091,537</b>	494,848,196
1 to 2 years	<b>9,963,584</b>	139,360,660
2 to 3 years	<b>8,175,606</b>	3,834,346
Over 3 years	<b>30,005,657</b>	30,004,457
	<b><u>507,236,384</u></b>	<b><u>668,047,659</u></b>

##### (b) Loss provisions and the movement in the carrying balance

	Stage 1				
	ECL over the next 12 months (Group)		ECL over the next 12 months (Single)		Total
	Amount	Provision for bad debts	Amount	Provision for bad debts	Provision for bad debts
31 December 2022	639,977,322	(5,833,970)	28,070,337	-	(5,833,970)
Increase in the current period	-	(2,839,082)	14,616,772	-	(2,839,082)
Decrease in the current period	(160,895,601)	-	(14,532,446)	-	-
30 June 2023 (Unaudited)	<b><u>479,081,721</u></b>	<b><u>(8,673,052)</u></b>	<b><u>28,154,663</u></b>	<b><u>-</u></b>	<b><u>(8,673,052)</u></b>

As at 30 June 2023 and 31 December 2022, the Group did not have any other receivables in the second and third stage. The other receivables in the first stage are as follows:

- (i) As at 30 June 2023, there were no other receivables for which the related provision for bad debts was provided on the individual basis.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (4) Other receivables (Continued)

##### (b) Loss provisions and the movement in the carrying balance (Continued)

(ii) As at 30 June 2023, other receivables for which the related provision for bad debts is provided on the grouping basis are all in the first stage, the analysis is as follows:

	30 June 2023 (Unaudited)			31 December 2022		
	Amount	Provision for bad debts		Amount	Provision for bad debts	
	Amount	Amount	% of total balance	Amount	Amount	% of total balance
Internal company combinations	169,922,068	-	-	171,262,350	-	-
Agency business and receivables combinations	376,142	(11,736)	3.12%	29,131,116	(975,211)	3.35%
Deposit combinations	2,317,000	(86,882)	3.75%	3,849,419	(143,652)	3.73%
Dividend receivable combinations	217,336,994	-	-	393,863,559	-	-
Other combinations	89,129,517	(8,574,434)	9.62%	41,870,878	(4,715,107)	11.26%
	<u>479,081,721</u>	<u>(8,673,052)</u>		<u>639,977,322</u>	<u>(5,833,970)</u>	

(c) In the current period, the amount of bad debt provision reversed during the year was RMB2,839,082, which was reversed for the amount of bad debt provision made on the grouping basis. In the current period, the Company has no other receivables actually written off.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (4) Other receivables (Continued)

(d) As at 30 June 2023, top five other receivables are analyzed as follows:

	Nature	Amount	Ageing	% of total	Provision for bad debts
Dongjiakou Oil Products	Dividends receivable	192,469,580	Within 1 year	38%	–
Qingdao Port Multi-purpose Terminal	Entrusted loans	136,000,000	Within 1 year	27%	–
Mercurial Logistics	Construction expenditures paid on behalf and others	30,374,957	More than 3 years and within 1 year	6%	–
Shandong Branch of Ping An Endowment Insurance Co., Ltd.	Supplementary medical welfare pooling funds and Insurance compensation	17,732,977	Within 1 year	3%	1,705,947
Equipment Manufacturing	Equity interest transfer payment	13,537,891	Within 1 year	3%	–
		<u>390,115,405</u>		<u>77%</u>	<u>1,705,947</u>

(e) As at 30 June 2023 and 31 December 2022, the Company did not have government grants recognized in accordance with the amount receivable.

(f) As at 30 June 2023 and 31 December 2022, other receivables were not pledged by the Company.

#### (5) Long-term receivables

	30 June 2023 (Unaudited)	31 December 2022
Loans provided to subsidiaries	2,235,160,711	2,559,601,179
Less: Overdue within one year	<u>(358,160,711)</u>	<u>(756,385,933)</u>
	<u>1,877,000,000</u>	<u>1,803,215,246</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (5) Long-term receivables (Continued)

##### (a) Loss provisions and the movement in the carrying balance

	Stage 1	
	12-month ECL (group)	
	Amount	Provision for bad debt
31 December 2022	2,559,601,179	-
Increase in the current period	470,042,366	-
Reversal in the current period	(794,482,834)	-
30 June 2023 (Unaudited)	<u>2,235,160,711</u>	<u>-</u>

As at 30 June 2023 and 31 December 2022, the company did not have the long-term receivables for the bad debt provision on the individual basis, and the long-term receivables for the bad debt provision on the grouping basis are all in the first stage. The analysis is as follows:

	30 June 2023 (Unaudited)			31 December 2022		
	Ending balance	Provision for bad debts		Ending balance	Provision for bad debts	
	Amount	Amount	% of total balance	Amount	Amount	% of total balance
Internal company combinations	<u>2,235,160,711</u>	<u>-</u>	-	<u>2,559,601,179</u>	<u>-</u>	-

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

	30 June 2023 (Unaudited)	31 December 2022
Subsidiaries (a)	<u>8,289,541,878</u>	7,345,363,976
Joint ventures (b)	<u>11,064,750,875</u>	10,729,974,779
Associates (c)	<u>2,499,935,350</u>	<u>2,042,800,875</u>
	<u>21,854,228,103</u>	<u>20,118,139,630</u>

As at 30 June 2023 and 31 December 2022, the Company's management believed that there was no indication that long-term equity investments might be impaired, therefore no provision for impairment was made.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (6) Long-term equity investments (Continued)

##### (a) Subsidiaries

	31 December 2022	Movements in the current period		30 June 2023 (Unaudited)	Profit declared in the current period (Unaudited)
		Increase in investment (Unaudited)	Decrease in investment (Unaudited)		
Container Development	30,000,000	-	-	30,000,000	357,751,535
QDP Logistics	257,374,925	889,928,540	-	1,147,303,465	-
GLS Shipping	23,580,830	-	(23,580,830)	-	-
Ocean Shipping Repair	3,666,959	-	-	3,666,959	36,305
Ocean Shipping Tally	389,296,880	-	-	389,296,880	112,832,477
Gangjia Logistics	7,299,874	-	-	7,299,874	1,530,000
Port Service	24,952,229	-	-	24,952,229	2,530,674
QMT	1,284,094,256	-	-	1,284,094,256	-
Mercuria Logistics	273,278,376	-	-	273,278,376	-
Haiye Oil Terminal	182,079,200	118,289,060	-	300,368,260	-
Eimskip Coldchain	14,000,000	-	(14,000,000)	-	-
Qingdao Port Properties	8,000,000	-	-	8,000,000	4,475,007
Culture Media	3,000,000	-	-	3,000,000	73,100
International Development	460,574,092	-	-	460,574,092	-
DMT	880,000,000	-	-	880,000,000	-
Lianhua Pipeline	441,660,000	-	-	441,660,000	312,771,602
Svitzer Towage	115,500,000	-	-	115,500,000	5,943,014
Tongze Trading	10,000,000	-	-	10,000,000	3,791,120
Bonded Logistics Centre	25,458,868	-	(25,458,868)	-	-
Liquid Chemical Terminal	384,149,458	-	-	384,149,458	7,227,588
Tongan Security	1,000,000	-	(1,000,000)	-	343,271
Qingdong pipe	255,000,000	-	-	255,000,000	17,978,913
Tongda Oil & Gas	185,950,000	-	-	185,950,000	4,188,493
Qingzi Logistics	200,000,000	-	-	200,000,000	-
Zhenhua Petroleum Storage	148,920,000	-	-	148,920,000	-
Qilu Fuhai Warehouse	150,000,000	-	-	150,000,000	-
International oil port	20,000,000	-	-	20,000,000	165,331,980
Production guarantee	15,300,000	-	-	15,300,000	4,640,149
Power supply company	74,195,060	-	-	74,195,060	80,000,000
Red Star Logistics	179,531,785	-	-	179,531,785	-
Construction Management Centre	10,000,000	-	-	10,000,000	-
Emergency Rescue	40,000,000	-	-	40,000,000	-
AVIC Property	3,060,000	-	-	3,060,000	-
Qingdao Port Barge	419,482,822	-	-	419,482,822	7,755,544
Weihai Port Development	622,103,297	-	-	622,103,297	-
Weihai Qingwei	202,855,065	-	-	202,855,065	-
	<u>7,345,363,976</u>	<u>1,008,217,600</u>	<u>(64,039,698)</u>	<u>8,289,541,878</u>	<u>1,089,200,772</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (6) Long-term equity investments (Continued)

##### (b) Joint ventures

	31 December 2022	Movements in the current period					30 June 2023 (Unaudited)
		Increase/ (decrease) in investment (Unaudited)	Share of net profit under equity method (Unaudited)	Cash dividends/ profit declared (Unaudited)	Other equity changes (Unaudited)	Unrealized profits and losses (Unaudited)	
QQCT	6,883,983,677	-	477,620,596	-	1,734,187	2,198,812	7,365,537,272
Qingdao Shihua	1,795,521,029	-	128,096,411	-	1,075,052	100,236	1,924,792,728
West United	527,306,854	-	10,050,440	(5,100,000)	545,532	46,988	532,849,814
Evergreen Container	71,592,353	(82,522,115)	10,929,762	-	-	-	-
Orient Container	52,342,973	(56,029,982)	3,687,009	-	-	-	-
Haiwan Liquid Chemical	158,065,987	-	1,020,861	-	-	-	159,086,848
Ganghai Logistics	62,576,184	(62,576,184)	-	-	-	-	-
Shenzhouxing Cargo Agency	38,938,505	(38,938,505)	-	-	-	-	-
China Shipping Agency	13,305,148	(13,305,148)	-	-	-	-	-
United Shipping Agency	56,943,280	(56,943,280)	-	-	-	-	-
Huaneng Qingdao	123,309,821	-	1,866,223	-	-	-	125,176,044
Dongjiakou IMC Logistics	67,752,525	-	(61,275)	-	-	-	67,691,250
QDOT	661,326,346	-	1,832,687	-	-	405,296	663,564,329
Dongjiakou Sinotrans Logistics	51,710,941	-	178,441	-	-	-	51,889,382
PetroChina Storage	165,299,156	-	8,864,052	-	-	-	174,163,208
	<u>10,729,974,779</u>	<u>(310,315,214)</u>	<u>644,085,207</u>	<u>(5,100,000)</u>	<u>3,354,771</u>	<u>2,751,332</u>	<u>11,064,750,875</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (6) Long-term equity investments (Continued)

##### (c) Associates

	31 December 2022	Movements for the current period				30 June 2023 (Unaudited)
		Increase in investments (Unaudited)	Transfer from subsidiaries (Unaudited)	Share of net profit under equity method (Unaudited)	Movements of other comprehensive income (Unaudited)	
GSBN	12,950,000	-	-	(3,347,566)	-	9,602,434
Port Engineering	165,035,939	-	(13,962,546)	6,373,797	-	157,447,190
Technology Company	44,520,624	-	-	2,654,064	-	47,174,688
Qingyin Financial Leasing	143,008,395	-	-	13,379,976	-	156,388,371
Overseas Development	4,972,587	-	-	1,834,713	-	6,807,300
Shandong Port Finance	1,562,109,742	-	-	68,452,913	8,109,307	1,638,671,962
Equipment Manufacturing	70,163,714	-	-	13,463,246	-	83,626,960
ZhenHua Petroleum						
Reserves	-	360,150,000	-	-	-	360,150,000
Shandong Port Land and Sea Jinan	40,039,874	-	-	26,571	-	40,066,445
	<u>2,042,800,875</u>	<u>360,150,000</u>	<u>(13,962,546)</u>	<u>102,837,714</u>	<u>8,109,307</u>	<u>2,499,935,350</u>

As stated in Note 2(2), at preparation of the Company's financial statements, long-term equity investments of Qingdao Port Group that were contributed into the Company are recognized into the Company's balance sheet based on the appraisal values approved by the competent state-owned management authorities.

#### (7) Investment properties

	Buildings	Land use rights	Total
<b>Cost</b>			
31 December 2022	267,633,057	1,384,387,400	1,652,020,457
Disposal of subsidiaries (Unaudited)	(224,805,131)	(292,919,646)	(517,724,777)
30 June 2023 (Unaudited)	<u>42,827,926</u>	<u>1,091,467,754</u>	<u>1,134,295,680</u>
<b>Accumulated depreciation</b>			
31 December 2022	(94,813,130)	(299,325,262)	(394,138,392)
Increase in the current period (Unaudited)	(5,369,876)	(16,610,397)	(21,980,273)
Disposal of subsidiaries (Unaudited)	87,042,817	66,309,077	153,351,894
30 June 2023 (Unaudited)	<u>(13,140,189)</u>	<u>(249,626,582)</u>	<u>(262,766,771)</u>
<b>Net book value</b>			
30 June 2023 (Unaudited)	<u>29,687,737</u>	<u>841,841,172</u>	<u>871,528,909</u>
31 December 2022	<u>172,819,927</u>	<u>1,085,062,138</u>	<u>1,257,882,065</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (7) Investment properties (Continued)

	Buildings	Land use rights	Total
<b>Cost</b>			
31 December 2021	<u>267,633,057</u>	<u>1,416,040,729</u>	<u>1,683,673,786</u>
30 June 2022	<u>267,633,057</u>	<u>1,416,040,729</u>	<u>1,683,673,786</u>
<b>Accumulated depreciation</b>			
31 December 2021	(84,140,886)	(273,061,789)	(357,202,675)
Increase in the current period	<u>(5,312,012)</u>	<u>(17,008,339)</u>	<u>(22,320,351)</u>
30 June 2022	<u>(89,452,898)</u>	<u>(290,070,128)</u>	<u>(379,523,026)</u>
<b>Net book value</b>			
30 June 2022 (Unaudited)	<u><u>178,180,159</u></u>	<u><u>1,125,970,601</u></u>	<u><u>1,304,150,760</u></u>
31 December 2021	<u><u>183,492,171</u></u>	<u><u>1,142,978,940</u></u>	<u><u>1,326,471,111</u></u>

As at 30 June 2023 and 31 December 2022, the management of the Company considered that there is no indication that the investment properties may be impaired, therefore no provision for impairment is recorded.

As at 30 June 2023 and as at 31 December 2022, no investment properties are without certificates

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (8) Fixed assets

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office equipment and others	Total
<b>Cost</b>										
31 December 2022	436,019,217	6,424,432,942	4,806,250,202	1,388,366,567	260,747,544	114,744,198	55,160,471	166,361,259	26,419,165	13,678,501,565
Increase in the current period (Unaudited)										
Purchase in the current period	-	-	-	4,996,209	4,866,085	-	510,414	2,369,647	293,872	13,036,227
Transfers from construction in progress	43,486,291	220,684,117	439,238,646	110,138,442	15,379,157	35,893,805	6,380,779	1,356,421	60,774	872,618,432
Decrease in the current period (Unaudited)										
Disposal and scrapping	(6,201,185)	(1,693,128)	-	(10,089,884)	(11,538,545)	-	(2,742,518)	(1,337,322)	(355,239)	(33,957,821)
Disposal of subsidiaries	(16,379,183)	(399,098)	(59,577,483)	-	-	-	-	(87,427)	-	(76,443,191)
30 June 2023 (Unaudited)	456,925,140	6,643,024,833	5,185,911,365	1,493,411,334	269,454,241	150,638,003	59,309,146	168,662,578	26,418,572	14,453,755,212
<b>Accumulated depreciation</b>										
31 December 2022	(118,839,071)	(1,409,823,318)	(607,747,450)	(862,754,283)	(148,842,594)	(13,537,847)	(38,406,093)	(90,805,806)	(17,573,843)	(3,308,330,305)
Increase in the current period (Unaudited)										
Provision	(9,777,747)	(87,970,730)	(96,536,253)	(41,082,548)	(13,620,555)	(3,053,926)	(1,918,423)	(8,676,244)	(923,577)	(263,560,003)
Decrease in the current period (Unaudited)										
Disposal and scrapping	1,532,941	505,657	-	4,717,003	7,413,442	-	2,136,345	1,046,949	284,351	17,636,688
Disposal of subsidiaries	3,869,193	157,864	15,834,290	-	-	-	-	83,930	-	19,945,277
30 June 2023	(123,214,684)	(1,497,130,527)	(688,449,413)	(899,119,828)	(155,049,707)	(16,591,773)	(38,188,171)	(98,351,171)	(18,213,069)	(3,534,308,343)
<b>Net book value</b>										
30 June 2023 (Unaudited)	333,710,456	5,145,894,306	4,497,461,952	594,291,506	114,404,534	134,046,230	21,120,975	70,311,407	8,205,503	10,919,446,869
31 December 2022	317,180,146	5,014,609,624	4,198,502,752	525,612,284	111,904,950	101,206,351	16,754,378	75,555,453	8,845,322	10,370,171,260

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (8) Fixed assets (Continued)

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office equipment and others	Total
<b>Cost</b>										
31 December 2021	430,658,923	6,042,136,908	3,302,870,618	1,093,303,839	234,401,835	826,019,280	53,425,767	143,109,688	23,858,679	12,149,785,537
Increase in the current period (Unaudited)										
Purchase in the current period	892,554	-	331,517	18,559,380	4,273,148	-	1,546,723	2,456,660	1,267,597	29,327,579
Transfers from construction in progress	-	15,285,484	-	62,619,518	1,799,552	-	367,459	14,882	12,020	80,098,915
Transfer from right-of-use assets	-	30,740,177	-	1,698,276	-	-	-	-	-	32,438,453
Decrease in the current period (Unaudited)										
Disposal and scrapping	-	-	-	(14,634,990)	(1,535,146)	-	(332,374)	(683,714)	(346,204)	(17,532,428)
30 June 2022 (Unaudited)	431,551,477	6,088,162,569	3,303,202,135	1,161,546,023	238,939,389	826,019,280	55,007,575	144,897,516	24,792,092	12,274,118,056
<b>Accumulated depreciation</b>										
31 December 2021	(100,551,969)	(1,242,333,305)	(490,916,231)	(829,537,024)	(143,007,212)	(415,287,373)	(36,242,112)	(78,604,972)	(17,152,036)	(3,353,632,234)
Increase in the current period (Unaudited)										
Provision	(8,255,100)	(82,509,332)	(58,203,424)	(25,770,041)	(11,298,802)	(23,049,834)	(1,889,861)	(7,673,265)	(781,747)	(219,431,406)
Transfer from right-of-use assets	-	(5,732,974)	-	(489,103)	-	-	-	-	-	(6,222,077)
Decrease in the current period (Unaudited)										
Disposal and scrapping	-	-	-	14,436,755	1,200,877	-	324,121	642,593	330,790	16,935,136
30 June 2022 (Unaudited)	(108,807,069)	(1,330,575,611)	(549,119,655)	(841,359,413)	(153,105,137)	(438,337,207)	(37,807,852)	(85,635,644)	(17,602,993)	(3,562,350,581)
<b>Net book value</b>										
30 June 2022 (Unaudited)	322,744,408	4,757,586,958	2,754,082,480	320,186,610	85,834,252	387,682,073	17,199,723	59,261,872	7,189,099	8,711,767,475
31 December 2021	330,106,954	4,799,803,603	2,811,954,387	263,766,815	91,394,623	410,731,907	17,183,655	64,504,716	6,706,643	8,796,153,303

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (8) Fixed assets (Continued)

As at 30 June 2023 and 31 December 2022, the Company had no fixed assets which were mortgaged.

For the six months ended 30 June 2023, the amounts of depreciation expenses were RMB263,560,003 (For the six months ended 30 June 2022: RMB219,431,406) including charged to cost of sales, general and administrative expenses, Selling and distribution expenses and research and development expenditure were RMB259,049,694, RMB4,245,297, RMB7,615 and RMB257,397 respectively (For the six months ended 30 June 2022: RMB194,449,806, RMB24,975,511, RMB0 and RMB0).

For the six months ended 30 June 2023, the costs of fixed assets transferred from construction in progress amount to RMB872,618,432 (For the six months ended 30 June 2022: RMB80,098,915).

As at 30 June 2023 and 31 December 2022, the Company considered that there was no indication that the fixed assets may be impaired, therefore no provision for impairment was required.

As at 30 June 2023, properties with book values of RMB195,646,900 (Cost: RMB211,902,730) (as at 31 December 2022, RMB178,313,294 (Cost: RMB191,499,331)), were located on non-ownership land and had not yet completed the financial accounts for the completion of the project. The property right certificate had not been obtained.

Fixed assets leased by the company through operating leases are set out in Note 4(15).

#### (9) Construction in progress

	30 June 2023 (Unaudited)			31 December 2022		
	carrying amount	impairment provision	Net book value	carrying amount	impairment provision	Net book value
Dongjiakou stevedoring, storage and transportation projects for liquid bulk cargo	506,446,562	-	506,446,562	506,446,562	-	506,446,562
Dongjiakou Crude Oil Commercial Reserve Project	459,244,785	-	459,244,785	287,123,994	-	287,123,994
Dongjiakou bulk cargo berths and storage yard project	401,243,390	-	401,243,390	722,386,091	-	722,386,091
Other projects	267,738,610	-	267,738,610	400,074,278	-	400,074,278
	<u>1,634,673,347</u>	<u>-</u>	<u>1,634,673,347</u>	<u>1,916,030,925</u>	<u>-</u>	<u>1,916,030,925</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (9) Construction in progress (Continued)

##### (a) Changes of major projects

Project name	Budget	31 December 2022	Increase in the current period (Unaudited)	Transfer to fixed assets (Unaudited)	Disposal of subsidiaries (Unaudited)	30 June 2023 (Unaudited)	% of project	Progress of the project	Sources of capital
							investment among budget		
Dongjiakou bulk cargo berths and storage yard project	3,851,551,000	722,386,091	297,249,690	(618,392,391)	-	401,243,390	14%	14%	Internal capital
Dongjiakou Crude Oil Commercial Reserve Project	4,480,000,000	287,123,994	178,470,349	(6,349,558)	-	459,244,785	73%	73%	Internal capital
Dongjiakou stevedoring, storage and transportation projects for liquid bulk cargo	1,596,610,000	506,446,562	-	-	-	506,446,562	32%	32%	Internal capital
Other projects		400,074,278	122,396,217	(247,876,483)	(6,855,402)	267,738,610			Internal capital
		<u>1,916,030,925</u>	<u>598,116,256</u>	<u>(872,618,432)</u>	<u>(6,855,402)</u>	<u>1,634,673,347</u>			

Project name	Budget	31 December 2021	Increase in the current period (Unaudited)	Transfer to fixed assets (Unaudited)	30 June 2022 (Unaudited)	% of project	Progress of the project	Sources of capital
						investment among budget		
Dongjiakou crude oil commercial reserve project	4,480,000,000	796,153,862	385,872,841	-	1,182,026,703	56%	56%	Internal capital
Dongjiakou stevedoring, storage and transportation projects for liquid bulk cargo	1,596,610,000	506,446,562	-	-	506,446,562	32%	32%	Internal capital
Dongjiakou bulk cargo berths and storage yard project	1,045,760,000	514,875,779	219,049,755	-	733,925,534	58%	58%	Internal capital
Other projects		248,783,782	106,525,453	(80,098,915)	275,210,320			Internal capital
		<u>2,066,259,985</u>	<u>711,448,049</u>	<u>(80,098,915)</u>	<u>2,697,609,119</u>			

As at 30 June 2023 and 31 December 2022, the management of the Company considered that there is no indication that the Construction in progress may be impaired, therefore no provision for impairment is recorded.

For the six months ended 30 June 2023 and 2022, the company had no capitalized borrowing costs

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (10) Intangible assets

	Land use rights	Software	Sea area use rights	Others	Total
<b>Cost</b>					
31 December 2022	2,349,638,306	124,349,935	49,391,000	32,290,966	2,555,670,207
Increase in the current period (Unaudited)					
Purchase	-	5,970,190	-	-	5,970,190
Internal research and development	-	24,353,108	-	-	24,353,108
Decrease in the current period (Unaudited)					
Disposal	-	(523,165)	-	(21,680)	(544,845)
Disposal of subsidiaries	(120,110,237)	-	-	-	(120,110,237)
30 June 2023 (Unaudited)	2,229,528,069	154,150,068	49,391,000	32,269,286	2,465,338,423
<b>Accumulated amortization</b>					
31 December 2022	(360,126,017)	(70,981,893)	(1,564,053)	(29,402,776)	(462,074,739)
Increase in the current period (Unaudited)					
Provision	(23,521,152)	(14,286,305)	(493,910)	(1,343,229)	(39,644,596)
Decrease in the current period (Unaudited)					
Disposal	-	351,851	-	17,344	369,195
Disposal of subsidiaries	24,664,075	-	-	-	24,664,075
30 June 2023 (Unaudited)	(358,983,094)	(84,916,347)	(2,057,963)	(30,728,661)	(476,686,065)
<b>Net book value</b>					
30 June 2023 (Unaudited)	1,870,544,975	69,233,721	47,333,037	1,540,625	1,988,652,358
31 December 2022	1,989,512,289	53,368,042	47,826,947	2,888,190	2,093,595,468

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (10) Intangible assets (Continued)

	Land use rights	Software	Sea area use rights	Others	Total
<b>Cost</b>					
31 December 2021	2,300,133,334	106,524,652	49,391,000	32,290,966	2,488,339,952
Increase in the current period (Unaudited)					
Internal research and development	-	3,018,868	-	-	3,018,868
30 June 2022 (Unaudited)	2,300,133,334	109,543,520	49,391,000	32,290,966	2,491,358,820
<b>Accumulated amortization</b>					
31 December 2021	(304,815,986)	(55,025,203)	(576,233)	(26,383,518)	(386,800,940)
Increase in the current period (Unaudited)					
Provision	(23,749,851)	(9,281,390)	(493,910)	(1,509,629)	(35,034,780)
30 June 2022 (Unaudited)	(328,565,837)	(64,306,593)	(1,070,143)	(27,893,147)	(421,835,720)
<b>Net book value</b>					
30 June 2022 (Unaudited)	1,971,567,497	45,236,927	48,320,857	4,397,819	2,069,523,100
31 December 2021	1,995,317,348	51,499,449	48,814,767	5,907,448	2,101,539,012

For the six months ended 30 June 2023, the amortization of intangible assets amounted to RMB39,644,596 (For the six months ended 30 June 2022: RMB35,034,780).

As at 30 June 2023 and 31 December 2022, the Company had no intangible assets which were mortgaged.

As at 30 June 2023 and 31 December 2022, the management of the Company considered that there was no indication of impairment of intangible assets, and therefore no provision for impairment was required.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (10) Intangible assets (Continued)

The Company's development expenses are as follows:

	31 December 2022	Increase in the current period (Unaudited)	Recorded in profit and loss (Unaudited)	Decrease in the current period Recognized as intangible assets (Unaudited)	30 June 2023 (Unaudited)
Information system maintenance and software	<u>29,636,246</u>	<u>48,141,272</u>	<u>(20,731,460)</u>	<u>(24,353,108)</u>	<u>32,692,950</u>

For the six months ended 30 June 2023, the Company's research and development expenditures totalled RMB48,141,272 (For the six months ended 30 June 2022: RMB23,760,865). Among them, RMB20,731,460 (For the six months ended 30 June 2022: RMB10,326,810) was recognised in the R&D expenses for the current period, RMB24,353,108 (For the six months ended 30 June 2022: RMB3,018,868) were recognised as intangible assets in the current period. As at 30 June 2023, the intangible assets developed by the Company accounted for 3.54% (31 December 2022: the intangible assets developed by the Company accounted for 1.80%) of the book value of intangible assets.

#### (11) Provision for asset impairment

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period Reversal (Unaudited)	Write-off (Unaudited)	30 June 2023 (Unaudited)
Provision for bad debts of accounts receivable	98,579,299	-	(81,649,653)	-	16,929,646
Including: Provision for bad debts on the individual basis	-	-	-	-	-
Provision for bad debts on the grouping basis	98,579,299	-	(81,649,653)	-	16,929,646
Provision for bad debts of other receivables	5,833,970	2,839,082	-	-	8,673,052
Including: Provision for bad debts on the individual basis	-	-	-	-	-
Provision for bad debts on the grouping basis	5,833,970	2,839,082	-	-	8,673,052
	<u>104,413,269</u>	<u>2,839,082</u>	<u>(81,649,653)</u>	<u>-</u>	<u>25,602,698</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (12) Capital surplus

	31 December 2022	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	<b>30 June 2023 (Unaudited)</b>
Share premium (Note 4(38)) –				
Capital premium contributed				
by Qingdao Port Group	7,052,279,474	–	–	<b>7,052,279,474</b>
Capital premium contributed				
by Other Promoters	783,586,608	–	–	<b>783,586,608</b>
Issue of new shares	8,652,856,972	–	–	<b>8,652,856,972</b>
Shares issue expenses	(242,175,098)	–	–	<b>(242,175,098)</b>
Business combination				
involving enterprises				
under common control	(393,875,022)	–	–	<b>(393,875,022)</b>
Subsidiary minority				
shareholders paid				
a premium	15,245,576	–	–	<b>15,245,576</b>
Other capital surplus –				
Share of changes in equity				
other than comprehensive				
income and profit				
distribution of investees				
under the equity method	12,500,677	3,354,771	–	<b>15,855,448</b>
Impact of disposal of				
subsidiaries	144,424,899	–	–	<b>144,424,899</b>
	<u>16,024,844,086</u>	<u>3,354,771</u>	<u>–</u>	<b><u>16,028,198,857</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (12) Capital surplus (Continued)

	31 December 2021	Increase in the current period (Unaudited)	Decrease in the current period (Unaudited)	30 June 2022 (Unaudited)
Share premium (Note 4(38)) –				
Capital premium contributed				
by Qingdao Port Group	7,052,279,474	–	–	7,052,279,474
Capital premium contributed				
by Other Promoters	783,586,608	–	–	783,586,608
Issue of new shares	8,652,856,972	–	–	8,652,856,972
Shares issue expenses	(242,175,098)	–	–	(242,175,098)
Business combination				
involving enterprises				
under common control	(31,531,719)	(362,343,328)	–	(393,875,047)
Subsidiary minority				
shareholders paid				
a premium	15,245,576	–	–	15,245,576
Other capital surplus –				
Share of changes in equity				
other than comprehensive				
income and profit				
distribution of investees				
under the equity method	12,193,294	4,857,403	–	17,050,697
	<u>16,242,455,107</u>	<u>(357,485,925)</u>	<u>–</u>	<u>15,884,969,182</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (13) Other comprehensive income

Other comprehensive income in balance sheet		
31 December 2022	Amount in the current period (Unaudited)	30 June 2023 (Unaudited)
Other comprehensive income items which will not be subsequently reclassified to profit or loss		
Remeasurement of movements of defined benefit plans	18,420,000	(62,290,000)
Share of other comprehensive income of the investee accounted for using equity method which will not be reclassified to profit or loss	1,629,835	–
Other comprehensive income that can be reclassified to profit or loss	1,683,358	8,109,307
	<u>21,733,193</u>	<u>(54,180,693)</u>
		<u><b>(32,447,500)</b></u>
Other comprehensive income in balance sheet		
31 December 2021	Amount in the current period (Unaudited)	30 June 2022 (Unaudited)
Other comprehensive income items which will not be subsequently reclassified to profit or loss		
Changes in remeasurement of defined benefit plan obligations	31,210,000	–
Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss	–	2,401,000
	<u>31,210,000</u>	<u>2,401,000</u>
		<u><b>33,611,000</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (14) Undistributed profits

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Undistributed profits at the beginning of period	<b>12,244,118,537</b>	10,153,943,606
Changes in accounting policies (Note 2(30))	<u>-</u>	<u>533,635</u>
Undistributed profits at the beginning of the year (Restated)	<b>12,244,118,537</b>	10,154,477,241
Add: Net profit for the current period	<b>2,247,102,564</b>	2,067,352,346
Less: Profit distribution to shareholders (Note 4(41))	<u><b>(1,748,053,230)</b></u>	<u>(1,664,318,040)</u>
Undistributed profits at the end of the period	<u><b>12,743,167,871</b></u>	<u>10,557,511,547</u>

#### (15) Revenue and cost of sales

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Revenue from main operations	<b>2,244,872,045</b>	2,575,487,480
Revenue from other operations	<u><b>453,951,505</b></u>	<u>487,956,778</u>
	<u><b>2,698,823,550</b></u>	<u>3,063,444,258</u>
	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Cost of sales from main operations	<b>(1,728,171,317)</b>	(1,902,722,456)
Cost of sales from other operations	<u><b>(234,562,215)</b></u>	<u>(328,131,229)</u>
	<u><b>(1,962,733,532)</b></u>	<u>(2,230,853,685)</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (15) Revenue and cost of sales (Continued)

##### (a) Revenue and cost of sales from main operations

	Six months ended 30 June 2023 (Unaudited)		Six months ended 30 June 2022 (Unaudited)	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Container handling and ancillary services	147,034,943	(47,640,644)	146,173,353	(40,415,285)
Metal ore, coal and other cargo handling and ancillary services	2,007,909,447	(1,668,564,365)	1,921,340,661	(1,597,748,736)
Liquid bulk cargo handling and ancillary services	76,373,212	(10,685,996)	88,078,452	(11,027,776)
Logistics and port value-added services	13,554,443	(1,280,312)	419,895,014	(253,530,659)
	<u>2,244,872,045</u>	<u>(1,728,171,317)</u>	<u>2,575,487,480</u>	<u>(1,902,722,456)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (15) Revenue and cost of sales (Continued)

##### (b) Revenue and cost of sales from other operations

	Six months ended 30 June 2023 (Unaudited)		Six months ended 30 June 2022 (Unaudited)	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Retail income	328,685,767	(136,155,477)	164,574,928	(116,475,205)
Sales of fuel, electricity and others	125,265,738	(98,406,738)	323,381,850	(211,656,024)
	<u>453,951,505</u>	<u>(234,562,215)</u>	<u>487,956,778</u>	<u>(328,131,229)</u>

For the six months ended 30 June 2023, among the above revenue categories, except for contract obligations of services like sales of fuel, electricity and others are satisfied at a point in time, and the remaining are satisfied over-time.

As at 30 June 2023, the Company's contracted but unfulfilled or unfulfilled performance obligations correspond to revenues of RMB72,642,199 (31 December 2022: RMB107,993,812), of which the Company expects all will be recognized in 2023.

#### (16) Financial expenses

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
Interest costs	1,273,350	5,202,072
Add: Interest expense on lease liabilities	<u>2,746,919</u>	<u>169,546</u>
Interest expenses	4,020,269	5,371,618
Less: Interest income	(22,412,149)	(31,862,940)
Effect of actuarial calculation of employee benefits	23,652,000	29,200,000
Exchange gains or losses	7,465,109	(33,637,859)
Others	<u>35,266</u>	<u>195,215</u>
	<u>12,760,495</u>	<u>(30,733,966)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (17) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement are categorized by nature as follows:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Employee benefits	726,578,511	809,836,187
Cost for outsourcing transportation	626,622,106	653,154,340
Depreciation of fixed assets	263,560,003	219,431,406
Subcontract cost	258,518,984	208,932,052
Cost of sales for fuel and electricity	95,632,824	139,042,821
Consumption of other raw materials	60,476,539	78,094,597
Amortisation of intangible assets	39,644,596	35,034,780
Repair expenses	38,087,826	37,755,354
Depreciation of investment property	21,980,273	22,320,351
Depreciation of right-of-use assets	20,060,127	19,414,845
Property management fees	18,522,897	12,468,422
Rental expenses (i)	15,107,541	42,887,127
Procurement cost of fuel and utility fees	9,444,852	148,903,311
Consulting fee	8,070,914	2,435,309
Auditor's fee	3,471,698	3,550,944
<ul style="list-style-type: none"> <li>- Audit services</li> <li>- Non-audit services</li> </ul>	<ul style="list-style-type: none"> <li>3,462,264</li> <li>9,434</li> </ul>	<ul style="list-style-type: none"> <li>3,070,755</li> <li>480,189</li> </ul>
Others	59,877,502	59,504,572
	2,265,657,193	2,492,766,418

- (i) As stated in Note 2(25), lease expense incurred by short-term lease and low-value lease is recorded in current profit or loss. For the six months ended 30 June 2023, the amount is RMB15,107,541 (For the six months ended 30 June 2022: RMB42,887,127).

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

### 15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (18) Investment income

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Investment income from long-term equity investment under equity method	749,674,253	659,995,565
Investment income from long-term equity investments under cost method	1,089,200,772	947,489,100
Interest income from holding of debt investments	53,860,723	59,984,413
Investment income from holding of financial assets held for trading	10,567,850	13,815,672
Investment income from disposal of subsidiaries	(999,999)	-
Interest expenses of discounted notes	-	(1,070,212)
	<u>1,902,303,599</u>	<u>1,680,214,538</u>

#### (19) Income expenses

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Current income tax calculated based on tax law and related regulations	113,259,933	177,582,198
Deferred income tax	18,357,542	(7,834,104)
	<u>131,617,475</u>	<u>169,748,094</u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the financial statements to the income tax expenses is listed below:

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Total profit	<u>2,378,720,039</u>	<u>2,237,100,440</u>
Income tax expenses calculated at applicable tax rates	594,680,010	559,275,110
Investment income not subject to tax	(459,968,756)	(401,871,166)
Additional deduction of employee benefits of the disabled	(473,739)	(506,748)
Costs, expenses and losses not deductible for tax purposes	11,386,874	12,850,898
Filing difference	(14,006,914)	-
Income tax expenses	<u>131,617,475</u>	<u>169,748,094</u>

# SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (unaudited)  
(All amounts in RMB Yuan unless otherwise stated)

## 1 STATEMENT OF NON-RECURRING PROFIT OR LOSS

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
Government grants recognised in profit or loss for the current period	<b>44,250,855</b>	106,063,019
Gains or losses on changes in fair value arising from holding of trading financial assets and investment income from disposal of trading financial assets in addition to the effective hedging business related to the normal operation of the Company	<b>11,662,793</b>	4,329,914
Gains or losses on disposal of non-current assets	<b>4,906,263</b>	1,364,270
Reversal of provision for impairment of accounts receivable that has been separately tested for impairment	–	7,066,032
Gains or losses on disposal of long-term equity investment	<b>5,358,836</b>	–
Net profit or loss of the subsidiary generated from the business combination under common control from the beginning of the period to the combination date	–	(5,675,058)
Other non-operating income and expenses except for the above-mentioned items	<b>1,752,649</b>	(5,021,113)
Other items within the definition of non-recurring profit or loss	<b>3,614,007</b>	6,378,903
Subtotal	<b>71,545,403</b>	114,505,967
Less: Income tax effect	<b>(16,982,849)</b>	(28,450,531)
Less: Non-recurring gains and losses attributable to minority shareholders	<b>(12,404,228)</b>	(14,712,484)
Non-recurring gains and losses attributable to shareholders of the parent company	<b>42,158,326</b>	71,342,952

### Basis for preparation of statement of non-recurring profit or loss

Pursuant to the *Explanatory Announcement for Information Disclosure of Companies Offering Securities to the Public No.1 – Non-recurring Profit or Loss (2008)* issued by China Securities Regulatory Commission, non-recurring profit or loss refers to profit or loss arising from transactions and events that are not directly related to the company's normal course of business or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

## 2 RETURN ON EQUITY AND EPS

	Weighted average return on equity (%)		EPS			
			Basic EPS		Diluted EPS	
	<b>For the Six months ended 30 June 2023 (Unaudited)</b>	For the Six months ended 30 June 2022 (Unaudited) (Restated)	<b>For the Six months ended 30 June 2023 (Unaudited)</b>	For the Six months ended 30 June 2022 (Unaudited) (Restated)	<b>For the Six months ended 30 June 2023 (Unaudited)</b>	For the Six months ended 30 June 2022 (Unaudited) (Restated)
Net profit attributable to ordinary shareholders of the company	<b>6.63%</b>	6.33%	<b>0.39</b>	0.36	<b>0.39</b>	0.36
Net profit attributable to ordinary shareholders of the company after deducting non-recurring profit or loss	<b>6.52%</b>	6.10%	<b>0.39</b>	0.35	<b>0.39</b>	0.35