



秦皇岛港股份有限公司

QINHUANGDAO PORT CO.,LTD.

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

Stock Code : 3369



2024
ANNUAL REPORT

IMPORTANT NOTICE

I. The Board, the supervisory committee, the Directors, supervisors and senior management of the Company hereby warrant that the contents of this annual report are true, accurate and complete, and there are no false representations, misleading statements or material omissions, and are jointly and severally responsible for the legal liabilities of the Company.

II. All Directors of the Company have attended the Board meeting.

III. Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a standard unqualified auditor's report for the Company.

IV. ZHANG Xiaoqiang, the head of the Company, BU Zhouqing, the chief financial officer, and ZHAO Liangjun, the head of accounting department (the accounting officer) have declared that they warrant the truthfulness, accuracy and completeness of the financial statements in this annual report.

V. The profit distribution proposal or proposal to transfer capital reserve to share capital for the Reporting Period as resolved by the Board

After audit, the net profit of the Company attributable to the shareholders of the parent company for the Year amounted to RMB1,564,897,805.73. The profit distribution proposal for the Year is as follows: on the basis of total share capital of 5,587,412,000 shares as at 31 December 2024, the Company proposes to pay cash dividend of RMB0.85 (tax inclusive) for every 10 shares to all its shareholders, with a total cash dividend amounting to RMB474,930,020.00.

If there is any subsequent change to the total share capital registered at the date of the implementation of interest distribution, the Company intends to keep the total distribution amount unchanged and make corresponding adjustment to the distribution ratio per share.

VI. Statement for the risks involved in the forward-looking statements

☒ Applicable ☐ Not applicable

Forward-looking statements, such as future plans and development strategies described in this report do not constitute an actual commitment of the Company to investors. Investors should be cautious about investment risks.

VII. Is there any misappropriation of funds by the Controlling Shareholder and other related parties for non-operating purposes

No

VIII. Is there any external guarantee made in violation of the required decision-making procedures

No

IX. Are there more than half of the Directors who cannot guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Company

No

X. Warning of major risks

The Company has described relevant risks in this report. Please refer to "VI. (IV) Potential Risks" of "Section IV Report of Board of Directors" in this report for more details.

XI. Others

☐ Applicable ☒ Not applicable

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SECTION I DEFINITIONS

I. DEFINITIONS

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

DEFINITIONS OF USEFUL EXPRESSIONS

QHD Port	Qinhuangdao Port Co., Ltd.*
Company or the Company	Qinhuangdao Port Co., Ltd.* and its subsidiaries
Hebei Port Group, HPG, Controlling Shareholder or QHD Port Group	Hebei Port Group Co., Ltd.* (河北港口集團有限公司), a limited liability company incorporated under the laws of the PRC, previously known as Qinhuangdao Port Group Co., Ltd.* (秦皇島港務集團有限公司), which directly holds 58.27% equity interest of the Company as at the date of this report
Reporting Period or the Year	the twelve months ended 31 December 2024
Corresponding period of 2023	the twelve months ended 31 December 2023
RMB	Renminbi, unless otherwise specified
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Shanghai Listing Rules	the Rules Governing the Listing of Securities on The Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
Prospectus	the Prospectus for the Initial Public Offering and Listing of A Shares of Qinhuangdao Port Co., Ltd. issued by the Company on SSE on 13 July 2017
HPG Finance	Hebei Port Group Finance Company Limited (河北港口集團財務有限公司)
Cangzhou Mineral Port	Cangzhou Huanghuagang Mineral Port Co., Ltd.* (滄州黃驛港礦石港務有限公司), a company established in the PRC with limited liability on 10 April 2012, with 97.59% of its equity interest held by the Company as at the date of this report
Caofeidian Coal Port	Tangshan Caofeidian Coal Port Co., Ltd.* (唐山曹妃甸煤炭港務有限公司), a company established in the PRC with limited liability on 29 October 2009, with 51.00% of its equity interest held by the Company as at the date of this report
Caofeidian Shiye Port	Tangshan Caofeidian Shiye Port Co., Ltd.* (唐山曹妃甸實業港務有限公司), a company established in the PRC with limited liability on 4 September 2002, with 35.00% of its equity interest held by the Company as at the date of this report
A Share(s)	the domestic listed RMB ordinary share(s) in the share capital of QHD Port with a nominal value of RMB1.00 each, which are listed on the SSE
H Share(s)	Hong Kong listed ordinary share(s) in the share capital of QHD Port with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
Port Zone	land and water surface of a port within the territory of the port and demarcated by the administrative agency of local government
Qinhuangdao Port	Qinhuangdao Port in Qinhuangdao City, Hebei Province
Caofeidian Port	Caofeidian Port Zone in Tangshan Port, Tangshan City, Hebei Province
Huanghua Port	Huanghua Port in Cangzhou City, Hebei Province
Throughput	a measure of the volume of cargoes handled by a port. Where cargoes are transshipped, each unloading and loading process is measured separately as part of throughput
Terminal	an infrastructure facility designated for mooring vessels, loading and unloading cargoes and boarding travelers
Berth	a place of a dock designated for a vessel to moor

SECTION I DEFINITIONS

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

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. PROFILE OF THE COMPANY

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

II. CONTACT PERSON AND CONTACT INFORMATION

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

III. BASIC INFORMATION

Registered address of the Company	35 Haibin Road, Haigang District, Qinhuangdao, Hebei Province
Historical change(s) of registered address of the Company	Not Applicable
Business address of the Company in the PRC	35 Haibin Road, Haigang District, Qinhuangdao, Hebei Province
Postal code of the business address of the Company in the PRC	066001
Website of the Company	www.portqhd.com
E-mail address	qggf@portqhd.com

IV. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name and website of the media for disclosure of annual report	Shanghai Securities News
Websites of stock exchanges for disclosure of annual report	www.sse.com.cn www.hkexnews.hk
Place where annual report is available for inspection	Business Management Department (Legal and Risk Control Department) of the Company

V. SHARES OF THE COMPANY

Information of Shares of the Company

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

VI. OTHER RELEVANT INFORMATION

Auditor appointed by the Company (domestic)	Name of auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, Bund Center, 222 Yan'an East Road, Shanghai, China
	Signing accountants	Li Weihua, Wang Hongmei

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE PAST THREE YEARS

(I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	2024	2023	Increase/decrease for the current period as compared to the corresponding period of the previous year (%)	2022
Operating revenue	6,865,375,581.39	7,054,883,834.36	-2.69	6,919,421,033.92
Net profit attributable to shareholders of the listed Company	1,564,897,805.73	1,531,202,403.96	2.20	1,308,419,060.49
Net profit attributable to shareholders of the listed Company after deducting non-recurring profits and losses	1,495,957,513.64	1,486,526,529.95	0.63	1,250,538,417.22
Net cash flow generated from operating activities	2,415,146,972.94	2,393,799,107.25	0.89	2,434,300,401.27

	At the end of 2024	At the end of 2023	Increase/decrease for the current period as compared to the corresponding period of the previous year (%)	At the end of 2022
Net assets attributable to shareholders of the listed Company	19,329,265,694.28	18,423,519,428.29	4.92	17,321,605,086.27
Total assets	27,880,013,639.48	28,026,106,959.77	-0.52	27,940,699,083.26

(II) Major financial indicators

Major financial indicators	2024	2023	Increase/decrease for the current period as compared to the corresponding period of the previous year (%)	2022
Basic earnings per share (RMB/Share)	0.28	0.27	3.70	0.23
Diluted earnings per share (RMB/Share)	0.28	0.27	3.70	0.23
Basic earnings per share after deducting non-recurring profits and losses (RMB/Share)	0.27	0.27		0.22
Weighted average return on net assets (%)	8.29	8.57	Decreased by 0.28 percentage point	7.84
Weighted average return on net assets after deducting non-recurring profits and losses (%)	7.92	8.32	Decreased by 0.40 percentage point	7.49

Description of major accounting data and financial indicators of the Company for the previous three years as at the end of the Reporting Period

☐ Applicable ☒ Not applicable

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

VIII. EXTRACTED FROM FINANCIAL STATEMENTS IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

Unit: '000 Yuan Currency: RMB

	2024	2023	2022	2021	2020
Summary of income statement					
Revenue	6,865,376	7,054,884	6,919,421	6,594,862	6,455,854
Gross profit	2,615,317	2,641,324	2,652,240	2,500,162	2,588,154
Total profit	1,900,257	1,883,142	1,663,188	1,281,441	1,233,832
Net profit attributable to owners of the parent company	1,564,898	1,531,202	1,308,419	1,038,394	995,132
Basic/diluted earnings per share (RMB cent)	28.01	27.41	23.42	18.58	17.81
Summary of balance sheet					
Cash and bank balances	4,280,764	2,838,023	4,847,758	4,051,770	3,554,825
Net current liabilities	-1,999,874	-356,341	-2,177,002	-669,501	-727,498
Total assets	27,880,014	28,026,107	27,940,699	27,776,978	26,243,367
Interest-bearing bank borrowings	5,192,028	6,102,596	6,862,069	7,317,783	6,818,265
Gearing ratio (%)	27.29	30.88	34.77	39.12	38.65
Net assets per Share (RMB)	3.46	3.30	3.10	2.87	2.72
Return on net assets (%)	8.29	8.57	7.84	6.64	6.54
Summary of cash flow statement					
Net cash flows from operating activities	2,415,147	2,393,799	2,434,300	2,505,773	2,555,826
Net cash flows from investing activities	-789,918	-2,739,464	-464,680	-1,860,576	-1,764,487
Net cash flows from financing activities	-1,567,805	-1,411,639	-1,087,274	-264,766	-724,345
Net increase in cash and cash equivalents	58,058	-1,756,760	887,109	379,114	64,578

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

IX. DIFFERENCE(S) IN ACCOUNTING DATA BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

- (I) Difference(s) between the net profits and net assets attributable to the Shareholders of the listed Company in accordance with IFRS and Chinese Accounting Standards for Business Enterprises
☐ Applicable ☒ Not applicable
- (II) Difference(s) between the net profits and net assets attributable to the Shareholders of the listed Company in accordance with overseas accounting standards and Chinese Accounting Standards for Business Enterprises
☐ Applicable ☒ Not applicable
- (III) Description of difference(s) between domestic and overseas accounting standards
☐ Applicable ☒ Not applicable

X. MAJOR FINANCIAL DATA IN EACH QUARTER OF 2024

Unit: Yuan Currency: RMB

	First quarter (January to March)	Second quarter (April to June)	Third quarter (July to September)	Fourth quarter (October to December)
Operating revenue	1,713,687,914.24	1,747,906,288.10	1,608,125,930.85	1,795,655,448.20
Net profit attributable to Shareholders of the listed Company	433,950,677.22	576,339,002.04	328,551,080.85	226,057,045.62
Net profit attributable to Shareholders of the listed Company after deducting non-recurring profits and losses	431,981,392.42	511,142,587.22	328,078,084.38	224,755,449.62
Net cash flow generated from operating activities	725,460,808.36	755,988,494.43	630,168,688.43	303,528,981.72

Description of difference(s) between quarterly data and periodically disclosed reporting data

☐ Applicable ☒ Not applicable

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

XI. NON-RECURRING PROFIT AND LOSS ITEMS AND THEIR AMOUNTS

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount in 2024	Note (if applicable)	Amount in 2023	Amount in 2022
Profit or loss from disposal of non-current assets (including write-off of provision for assets impairment)	88,896,176.16		14,848,956.45	-4,756,832.99
Government grants recognized in profit or loss (except for the government grants that are closely related to the normal business of the Company, granted in accordance with an established standard and having an ongoing effect on the Company's profit or loss in compliance with national policies and regulations)	2,756,864.38		46,961,145.50	83,739,609.23
Except for effective hedging activities conducted in the ordinary course of business of the Company, gain or loss arising from the change in fair value of financial assets and financial liabilities held by a non-financial company, as well as gain or loss arising from disposal of its financial assets and financial liabilities				
Fund possession cost paid by non-financial enterprise and recorded under current profit and loss				
Profit/loss from entrusted investment or asset management				
Profit/loss from external entrusted loans				
Loss of assets due to force majeure (e.g. natural disaster)				
Write back of the provision for impairment of accounts receivable, that is individually tested for impairment	687,065.00			
The excess of the fair value of identifiable net assets acquired over the cost for acquisition of subsidiaries, associates and joint ventures				
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger				
Profit/loss of non-monetary asset swap				
Profit/loss from debt restructuring				
One-off costs incurred by the enterprise as a result of the discontinuation of the relevant business activities, e.g. expenses for relocating staff, etc.				
One-off effect on profit or loss due to adjustments in tax, accounting and other laws and regulations				
Share-based payment expense recognized as a result of one-off cancellation and modification of the share incentive scheme				
For cash-settled share-based payments, gains and losses arising from changes in the fair value of remuneration payable to employees after the date on which they become exercisable				
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement				
Profit of a transaction of obviously unfair consideration				

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

Non-recurring profit and loss items	Amount in 2024	Note (if applicable)	Amount in 2023	Amount in 2022
Profit/loss from contingencies irrelevant to the normal operations of the Company				
Income of entrustment fees from entrusted operations				
Other non-operating income or expenses other than the above items	-204,121.92		-287,149.49	3,647,836.88
Other profit or loss items that fall within the meaning of non-recurring profit and loss	1,007,804.46	Gain on disposal of subsidiary and associates		
Less: Impact of income tax	22,589,111.76		15,375,539.37	20,657,653.28
Impact on minority interests (after tax)	1,614,384.23		1,471,539.08	4,092,316.57
Total	68,940,292.09		44,675,874.01	57,880,643.27

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

☐ Applicable ☒ Not applicable

XII. ITEMS MEASURED AT FAIR VALUE

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Movement in the current period	Effect amount on profit in the current period
Financing receivables	74,502,289.57	56,275,477.79	-18,226,811.78	
Other equity instruments investments	1,091,562,136.20	713,888,490.67	-377,673,645.53	
Total	1,166,064,425.77	770,163,968.46	-395,900,457.31	

XIII. OTHERS

☐ Applicable ☒ Not applicable

SECTION III CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the annual report of the Company for the year ended 31 December 2024.

I. ANALYSIS OF THE MACROECONOMIC SITUATION

The year of 2024 marked a critical year for accomplishing the objectives outlined in the 14th Five-Year Plan. Facing a complex international landscape characterized by weak global growth, escalating geopolitical tensions, and intensifying trade protectionism, as well as domestic challenges including insufficient demand and transitional disruptions from shifting economic drivers, the CPC Central Committee led the Chinese people in responding flexibly and implementing comprehensive measures. Through the responsiveness, the economy sustained stable and progressive performance with advanced high-quality development. As a result, major annual targets had been achieved, solidifying new strides in Chinese modernization. China's GDP reached RMB134.9 trillion, growing by 5.0%, a rate positioning China at the forefront of major global economies. Now China plays a pivotal role as a key engine of worldwide economic growth.

II. SIGNIFICANT BUSINESS ACHIEVEMENTS AND DIVIDENDS

Despite pressures including slowing macroeconomic growth, a significant increase in coal imports, and saturation in iron ore demand in 2024, the Company has been adhering to the main objective of establishing itself as a world-class dry bulk port enterprise. Focusing on its core mandate of maintaining smooth operation of energy transport and raw materials channels for the nation, the Company forged a new pathway for high-quality development in port transformation and upgrading with green transformation as the strategic driver, system development as the foundation and performance incentives as the catalyst.

During the Year, the Company has achieved a total Throughput for all types of cargoes of 414 million tonnes. The Throughput of coals, metal ores, oil and liquefied chemicals, containers and the general and other cargoes amounted to 209 million tonnes, 157 million tonnes, 1.73 million tonnes, 1.26 million TEUs and 30.69 million tonnes, respectively. The Company has achieved an operating revenue of RMB6.865 billion during the Year, representing a decrease of 2.69% as compared with the corresponding period of last year. The net profit attributable to owners of the parent company amounted to RMB1.565 billion, representing an increase of 2.20% as compared with the corresponding period of last year. The Board of Directors recommended a final dividend of RMB0.85 per 10 shares (tax inclusive) for the Year.

III. BUSINESS REVIEW

As one of the largest public port operator for large-scaled dry bulk cargoes in the world, a pivotal port-of-call for China's domestic coal trade and one of the most important ore port operators in the Bohai Rim, the Company provides logistics services with regard to transportation of coal, metal ores, oil and liquefied chemicals, general bulk cargoes, containers and relevant port services to the customers.

Concentrating on its core responsibilities and primary operations, the Company prioritized production efficiency, promoting openness, advancing reforms, accelerating transformation, enforcing rigorous management, and mitigating risks in 2024 to enhance resilience and competitiveness for development while ensuring the security and the smooth operation of energy transport channels for our nation. Specifically, its coal business increased market share among the eight ports in the Bohai Rim region, consolidating its status as the primary coal transportation hub. Non-coal business achieved record highs, with substantial growth in cargoes such as ore, grain, bulky equipments, limestone, and bulk-to-container conversion services. Thus, the annual Throughput of the ports increased by 5.63% year on year.

In terms of coal, the Company adhered to the operating strategy of "focusing on major customers, cargo outflow and railway transportation" to ensure the smooth operation of energy transport channels and further consolidated its position as the pivotal energy hub in China. In terms of metal ores, the Company took advantage of the synergy mechanism between Huanghua Port and Caofeidian Port to carry out water-to-water transportation business and kept the cargo consolidation, evacuation and transportation channels unimpeded, and expanded its business to the Hinterlands in the Shanxi Province, Hebei Province, Shandong Province, Henan Province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Autonomous Region, and other provinces by leveraging on delivery by rail and highway. In terms of General Cargoes, the Company introduced new cargo sources and renovated the infrastructure to solve the issue of insufficient sources of cargoes and warehousing capacity.

SECTION III CHAIRMAN'S STATEMENT

IV. OUTLOOK AND PROSPECTS

The year of 2025 marks the inaugural year for fully implementing the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China. It also represents a pivotal year for the Company in building a world-class dry bulk port enterprise. From the macro level, the Central Economic Work Conference has proposed the implementation of a moderately accommodative monetary policy and proactive fiscal policy, with intensified efforts to comprehensively expand domestic demand, providing robust support for the annual economy. From the industry level, coal will remain China's primary energy source for a long period, with its foundational role in energy security unchanged in the short term; global metal ore is in a phase of capacity and production expansion, while stable production capacities of steel enterprises in hinterland will sustain relatively high levels of imported ore. From the corporate level, projects such as grain transportation corridor and bulk grain silos being progressively put into operation after completing, and the upgrade and modernization of coal handling equipment means new growth drivers emerging at the port and growth potential unlocking gradually.

In the new year, the Company will give a full play to its critical role as an energy hub port by concentrating on developmental opportunities, strategic objectives, confidence in growth, growth stabilization, and innovation. It will harness inherent strengths to actively develop new cargo sources and foster emerging business models. By advancing the construction of a "smart, green, efficient, and safe" port, the Company intends to formulate plans for the 15th Five-Year Period. The Company accelerates efforts to build a world-class dry bulk port, and contribute to maritime development and maritime strength.

Finally, on behalf of the Board, I would like to express my gratitude to all Shareholders and business partners of the Company for their continuous support and assistance to the Company. Meanwhile, I would also like to express my sincere thanks to all employees of the Company for their hard work.

By order of the Board
ZHANG Xiaoqiang
Chairman

28 March 2025

SECTION IV REPORT OF BOARD OF DIRECTORS

I. BUSINESS DISCUSSION AND ANALYSIS

During the Reporting Period, the Company achieved a total cargo Throughput of 414.00 million tonnes, representing an increase of 22.05 million tonnes or 5.63%, as compared with the Throughput of 391.95 million tonnes in the Corresponding Period of 2023.

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

	2024		2023		Increase/ (Decrease) (million tonnes)	Increase/ (Decrease) (%)
	Throughput (million tonnes)	Percentage of total Throughput (%)	Throughput (million tonnes)	Percentage of total Throughput (%)		
Qinhuangdao Port	182.74	44.14	184.60	47.10	(1.86)	(1.01)
Caofeidian Port	132.59	32.03	122.15	31.16	10.44	8.55
Huanghua Port	98.67	23.83	85.20	21.74	13.47	15.81
Total	414.00	100.00	391.95	100.00	22.05	5.63

During the Reporting Period, the Company achieved a cargo Throughput of 182.74 million tonnes in Qinhuangdao Port, representing a decrease of 1.86 million tonnes or 1.01% from 184.60 million tonnes for the Corresponding period of 2023, which was mainly because coal, as the Company's main cargo category, was impacted by factors such as competition from imported coal, reduced production in major coal-producing regions, and the growing influence of new energy sources, leading to the decrease in coal Throughput in Qinhuangdao Port.

The Company achieved a cargo Throughput of 132.59 million tonnes in Caofeidian Port, representing an increase of 10.44 million tonnes or 8.55% from 122.15 million tonnes for the Corresponding Period of 2023, which was mainly attributed to the fact that the metal ores Throughput of Caofeidian Port recorded a new high through incremental measures such as actively attracting cargo sources and carrying out water-to-water transportation business.

The Company achieved a cargo Throughput of 98.67 million tonnes in Huanghua Port, representing an increase of 13.47 million tonnes or 15.81% from 85.20 million tonnes for the Corresponding Period of 2023. The primary reason for such increase was that a subsidiary of the Company, Cangzhou Mineral Port, significantly enhanced its port handling capacity by implementing measures such as enabling full-load night navigation for 200,000-tonne vessels and establishing waiting areas for departing ships, all while maintaining overall market stability.

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

	2024		2023		Increase/ (Decrease) (million tonnes)	Increase/ (Decrease) (%)
	Throughput (million tonnes)	Percentage of total Throughput (%)	Throughput (million tonnes)	Percentage of total Throughput (%)		
Coal	208.83	50.44	216.88	55.33	(8.05)	(3.71)
Metal ores	156.62	37.83	132.18	33.72	24.44	18.49
Oil and liquefied chemicals	1.73	0.42	1.99	0.51	(0.26)	(13.07)
Containers	16.13	3.90	14.33	3.66	1.80	12.56
General and other cargoes	30.69	7.41	26.57	6.78	4.12	15.51
Total	414.00	100.00	391.95	100.00	22.05	5.63

SECTION IV REPORT OF BOARD OF DIRECTORS

(I) Coal handling services

During the Reporting Period, the Company achieved a Throughput of 208.83 million tonnes of coal, representing a decrease of 8.05 million tonnes or 3.71% from 216.88 million tonnes for the Corresponding Period of 2023. Such decrease was mainly because the domestic coal market demand was weak, and the rapid development of renewable energy has suppressed coal demand; in addition, imported coal has impacted the domestic coal market, with the imported coal in China increasing by 14.4% year-on-year in 2024, squeezing the domestic coal shipment volume. Furthermore, price inversions between upstream and downstream sectors have dampened the enthusiasm of traders to ship coal, leading to a decline in the Company's coal Throughput.

(II) Metal ore handling services

During the Reporting Period, the Company achieved a Throughput of 156.62 million tonnes of metal ores, representing an increase of 24.44 million tonnes or 18.49% from 132.18 million tonnes for the Corresponding Period of 2023. Such increase was mainly because the increase in global economic activities has driven the growth in demand for metal ores, and the accelerated development of construction, manufacturing and infrastructure sectors has increased the demand for metal materials such as steel and aluminum, thereby boosting the increase in the Throughput of metal ores.

(III) Oil and liquefied chemicals handling services

During the Reporting Period, the Company achieved a Throughput of 1.73 million tonnes of oil and liquefied chemicals, representing a decrease of 0.26 million tonnes or 13.07% from 1.99 million tonnes for the Corresponding Period of 2023. Such decrease was mainly due to the aging of offshore oil platforms, which led to a gradual decline in platform production.

(IV) Container handling services

During the Reporting Period, the Company achieved a Throughput of 1,256,490 TEUs of containers, equivalent to a total Throughput of 16.13 million tonnes, representing an increase in the number of containers of 161,125 TEUs (i.e. 14.71%) from 1,095,365 TEUs, equivalent to a total Throughput of 14.33 million tonnes, for the Corresponding Period of 2023, respectively. Such increase was mainly due to the Company's continuous enrichment of routes and optimized layout, and the launch of dedicated railway services. At the same time, the Company vigorously carried out diversified businesses, driving the development of "Bulk Cargoes to Containers" and "General Cargoes to Containers" businesses, leading to an increase in cargo sources.

(V) General Cargoes handling services

During the Reporting Period, the Company achieved a Throughput of general and other cargoes of 30.69 million tonnes, representing an increase of 4.12 million tonnes or 15.51% from 26.57 million tonnes for the Corresponding Period of 2023. The increase was mainly due to combined effects of many factors such as the recovery of domestic and foreign trade demand, industrial structure adjustment and optimization, policy support, improvement in port service quality, continuous enhancement of supporting facilities, and the development of green logistics.

(VI) Ancillary port services and value-added services

The Company also provides a variety of ancillary port services and value-added services. Ancillary port services of the Group include tallying and transshipping services. Value added services mainly include tallying, coal blending and tariff-free warehouse and export supervisory warehouse services. In 2024, the operating revenue of ancillary port services and value-added services of the Company amounted to RMB183.0874 million, representing a decrease of RMB56.9140 million or 23.71% from RMB240.0014 million for the Corresponding Period of 2023.

SECTION IV REPORT OF BOARD OF DIRECTORS

II. INDUSTRY DEVELOPMENT OF THE COMPANY DURING THE REPORTING PERIOD

(I) Overall Situation

In 2024, China maintained overall stability with progress in its economy, achieving solid advancement in high-quality development and marking new, robust strides in its modernization. China's GDP reached RMB134.9 trillion, growing by 5.0% year-on-year, a rate positioning China at the forefront of major global economies. Driven by macroeconomic backdrop, the port industry sustained steady growth overall, with cargo throughput rising steadily and container throughput expanding at a relatively faster pace. However, the impacts of shifts in external conditions and adjustments in demand structures resulted in a flat coal throughput, a slight decline in oil throughput, and a moderate growth in metal ore.

(II) Overview of Port Industry in the PRC

1. In terms of the coal business, in 2024, as its advanced production capacity was steadily and orderly released, coal played a full role in guaranteeing the bottom line. The output of raw coal of industrial enterprises hit a record high with 4.76 billion tonnes above designated size, representing a year-on-year increase of 1.3%. Coal imports remained elevated, with 543 million tonnes imported in 2024, reflecting a 14.4% year-on-year increase. In 2024, according to statistics from the China Ports Association, major port companies achieved a total coal Throughput of 1.327 billion tonnes, representing a year-on-year increase of 0.1%.
2. In terms of the iron ore business, the production volume of iron ore in China amounted to 1,042 million tonnes in 2024, representing a year-on-year increase of 1.2%. China's imports of iron ore amounted to 1,237 million tonnes, representing a year-on-year increase of 4.9%. The total production volume of crude steel in China amounted to 1,005 million tonnes, representing a year-on-year decrease of 1.7% and achieving the targeted reduction in output; the production volume of pig iron amounted to 852 million tonnes, representing a year-on-year decrease of 2.3%; and the production volume of steel amounted to 1,400 million tonnes, representing a year-on-year increase of 1.1%. In 2024, according to statistics from the China Ports Association, major port companies achieved a total Throughput of 1,720 million tonnes of iron ore, representing a year-on-year increase of 4.3%.
3. In terms of the crude oil business, the oil and gas sector maintained favorable momentum in stable and increased production in 2024, with steady enhancements in domestic supply capacity. The output of crude oil of industrial enterprises was 210 million tonnes above designated size, representing a year-on-year increase of 1.8%. The annual output of crude oil maintained stable at over 200 million tonnes for three consecutive years. The output of natural gas of industrial enterprises was 246.4 billion tonnes above designated size, representing a year-on-year increase of 6.2%, achieving production increases exceeding 10 billion m³ for eight consecutive years. In 2024, a total of 553 million tonnes of crude oil were imported, representing a year-on-year decrease of 1.9%, a total of 132 million tonnes of natural gas were imported, representing an increase of 9.9%. In 2024, according to statistics from the China Ports Association, major port companies achieved a total crude oil Throughput of 456 million, representing a year-on-year decrease of 0.7%.

III. BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal Business

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

(II) Business Model

1. Procurement Model

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

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

SECTION IV REPORT OF BOARD OF DIRECTORS

2. Production Model

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

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

3. Marketing Model

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

(1) Marketing Model for Coal Business

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

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

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

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

IV. ANALYSIS ON THE CORE COMPETITIVE ADVANTAGE DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

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

Following the integration of port resources in Hebei Province, HPG, the Company's controlling shareholder, has effectively consolidated resources across Qinhuangdao, Tangshan, and Cangzhou ports, eliminating disordered competition. Leveraging integrated advantages to achieve coordinated cargo category layouts, HPG capitalizes on each port's strengths and prevents waste on resources to foster synergistic marketing capabilities, thereby providing a foundation for further enhancing operational quality and efficiency in the subsequent operations.

- (II) The Company is a leading public terminal operator for dry Bulk Cargoes in the world. It implements the cross-port operation strategy of Qinhuangdao Port, Tangshan Port and Cangzhou Port.

As an important port for the "West-East coal transportation" and "North-South coal transportation" in China, Qinhuangdao Port plays an important role in ensuring the safety of transportation of national energy. In recent years, the Company has further expanded its business in Caofeidian Port Zone in Tangshan and Huanghua Port Zone in Cangzhou. After Phase 1 (expansion) of the metal ores terminal project in Cangzhou Port commences the operation, the Company's stevedoring capacity in ores has been significantly improved at Huanghua Port in Cangzhou City.

SECTION IV REPORT OF BOARD OF DIRECTORS

- (III) The Company expanded its businesses to cover a wide range of the economic Hinterland with large service radius, and has a solid foundation for future development.

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

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

- (IV) The Company primarily serves large-scale and high-quality customers while continuously advancing marketing efforts and service quality.

Our customers are mainly comprised of major coal, power and steel enterprises, including China National Coal Group Corp, CHN Energy, Jinneng Holding Coal Industry Group, Zhejiang Energy, Yitai Group, Shougang Group, and HBIS Group, among others.

The Company has intensified the implementation of grid-based marketing by further reinforcing the “account manager responsibility system” and optimizing business processes in the online service hall, thus fully addressing our customers' individualized requirements to enhance satisfaction levels.

V. OPERATING RESULTS OF MAJOR BUSINESSES DURING THE REPORTING PERIOD

In 2024, the Company has achieved an operating income of RMB6,865.3756 million, representing a year-on-year decrease of 2.69%; the operating costs amounted to RMB4,250.0582 million, representing a year-on-year decrease of 3.70%; the total profit amounted to RMB1,900.2569 million, representing a year-on-year increase of 0.91%; the net profit amounted to RMB1,574.5902 million, representing a year-on-year increase of 0.65%; the net profit attributable to shareholders of the Company amounted to RMB1,564.8978 million, representing a year-on-year increase of 2.20%.

SECTION IV REPORT OF BOARD OF DIRECTORS

(I) Analysis on major operating businesses

1. Analysis on the changes in the relevant items in income statement and statement of cash flows

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of the previous year	Change in proportion (%)
Operating revenue	6,865,375,581.39	7,054,883,834.36	-2.69
Operating costs	4,250,058,180.95	4,413,559,410.53	-3.70
Selling expenses			
Administrative expenses	874,398,181.09	746,412,812.10	17.15
Financial expenses	56,624,973.78	105,653,575.66	-46.41
Research and development expenses	173,671,628.28	154,045,515.83	12.74
Net cash flows from operating activities	2,415,146,972.94	2,393,799,107.25	0.89
Net cash flows from investing activities	-789,918,453.26	-2,739,464,284.20	71.17
Net cash flows from financing activities	-1,567,804,862.00	-1,411,639,200.60	-11.06

Reasons for changes in operating revenue: During the Period, the operating revenue of the Company amounted to RMB6,865.3756 million, representing a year-on-year decrease of 2.69%, mainly due to the decrease in coal Throughput.

Reasons for changes in operating costs: During the Period, the operating costs of the Company amounted to RMB 4,250.0582 million, representing a year-on-year decrease of 3.70%, mainly because the Company implemented cost-saving and expense-reduction measures.

Reasons for changes in administrative expenses: During the Period, the administrative expenses of the Company amounted to RMB 874.3982 million, representing a year-on-year increase of 17.15%, mainly due to the increase in internal retirement benefit expenses compared to the same period last year as a result of the delayed retirement policy.

Reasons for changes in financial expenses: During the Period, the financial expenses of the Company amounted to RMB56.625 million, representing a year-on-year decrease of 46.41%, mainly due to the reduction in interest expense as a result of the reduction in size and interest rate of loan.

Reasons for changes in research and development expenses: During the Period, the research and development expenses of the Company amounted to RMB173.6716 million, representing a year-on-year increase of 12.74%, mainly due to the investment increase in research and development.

Reasons for changes in net cash flows from operating activities: During the Period, the Company's net cash flows from operating activities amounted to RMB2,415.1470 million, representing a year-on-year increase of 0.89%, mainly due to the significant cost-saving and expense-reduction measures, which offset the impact of reduced cash inflows from operating activities caused by the decline in coal Throughput.

Reasons for changes in net cash flows from investing activities: During the Period, the Company's net cash flows from investing activities amounted to RMB-789.9185 million, representing a year-on-year increase of 71.17%, mainly due to the decreased net investment in the time deposits with a maturity of more than three months.

Reasons for changes in net cash flows from financing activities: During the Period, the Company's net cash flows from financing activities amounted to RMB-1,567.8049 million, representing a year-on-year decrease of 11.06%, mainly due to a year-on-year decrease in equal amounts of borrowings obtained and repaid by subsidiaries.

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

☐ Applicable ☒ Not applicable

2. Analysis on revenue and cost

☒ Applicable ☐ Not applicable

SECTION IV REPORT OF BOARD OF DIRECTORS

(1). Principal Operations of the Company by Industries, Products, Regions and Sales Models

Unit: Yuan Currency: RMB

Principal Operations by Industries						
By industries	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease of revenue as compared with that in the last year (%)	Increase/decrease of operating costs as compared with that in the last year (%)	Increase/decrease of gross profit margin as compared with that in the last year (%)
Services in relation to coal and relevant products	4,600,177,154.02	2,538,233,187.53	44.82	-5.36	-5.11	decrease of 0.15 percentage point
Services in relation to metal ore and relevant products	1,376,954,505.93	912,719,507.00	33.71	3.77	-0.29	increase of 2.69 percentage points
Services in relation to general and other cargoes	623,845,239.56	577,000,329.52	7.51	-1.20	-3.39	increase of 2.09 percentage points
Services in relation to containers	109,674,516.97	95,159,470.61	13.23	17.52	-3.50	increase of 18.89 percentage points
Services in relation to fluid cargoes	35,596,796.04	46,109,070.86	-29.53	-18.37	-19.15	increase of 1.24 percentage points
Revenue from others	119,127,368.87	80,836,615.43	32.14	20.32	14.65	increase of 3.35 percentage points

Principal Operations by Regions						
By regions	Operating revenue	Operating costs	Gross profit margin (%)	Increase/decrease of revenue as compared with that in the last year (%)	Increase/decrease of operating costs as compared with that in the last year (%)	Increase/decrease of gross profit margin as compared with that in the last year (%)
Qinhuangdao	4,207,521,770.59	2,426,361,816.20	42.33	-2.38	-3.72	increase of 0.8 percentage point
Others	2,657,853,810.80	1,823,696,364.75	31.38	-3.17	-3.68	increase of 0.36 percentage point

(2). Analysis on production and sales

☐ Applicable ☒ Not applicable

(3). Performance of material procurement contracts and material sales contracts

☐ Applicable ☒ Not applicable

SECTION IV REPORT OF BOARD OF DIRECTORS

(4). Analysis on costs

Unit: Yuan

Information of segment						
By industries	Component of costs	Current period	Percentage over total costs for the current period (%)	Corresponding period of last year	Percentage over total costs for the corresponding period of last year (%)	Changes in amount over last year (%)
Services in relation to coal and relevant products	operating costs	2,538,233,187.53	59.72	2,674,852,807.32	60.61	-5.11
Services in relation to metal ore and relevant products	operating costs	912,719,507.00	21.48	915,332,881.82	20.74	-0.29
Services in relation to general and other cargoes	operating costs	577,000,329.52	13.58	597,228,407.69	13.53	-3.39
Services in relation to containers	operating costs	95,159,470.61	2.24	98,610,695.95	2.23	-3.50
Services in relation to fluid cargoes	operating costs	46,109,070.86	1.08	57,027,111.25	1.29	-19.15
Revenue from others	operating costs	80,836,615.43	1.90	70,507,506.50	1.60	14.65

(5). Changes in the scope of consolidation due to changes in the equity interests of major subsidiaries during the Reporting Period

☐ Applicable ☒ Not applicable

(6). Significant changes in or adjustments to the Company's businesses, products or services during the Reporting Period

☐ Applicable ☒ Not applicable

(7). Major sales customers and suppliers

A. Major sales customers of the Company

☒ Applicable ☐ Not applicable

The sales of the five largest customers amounted to RMB2,650.4578 million, accounting for 38.61% of the total annual sales; among the five largest customers' sales, related party sales amounted to RMB0 million, accounting for 0% of the total annual sales.

During the Reporting Period, the proportion of sales to a single customer exceeds 50% of the total sales, and there are new customers among the five largest customers, or the sale is heavily dependent on a minority of customers

☐ Applicable ☒ Not applicable

B. Major suppliers of the Company

☒ Applicable ☐ Not applicable

The purchase amount of the five largest suppliers was RMB2,071.4964 million, accounting for 66.59% of the total annual purchase; among the five largest suppliers' purchase, related party purchase amounted to RMB1,080.0251 million, accounting for 34.72% of the total annual purchase.

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During the Reporting Period, the proportion of purchase amount of a single supplier exceeds 50% of the total purchase amount, and there are new suppliers among the five largest suppliers, or the purchase is heavily dependent on a minority of suppliers

☐ Applicable ☒ Not applicable

Other details

During the Year, none of the Directors, Supervisors or their respective associates or any Shareholders who own more than 5% of equity interests of the Company, so far as the Directors are aware, has beneficial interests in the five largest customers and suppliers.

3. Expenses

☒ Applicable ☐ Not applicable

Please refer to “V. OPERATING RESULTS OF MAJOR BUSINESSES DURING THE REPORTING PERIOD (I) Analysis on major operating businesses 1. Analysis on the changes in the relevant items in income statement and statement of cash flows” of this section for the reasons of changes in administrative expenses, financial expenses and research and development expenses of the Company for the year.

4. Investment in research and development

(1). Research and development investment

☒ Applicable ☐ Not applicable

Unit: Yuan

Research and development expenses during the period	173,671,628.28
Capitalized research and development investment during the period	
Total research and development investment	173,671,628.28
Percentage of total research and development investment over operating income (%)	2.53
Proportion of capitalization of research and development investment (%)	N/A

SECTION IV REPORT OF BOARD OF DIRECTORS

(2). Research and development personnel

☒ Applicable ☐ Not applicable

Number of research and development personnel	887
Percentage of research and development personnel over the total number of staff (%)	10.23
Education structure of research and development personnel	
Level of education	Number (persons)
PhD degree	0
Master degree	133
Bachelor degree	579
College degree	106
High school degree and below	69
Age structure of research and development personnel	
Age	Number (persons)
Below 30 (exclusive)	24
30 – 40 (30 inclusive, 40 exclusive)	383
40 – 50 (40 inclusive, 50 exclusive)	295
50 – 60 (50 inclusive, 60 exclusive)	185
60 or above	0

(3). Description

☒ Applicable ☐ Not applicable

In order to implement the requirements of the Hebei Provincial Party Committee and Hebei Provincial Government, the Company has elevated its political stance by defining its strategic objectives, identifying the main direction of attack, and prioritizing key initiatives. The Company sustained the implementation of the “advancing within three years and strengthening within five years” campaign to enhance state-owned enterprises’ R&D investment. Efforts have been intensified to accelerate the port construction for “integrity, intelligent, efficient and green”, with a commitment to building a world-class, multi-functional, comprehensive, and modern port.

Leveraging scientific and technological innovation management as a support pillar, the Company has actively established innovation platforms and a high-standard “Triple-One” innovation studio. This has institutionalized platforms and mechanisms for innovation resource exchange, talent collaboration, activity alignment, and the sharing of results. Focused on the “one center with three platforms” framework, the Company conducted 151 innovation activities with 1,036 participants, submitting 10 entries for the Technology Awards of China Port Association Science (中港協科學技術獎). As of the Reporting Period, the Company operates two provincial-level scientific and technological innovation platforms, among which, the Engineering Research Center for Modern Port Coal Logistics of Hebei Provincial (河北省現代港口煤炭物流工程技術研究中心) received an “Excellent” rating in the annual performance evaluation organized by Hebei Province.

The Company has deepened industry-academia-research collaborative innovation while strengthening the team development of its R&D talents. Clear career progression pathways have been established to fully unleash the independent innovation vitality of researchers. Exchanges on industry-academia-research collaboration have been enhanced through a dual strategy of “internal innovation” and “external acquisition”. Leveraging scientific and technological innovation platforms, the Company carried out initiatives projects with universities and institutions to elevate technical talents’ R&D capabilities and technology commercialization proficiency. The Company has completed multiple research projects in collaboration with the China Waterborne Transport Research Institute, Tianjin Research Institute for Water Transport Engineering, M.O.T., The Hong Kong Polytechnic University, and Yanshan University.

In 2024, the Company issued two batches of R&D projects totaling 262 initiatives. Key projects, including “Coal Phase I East Expansion and Coal Phase II Equipment Intelligent Upgrading” and “Coal Phase III Yard Unmanned Operation” in Qinhuangdao Port were rapidly advanced, which provides strong technical support for “smart port” construction. In 2024, the Company’s technological achievements were evaluated with advanced awards including 5 from international, and 6 from home, and one First-Class Award in the National Achievements of Equipment Management and Technological Innovation.

Reasons for major changes in the composition of research and development personnel and its impact on the future development of the Company

☐ Applicable ☒ Not applicable

SECTION IV REPORT OF BOARD OF DIRECTORS

5. Cash Flows

☒ Applicable ☐ Not applicable

Please refer to “V. OPERATING RESULTS OF MAJOR BUSINESSES DURING THE REPORTING PERIOD (I) Analysis on major operating businesses 1. Analysis on the changes in the relevant items in income statement and statement of cash flows” of this section for the reasons of changes in net cash flows generated from operating activities, net cash flows generated from investing activities and net cash flows generated from financing activities of the Company for the Year.

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

☐ Applicable ☒ Not applicable

(III) Analysis on assets and liabilities

☒ Applicable ☐ Not applicable

1. Assets and liabilities

Unit: Yuan

Items	Amount at the end of the current period	Percentage of the amount at the end of the current period over the total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period over the total assets (%)	Percentage change in the amount at the end of the current period as compared to that at the end of the previous period (%)	Description
Cash and bank balances	4,280,764,065.06	15.35	2,838,023,456.57	10.13	50.84	
Bills receivable	38,638,013.00	0.14	49,965,475.00	0.18	-22.67	
Accounts receivable	91,240,275.48	0.33	67,817,955.73	0.24	34.54	
Accounts receivable financing	56,275,477.79	0.20	74,502,289.57	0.27	-24.46	
Other receivables	167,937,083.02	0.60	131,647,857.46	0.47	27.57	
Other current assets	168,792,974.55	0.61	178,778,070.14	0.64	-5.59	
Other equity instruments investments	713,888,490.67	2.56	1,091,562,136.20	3.89	-34.60	
Long-term prepaid expenses	13,673,877.88	0.05	4,797,193.38	0.02	185.04	
Construction in progress	2,222,928,377.48	7.97	815,220,131.65	2.91	172.68	
Other non-current assets	1,429,562,960.64	5.13	2,427,279,951.61	8.66	-41.10	
Short-term borrowings	300,094,583.33	1.08	500,252,083.33	1.78	-40.01	
Taxes payable	22,480,015.81	0.08	21,764,786.44	0.08	3.29	
Lease liabilities			7,219.53		-100	
Long-term payable			32,000,000.00	0.11	-100	
Long-term employee benefits payable	301,043,454.65	1.08	267,844,523.45	0.96	12.39	
Deferred income	105,280,198.38	0.38	108,099,841.75	0.39	-2.61	
Deferred income tax liabilities	15,524,033.17	0.06	89,471,967.06	0.32	-82.65	

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Other descriptions

Reasons for items with movements exceeding 30% in the above table are as follows:

1. Cash and bank balances as at 31 December 2024 amounted to RMB4,280,764,065.06, representing an increase of 50.84% from the beginning of the Year, which was mainly due to the fact that time deposits with a maturity of over one year reclassified from other non-current assets in the prior year are due to mature within one year in the current period.
 2. Accounts receivable as at 31 December 2024 amounted to RMB91,240,275.48, representing an increase of 34.54% from the beginning of the Year, which was mainly due to the increase in accounts receivable of Cangzhou Mineral Port, our subsidiary.
 3. Other equity instruments investments as at 31 December 2024 amounted to RMB713,888,490.67, representing a decrease of 34.60% from the beginning of the Year, which was mainly due to the recognition of fair value change in SDIC Caofeidian Port Co., Ltd and the disposal of equity interests in Tangshan Caofeidian Tugboat Co., Ltd. by Tangshan Caofeidian Coal Port Co., Ltd., our subsidiary.
 4. Long-term prepaid expenses as at 31 December 2024 amounted to RMB13,673,877.88, representing an increase of 185.04% from the beginning of the Year, which was mainly due to the increase in long-term prepaid expenses of Qinhuangdao Xin'gangwan Container Terminal Co., Ltd., our subsidiary.
 5. Construction in progress as at 31 December 2024 amounted to RMB2,222,928,377.48, representing an increase of 172.68% from the beginning of the Year, which was mainly due to the additional investments in upgrading and reengineering of multi-functional Port 1# and 2# berth of Cangzhou Mineral Port, our subsidiary.
 6. Other non-current assets as at 31 December 2024 amounted to RMB1,429,562,960.64, representing a decrease of 41.10% from the beginning of the Year, which was mainly due to the decrease in time deposits with a maturity of over one year.
 7. Short-term borrowings as at 31 December 2024 amounted to RMB300,094,583.33, representing a decrease of 40.01% from the beginning of the Year, which was mainly due to the repayment of bank borrowings.
 8. Lease liabilities as at 31 December 2024 amounted to RMB0, representing a decrease of 100% from the beginning of the Year, which was mainly due to maturity of the parent company's right-of-use assets.
 9. Long-term payable as at 31 December 2024 amounted to RMB0, representing a decrease of 100% from the beginning of the Year, which was mainly due to the disposal of equity interests in Tangshan Jingtang Railway Co., Ltd by the parent company, which offset against the payable for equity interests.
 10. Deferred income tax liabilities as at 31 December 2024 amounted to RMB15,524,033.17, representing a decrease of 82.65% from the beginning of the Year, which was mainly due to the difference between tax base and accounting base of changes in fair value of other equity instrument investments.
2. Overseas assets
☐ Applicable ☒ Not applicable
 3. Restrictions on major assets as at the end of the Reporting Period
☐ Applicable ☒ Not applicable
 4. Other explanations
☐ Applicable ☒ Not applicable

(IV) Analysis of operating information of the industry

☒ Applicable ☐ Not applicable

For details of the analysis of operating information of the industry, please refer to "II. INDUSTRY DEVELOPMENT OF THE COMPANY DURING THE REPORTING PERIOD" of this section.

SECTION IV REPORT OF BOARD OF DIRECTORS

(V) Analysis of investments

Overall analysis on external equity investments

☒ Applicable ☐ Not applicable

As at the end of the Reporting Period, the closing balance of external equity investments of the Company was RMB3,797,392,993.22, representing a decrease of RMB24,033,328.59 by 0.63% over the beginning of the Reporting Period. For details of such changes, please refer to “8. Long-term Equity Investments” of “V. Notes to Key Items of the Consolidated Financial Statements” set out in “Section XII Audit Report” of the report.

1. Substantial equity investments
☐ Applicable ☒ Not applicable
2. Substantial non-equity investments
☐ Applicable ☒ Not applicable
3. Financial assets measured at fair value
☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category of assets	Opening balance	Gains or losses on fair value change for the Reporting Period	Total fair value change recorded in equity	Impairment for the Reporting Period	Amount of purchase for the Reporting Period	Amount of disposal/redemption for the Reporting Period	Other changes	Ending balance
Financing receivables	74,502,289.57						-18,226,811.78	56,275,477.79
Other equity instruments investments	1,091,562,136.20		-188,423,410.12			-189,250,235.41		713,888,490.67
Total	1,166,064,425.77		-188,423,410.12			-189,250,235.41	-18,226,811.78	770,163,968.46

Securities investment

☐ Applicable ☒ Not applicable

Description of securities investment

☐ Applicable ☒ Not applicable

Private equity investment

☐ Applicable ☒ Not applicable

Derivative Investment

☐ Applicable ☒ Not applicable

4. Specific progress of substantial assets restructuring and integration during the Reporting Period
☐ Applicable ☒ Not applicable

(VI) Sales of substantial assets and equity interests

☐ Applicable ☒ Not applicable

SECTION IV REPORT OF BOARD OF DIRECTORS

(VII) Analysis of major controlled companies and investees

☒ Applicable ☐ Not applicable

Cangzhou Mineral Port is a substantial subsidiary of the Company. It was incorporated on 10 April 2012, with a registered capital of RMB5,266.3482 million. Its headquarters is located in Bohai New District, Cangzhou City, Hebei Province. It mainly engages in stevedoring, stacking and other businesses. As of 31 December 2024, the total assets of Cangzhou Mineral Port was RMB10,053.5061 million, of which the net assets were RMB6,700.9954 million. In 2024, the revenue of Cangzhou Mineral Port was RMB1,930.4500 million, and the operating profit was RMB410.3799 million. Net profit was RMB350.9490 million, accounting for 22.43% of net profit attributable to the parent company.

Caofeidian Coal Port is a substantial subsidiary of the Company. It was incorporated on 29 October 2009, with a registered capital of RMB1,800 million. Its headquarters is located in Caofeidian Industrial Park, Tangshan City, Hebei Province. It mainly engages in stevedoring, storage and other services. As of 31 December 2024, the total assets of Caofeidian Coal Port was RMB3,820.9933 million, of which the net assets were RMB1,241.4582 million. In 2024, the revenue of Caofeidian Coal Port was RMB721.2790 million, and the operating profit was RMB26.7608 million. Net profit was RMB1.8870 million, accounting for 0.12% of net profit attributable to the parent company.

Caofeidian Shiye Port is a substantial investee of the Company. It was incorporated on 4 September 2002, with a registered capital of RMB2,000 million. Its headquarters is located in Caofeidian Industrial Park, Tangshan City, Hebei Province. It mainly engages in operation of port business, investment in infrastructure and other businesses. As of 31 December 2024, the total assets of Caofeidian Shiye Port was RMB8,575.2931 million, of which the net assets were RMB7,175.0959 million. In 2024, the revenue of Caofeidian Shiye Port was RMB2,212.1445 million, and the operating profit was RMB1,377.4390 million. Net profit was RMB1,132.3274 million, and the Company's share of investment income in proportion to shareholding accounted for 25.33% of net profit attributable to the parent company.

(VIII) Structured entities under the control of the Company

☐ Applicable ☒ Not applicable

VI. DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry pattern and trend

☒ Applicable ☐ Not applicable

(I) Competition facing the Company

Port construction will drive the development of local economy to a large extent. Among the ports densely distributed in Bohai Rim in which the Company is located, there are large-and-medium ports such as Tianjin Port and Dalian Port with especially the intersection and overlap of the Hinterland of Tianjin Port and Hebei Port and strong competition in the region. Meanwhile, cooperation among ports is gradually enhanced in spite of competition. Guided by the strategy of coordinated development for Beijing-Tianjin-Hebei region, ports in Tianjin and Hebei have conducted cooperation through the bond of capital, thus turning pure competition into competition combined with cooperation.

(II) Industry development trend

1. The development trend of integration national and regional ports is prominent

In order to improve the competitive advantage of the ports, avoid disorderly competition and promote the development of regional economy, the governments at central level and those of the coastal provinces will take measures to promote the integration of regional ports as an important measure to improve port quality, efficiency and upgrading, resolve excess capacity, and optimize resource allocation. In 2017, the Ministry of Transport issued a Notice on Learning from Zhejiang's Experience and Promoting Regional Port Integration Reform 《(關於學習借鑒浙江經驗推進區域港口一體化改革的通知)》. Under the promotion of national traffic management department and local governments, the port industry in China has been initially shaped into a structure of "one province and one port". In July 2022, Hebei Province commenced the consolidation of port resources, where the equity interests of Hebei Port Group Co., Ltd., Tangshan Port Industrial Group Co., Ltd., Caofeidian Port Group Co., Ltd., and certain port companies in Caofeidian have been restructured to form a new HPG.

SECTION IV REPORT OF BOARD OF DIRECTORS

2. The development trend of integration of port, industry and city is gradually emerging

With the upgrading of port's functions, the ability of a port to serve the Hinterland economy has become the focus of attention, and promoting the integration and interactive development of ports, adjacent cities and adjacent industries has become the focus of industry development. Coastal ports conform to the development trend of the new generation of ports and synchronize with the division of industries in urban agglomerations. Ports in each city will also adjust and optimize their functions and positioning based on the development of their cities in the urban agglomeration. With the advantages of their own capital, land, port platform and brands, port enterprises actively participate in port industry projects, create a business model of "front port and back industrial area", promote the integrated development of port, industries and city, and realize the transformation from a large port of collection and distribution to a large port of trade.

3. Actively build an integration system of supply chain with port as center

The collection and distribution system is the channel connecting the port and the vast Hinterland, and it is an important external condition for the development of the port. In the context of global supply chain reconstruction, adjustment of shipping cargo types, and increasingly higher logistics efficiency and energy conservation and environmental protection requirements, the shipping market is gradually changing from a "port-side market" to a "cargo-side market". The mode of growth benefited from loading and unloading services solely relying on the advantage of terminal hubs in the past has become unsustainable, and it is no longer sufficient to support the sustained and stable revenue growth of a port. The collection and distribution system of large international ports is developing in the direction of multi-channels, multi-directions and multi-transport modes, such as expanding the layout of inland dry ports, actively expanding the scope of radiation to the inland Hinterland; developing cross-border sea-rail transportation such as China-Europe freight trains; and actively striving to build an important land-sea hub along the "Belt and Road".

(II) Development strategy of the Company

☒ Applicable ☐ Not applicable

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

In 2025, the Company's prospects for various businesses are as follows:

Coal Business

The Company will rigorously pursue marketing by maintaining high-frequency, quality-focused client visit. Through the working of account managers and optimizing cargo mix, the Company will create space for the growth of premium cargo to improve utilization rates of stacking areas and berths. We will continue to strengthen service protocols with targeted oversight of critical operational nodes and audit-driven evaluation. For our customers' concerns, including loading and unloading accuracy, measurement precision, coal quality verification, and dust suppression controls, the Company intends to conduct routine follow-ups, in order to safeguard client interests at port facilities.

Metal Ore Business

Benefited from the sustained development of the steel industry and the support of policy, the Company anticipates maintaining stable volumes in its ore business for 2025. To this end, the Company will continue to strengthen management on customer relationship by jointly exploring market opportunities to achieve mutually beneficial development with actions including understanding client feedback and demands, and promptly resolving issues. Amidst the rapid development of the digital economy, the Company will actively explore the application of new technologies in ore business to continuously enhance operational efficiency and service quality, thus, strengthening market competitiveness.

General Bulk Business

In front of the fierce market competition and evolving policy, the Company will intensify efforts to strengthen its all-round capabilities to optimize service offerings while exploring new growth opportunities and directions. With the increase in international trade driven by the gradual recovery of the global economy, bulk business in ports is expected to grow, which will benefit our general bulk cargo business as we are a key port operator in the Bohai Rim region.

SECTION IV REPORT OF BOARD OF DIRECTORS

(III) Operating plan

☒ Applicable ☐ Not applicable

In 2025, the Company's overall work idea is: to adhere to the guiding principles from the important directives issued by General Secretary Xi Jinping during his inspection of Hebei ports, the general approach of ensuring stability while pursuing progress, and the overall requirements of "integrity, intelligent, efficient and green" for port construction, leverage on the building of "5A" level industrial tourism sceneries and the promotion of on-site standardized management, and to deepen, strengthen and refine the development of six major systems, and solidify the foundation of port production and operation, as well as risk prevention and control. We will orderly advance the construction of green channels for land and sea transportation to raise the level of ecological development, accelerate the transformation and upgrading of ports, and promote their high-quality development. In addition, we will accelerate the development of a world-class dry bulk port by enhancing value creation capabilities and cultivating new quality productive forces in port business, thereby, contributing to advancing maritime development and reinforcing maritime strength.

To this end, the Company will carry out the following works: 1. focusing on market expansion and production coordination to enhance operational level in the port; 2. prioritizing budget execution and cost control to improve our profitability; 3. emphasizing technological innovation and internal reforms to fully activate organic momentum for development; 4. strengthening risk prevention and improving management to ensure the stable operation of the enterprise; 5. advancing future planning and project development to accumulate sustainable growth potential; 6. intensifying pollution prevention and low-carbon transition to build a green and eco port; and 7. reinforcing red-line awareness and bottom-line mindset to resolutely fortify workplace safety barriers.

(IV) Potential risks

☒ Applicable ☐ Not applicable

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

In the near future, the major risks faced by the Company include: 1. against the backdrop of China's orderly advancement of deep adjustment to industrial structure and the implementation of green and low-carbon transformation in the industries, the proportion of clean energy continues to expand; 2. the volume of imported coal was over 500 million tonnes in 2024, reaching historical highs and exerting material impacts on coal market domestically; 3. the construction of power plants and chemical facilities in coal producing regions has driven the sales of coal in producing areas, which resulted in decreased volumes in port shipment; 4. the port is faced with heightened operational challenges which is due to the intensified competitive pressures among neighboring ports as a result of the sales of coal in domestic market being crowded by various factors.

(V) Others

☒ Applicable ☐ Not applicable

1. Gross Profit Margin

The gross profit of the Company for the Year amounted to RMB2,615.3174 million, representing a year-on-year decrease of 0.98%. The gross profit margin of the Company for the Year was 38.09%, representing an increase of 0.65 percentage point as compared with that of the corresponding period last year.

2. Tax and Surcharges

During the Year, the tax and surcharges of the Company amounted to RMB136.8998 million, representing a year-on-year increase of 0.87%, remaining flat as compared to the previous year.

3. Other Income

During the Year, other income of the Company amounted to RMB16.2548 million, representing a year-on-year decrease of 74.64%, which was mainly attributable to completion of the transfer of some deferred income items and the expiration of policies related to additional deduction of VATs.

SECTION IV REPORT OF BOARD OF DIRECTORS

4. Investment Income

During the Year, the investment income of the Company amounted to RMB421.2048 million, representing a year-on-year increase of 35.22%, which was mainly attributable to the increase in net profits of associates of the Company.

5. Impairment Losses of Assets

The impairment losses of assets of the Company amounted to RMB2.4611 million for the Year, representing a year-on-year decrease of 43.75%, which was mainly due to the combined impact of increased provision for impairment of inventory during the Year and the provision for impairment loss on fixed assets in the previous year.

6. Impairment Losses of Credit

The impairment losses of credit of the Company amounted to RMB-9.4169 million for the Year, representing a year-on-year decrease of 143.98%, which was mainly attributable to the collection of receivables by our subsidiary, Cangzhou Mineral Port, offsetting the loss on bad debts recognized in the previous year.

7. Net Non-operating Revenue and Expenses

During the Year, the net non-operating revenue and expenses of the Company amounted to RMB-1.1611 million, representing a year-on-year decrease of 127.60%, which was mainly attributable to the increase in losses from spoilage and obsolescence of non-current assets.

8. Income Tax Expense

The income tax expense of the Company increased by RMB6.9974 million to RMB325.6667 million for the Year from RMB318.6693 million last year, and the effective income tax rate of the Company was 17.14%, representing a year-on-year increase of 0.22 percentage point, which was basically the same as in the previous year.

9. Net Profit

The net profit of the Company for the Year amounted to RMB1,574.5902 million, representing a year-on-year increase of 0.65%, of which net profit attributable to owners of the parent company amounted to RMB1,564.8978 million, representing a year-on-year increase of 2.20%. Net profit margin of the Company was 22.94%, representing a year-on-year increase of 0.76 percentage point.

10. Bank Loans and Other Borrowings

As at 31 December 2024, the details of the Company's bank loans and other borrowings are set out in "18. Short-term borrowings", "24. Non-current liabilities due within one year" and "25. Long-term borrowings" of "V. Notes to Key Items of the Consolidated Financial Statements" of Section XII.

11. Exchange Rate Risks

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

SECTION IV REPORT OF BOARD OF DIRECTORS

12. Pledge of Assets and Contingent Liabilities

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

13. Capital Commitment

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

14. Management of Working Capital

	31 December 2024	31 December 2023
Current ratio	1.67	1.11
Quick ratio	1.56	1.01
Turnover days of trade receivables	4.23	2.96
Turnover days of trade payables	24.80	21.24

As at 31 December 2024, the Company's current ratio and quick ratio were 1.67 and 1.56, respectively, representing an increase as compared with the current ratio of 1.11 and quick ratio of 1.01 as at 31 December 2023. The turnover days of trade receivables for 2024 were 4.23 days and the turnover days of trade payables were 24.80 days, representing an increase of 1.27 days as compared with the turnover days of trade receivables of 2.96 days in 2023 and an increase of 3.56 days as compared with the turnover days of trade payables of 21.24 days in 2023, respectively. All indicators above are within the appropriate range.

15. Donation

The charity contributions and other donations of the Company made during the Year amounted to nil.

16. Retained Profits at the end of the Year

As at 31 December 2024, the retained profits at the end of the Year available for distribution to shareholders of the Company amounted to RMB6,092.7399 million.

17. Gearing Ratio

As at 31 December 2024, the gearing ratio of the Company was 27.29%. Gearing ratio is calculated as total liabilities divided by total assets.

VII. FAILURE OF DISCLOSURE OF THE COMPANY AS PER RULES DUE TO INAPPLICABILITY OR SPECIAL REASONS SUCH AS STATE OR TRADE SECRETS

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE

I. RELEVANT INFORMATION OF CORPORATE GOVERNANCE

☒ Applicable ☐ Not applicable

Since the establishment of the Company, in accordance with the requirements of the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Guidance for the Articles of Association of Listed Companies and relevant laws, rules and regulations, and with reference to the regulatory requirements with regard to listed companies, the Company formulated the Articles of Association and the Rules of Procedures for General Meetings, the Rules of Procedure for the Board of Directors and the Rules of Procedures for the Supervisory Committee, and other rules and regulations, and built a regulated corporate governance structure by establishing a sound system comprising the general meeting, the Board, the Supervisory Committee, independent directors and the secretary to the Board. The Board has established six special committees, namely the strategy committee, the audit committee, the nomination committee, the remuneration and appraisal committee, the compliance management committee and the risk management committee, which provide advices and suggestions for major decisions made by the Board and ensure the Board to consider matters and make decisions in a professional and highly efficient manner.

During the Reporting Period, the general meeting, the Board, the Supervisory Committee and other organizations and personnel thereof were able to work independently and effectively and perform their duties and responsibilities in accordance with the provisions of relevant laws and regulations, Articles of Association and related rules of procedure, without major violations of laws and regulations. There was no situation where the management or the Board violated any laws and regulations such as the Company Law and the relevant provisions of the Articles of Association in performing their duties. The actual situation on corporate governance was not significantly different from that in the normative documents issued by China Securities Regulatory Commission on the governance of listed companies.

Is there any obvious difference between corporate governance and requirements under the laws, administrative regulations and of China Securities Regulatory Commission in relation to the governance of public companies? If there is obvious difference, explanations should be made

☐ Applicable ☒ Not applicable

II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, INSTITUTIONS AND BUSINESS, AS WELL AS SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS TO SOLVE ISSUES (IF ANY) AFFECTING THE INDEPENDENCE OF THE COMPANY

☐ Applicable ☒ Not applicable

The same or similar business as that of the Company engaged by controlling shareholders, actual controllers and other entities under their control, as well as the impact of horizontal competition or significant changes in horizontal competition on the Company, the solution or measures taken, the progress of the solutions and the follow-up plans.

☒ Applicable ☐ Not applicable

In July 2022, the government of Hebei Province implemented integration of port resources. HPG, the controlling shareholder of the Company, completed acquisition of 100% equity interests of Tangshan Port Industrial Group Co., Ltd., 100% equity interests of Caofeidian Port Group Co., Ltd. as well as minority interests of port companies including 24% equity interests of SDIC Caofeidian Port Co., Ltd. The aforesaid companies are principally engaged in businesses related to comprehensive port transportation. After the integration of these companies, the businesses of relevant entities under their control overlap, to some extent, with the principal business of the Company.

SECTION V CORPORATE GOVERNANCE

To avoid horizontal competitions between relevant entities under the control of HPG and the listed Company and safeguard the legitimate interests of the listed Company under the control of HPG and their minority shareholders, HPG provided undertakings as follows:

- “1. In respect of horizontal competitions or potential horizontal competitions between the company, other companies and the listed company under the control of the company that are given rise to by this equity transfer, the company will take various measures, including but not limit to assets reorganization, asset swap, equity swap, business adjustment, entrusted management, or apply these measures in an integrated manner to steadily advance the integration of the relevant businesses and solve horizontal competitions based on relevant regulations and the requirements of related securities regulatory authorities within five years upon the completion of equity transfer in connection with the port resources integration of HPG, and will strive to spend less time to accomplish the abovementioned goals, provided that such action is permitted by applicable laws, rules, regulations and relevant regulatory rules and the interests of the listed companies and the legitimate interests of majority investors, especially minority investors, are under protection.
2. The company and other companies under its control promise that they will strictly follow laws, rules, regulations and relevant regulatory and administrative rules and will not seek improper advantages by utilizing the position of controlling shareholders or damage the legitimate interests of other shareholders of the listed company.
3. If the listed company incurred loss for the company's failure to fulfill such undertakings, the company shall be liable for indemnity.

The letter of undertaking shall take effect from the date of issuance and remain effective during the period when the company has control over the listed company.”

III. BRIEF INTRODUCTION OF THE GENERAL MEETING

Session of Meeting	Date	Inquiry index at designated website for which the resolutions were published	Disclosure date of the resolutions published	Resolutions
2023 Annual General Meeting	25 June 2024	www.sse.com.cn www.hkexnews.hk	26 June 2024 25 June 2024	For details, please refer to the announcement of the Company on the resolutions of the 2023 annual general meeting (Announcement No.: 2024-025)
2024 First Extraordinary General Meeting	20 December 2024	www.sse.com.cn www.hkexnews.hk	21 December 2024 20 December 2024	For details, please refer to the announcement of the Company on the resolutions of the 2024 first extraordinary general meeting, 2024 first A shareholders class meeting and 2024 first H shareholders class meeting (Announcement No.: 2024-043)
2024 First A Shareholders Class Meeting	20 December 2024	www.sse.com.cn www.hkexnews.hk	21 December 2024 20 December 2024	For details, please refer to the announcement of the Company on the resolutions of the 2024 first extraordinary general meeting, 2024 first A shareholders class meeting and 2024 first H shareholders class meeting (Announcement No.: 2024-043)
2024 First H Shareholders Class Meeting	20 December 2024	www.sse.com.cn www.hkexnews.hk	21 December 2024 20 December 2024	For details, please refer to the announcement of the Company on the resolutions of the 2024 first extraordinary general meeting, 2024 first A shareholders class meeting and 2024 first H shareholders class meeting (Announcement No.: 2024-043)

Request for convening of extraordinary general meeting by the Shareholders of Preferred Shares Whose Voting Rights have been Restored

☐ Applicable ☒ Not applicable

Information of General Meetings

☒ Applicable ☐ Not applicable

SECTION V CORPORATE GOVERNANCE

1. On 25 June 2024, the Company convened the 2023 annual general meeting, and approved 10 resolutions as follows:
 - (1) The resolution regarding the change of business scope of the Company and the amendment to the articles of association;
 - (2) The resolution regarding the report of the board of directors of the Company for 2023;
 - (3) The resolution regarding the report of the supervisory committee of the Company for 2023;
 - (4) The resolution regarding the final financial report of the Company for 2023;
 - (5) The resolution regarding the 2023 profit distribution plan and declaration of final dividend of the Company;
 - (6) The resolution regarding the appointment of the financial statement auditor for the year 2024;
 - (7) The resolution regarding the appointment of the internal control auditor for the year 2024;
 - (8) The resolution regarding the directors' 2023 annual remuneration;
 - (9) The resolution regarding the supervisors' 2023 annual remuneration;
 - (10) The resolution regarding the election of the independent non-executive directors of the fifth session of the board of directors of the Company.
2. On 20 December 2024, the Company convened the 2024 first extraordinary general meeting, and approved 5 resolutions as follows:
 - (1) The resolution regarding amendments to the Articles of Association of Qinhuangdao Port Co., Ltd.;
 - (2) The resolution regarding amendments to the Rules of Procedure of the General Meeting of Qinhuangdao Port Co., Ltd.;
 - (3) The resolution regarding the entering into of the General Services Agreement;
 - (4) The resolution regarding the entering into of the Financial Services Framework Agreement;
 - (5) The resolution regarding the election of supervisor of the fifth session of the Supervisory Committee of the Company.
3. On 20 December 2024, the Company convened the 2024 first A shareholders class meeting, and approved 2 resolutions as follows:
 - (1) The resolution regarding amendments to the Articles of Association of Qinhuangdao Port Co., Ltd.;
 - (2) The resolution regarding amendments to the Rules of Procedure of the General Meeting of Qinhuangdao Port Co., Ltd.
4. On 20 December 2024, the Company convened the 2024 first H shareholders class meeting, and approved 2 resolutions as follows:
 - (1) The resolution regarding amendments to the Articles of Association of Qinhuangdao Port Co., Ltd.;
 - (2) The resolution regarding amendments to the Rules of Procedure of the General Meeting of Qinhuangdao Port Co., Ltd.

SECTION V CORPORATE GOVERNANCE

IV. INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

√ Applicable □ Not applicable

Unit: share

Name	Position	Gender	Age	Duration of service (since)	End date of term of office	Remuneration paid (before tax)					Social insurance, housing funds and corporate annuities paid by the Company			Other monetary income (RMB'0'00)	Total remuneration before tax obtained from the Company during the Reporting Period (RMB'0'00)	Whether obtained remuneration from the connected parties of the Company
						Basic remuneration prepaid (RMB'0'00)	Prepayment for performance (RMB'0'00)	Allowance and subsidy (RMB'0'00)	Discounted difference of the previous year (RMB'0'00)	Subtotal ¹ (RMB'0'00)	Basic healthcare, unemployment, injury, maternity insurance and housing provident funds (RMB'0'00)	Retirement plan: basic pension insurance and corporate annuities (RMB'0'00)	Subtotal ² (RMB'0'00)			
ZHANG Xiaoliang	Chairman and Executive Director	Male	52	28 February 2023	27 June 2025	28.00	55.00	4.58	50.95	138.53	11.97	9.78	21.75	0	160.28	No
NIE Yuzhong	Vice Chairman, Executive Director and President	Male	56	28 February 2023 7 February 2023	27 June 2025 27 June 2025	28.00	50.00	4.60	51.09	133.69	11.06	9.78	20.84	0	154.53	No
GAO Feng	Executive Director and the Secretary to the Board	Male	54	27 April 2023	27 June 2025	22.40	40.00	4.59	35.84	102.83	9.69	9.78	19.47	0	122.30	No
LI Yingxu	Non-executive Director	Male	58	28 June 2022	27 June 2025	0	0	0	0	0	0	0	0	0	0	Yes
XIAO Xiang	Non-executive Director	Female	52	28 June 2022	27 June 2025	0	0	0	0	0	0	0	0	0	0	Yes
ZHAO Jinguang	Independent Non-executive Director	Male	61	28 June 2022	27 June 2025	10	0	0	0	10	0	0	0	0	10	No
ZHU Qingxiang	Independent Non-executive Director	Female	62	28 June 2022	27 June 2025	10	0	0	0	10	0	0	0	0	10	No
LIU Li	Independent Non-executive Director	Male	57	25 June 2024	27 June 2025	5	0	0	0	5	0	0	0	0	5	Yes
ZHOU Qing	Independent Non-executive Director	Male	56	25 June 2024	27 June 2025	5	0	0	0	5	0	0	0	0	5	Yes
ZHENG Guoqiang	Supervisor and Chairman of the Supervisory Committee	Male	55	27 April 2023	27 June 2025	0	0	0	0	0	0	0	0	0	0	Yes
WANG Huaning	Supervisor	Female	46	20 December 2024	27 June 2025	0	0	0	0	0	0	0	0	0	0	Yes
BIAN Yingzi	Supervisor	Female	54	28 June 2022	27 June 2025	0	0	0	0	0	0	0	0	0	0	Yes
LI Yufeng	Employee Representative Supervisor	Male	56	31 March 2023	27 June 2025	19.11	19.28	4.42	22.68	65.49	8.07	8.26	16.33	0	81.82	No
PEI Baowen	Employee Representative Supervisor	Male	55	31 March 2023	27 June 2025	19.11	18.74	3.76	24.86	66.47	8.22	8.35	16.57	0	83.04	No
BU Zhouqing	Chief Financial Officer	Male	55	15 March 2023	27 June 2025	22.40	39.00	4.59	36.84	102.83	10.19	9.78	19.97	0	122.80	No
SUN Jinggang	Vice President	Male	56	27 February 2024	27 June 2025	18.67	30.34	3.86	27.62	80.49	7.43	7.30	14.73	0	95.22	No
MAO Dewei	Vice President	Male	54	24 May 2024	27 June 2025	14.93	23.20	3.30	18.62	60.05	6.69	6.62	13.31	0	73.36	No
LI Sanglong	Vice President	Male	49	20 December 2024	27 June 2025	3.78	7.85	1.37	0.00	13.00	1.27	1.26	2.53	0	15.53	No
CHEN Ruihua	Independent Non-executive Director (resigned)	Male	51	28 June 2022	24 June 2024	5	0	0	0	5	0	0	0	0	5	No
XIAO Zuhe	Independent Non-executive Director (resigned)	Male	59	28 June 2022	24 June 2024	5	0	0	0	5	0	0	0	0	5	Yes
QU Ying	Supervisor (resigned)	Female	47	27 April 2023	29 October 2024	0	0	0	0	0	0	0	0	0	0	Yes
XIA Zhixin	Vice President (resigned)	Male	53	28 June 2022	26 February 2024	1.68	1.63	0.28	0.00	3.59	0.92	0.79	1.71	0	5.30	No
HU Zhaoxui	Vice President (resigned)	Male	47	15 March 2023	28 April 2024	5.03	10.10	0.84	0.00	15.97	2.11	2.37	4.48	0	20.45	No
YANG Xuejun	Vice President (resigned)	Male	55	28 June 2022	23 May 2024	6.71	10.72	1.12	0.00	18.55	3.70	3.16	6.86	0	25.41	No
DING Xiaoping	Vice President (resigned)	Male	53	29 April 2024	19 December 2024	13.07	20.97	2.02	32.42	68.48	5.68	5.73	11.41	0	79.89	No
Total						242.89	326.83	39.33	300.92	908.97	87.00	82.96	169.96	0	1,079.93	

Note: During their terms of office in 2024, the abovementioned personnel did not hold any shares of the Company.

SECTION V CORPORATE GOVERNANCE

Name	Major work experience
Directors	
ZHANG Xiaoliang	Mr. ZHANG Xiaoliang (張小強), born in March 1972, holds a bachelor's degree and a master's degree and is a senior engineer. He is currently the secretary of the Party Committee, Chairman and executive director of QHD Port. Mr. Zhang started working in August 1994 and joined the Communist Party of China in February 2004. He successively served as a technician in the mechanic plant of Jingtang Port Authority, a staff of the business division of Jingtang Port Authority and a workshop director in the mechanic plant of Jingtang Port Authority. He served as the deputy director in the mechanic plant of Jingtang Port Authority from August 2000, the deputy director of the dispatching office of Jingtang Port Authority from April 2002, the deputy director of the production and business department of Jingtang Port Co., Ltd. from March 2003, the director of the business department of Jingtang Port Co., Ltd., from May 2005, the secretary of the Party branch of the business department of Jingtang Port Co., Ltd. from March 2006, the secretary of the Party branch of the business department and logistics department of Jingtang Port Co., Ltd. from January 2007, the assistant to the general manager of Jingtang Port Co., Ltd. and the head of production department of Tangshan Port Group Co., Ltd. from February 2008, the deputy general manager of Tangshan Port Group Co., Ltd. from February 2010, the director and deputy general manager of Tangshan Port Group Co., Ltd. in May 2013, the deputy secretary of the Party Committee, director and general manager of Tangshan Port Group Co., Ltd. from June 2017, Member of the Party Committee, director and deputy general manager of Tangshan Port Group Company Limited and deputy secretary of Party Committee, director and deputy general manager of Tangshan Port Group Co., Ltd. from July 2019. He served as a member of the Party Committee, director and deputy general manager of Tangshan Port Group Company Limited and deputy secretary of the Party Committee, director, vice chairman and general manager of Tangshan Port Group Co., Ltd. in April 2021, the secretary to the Party Committee of QHD Port since January 2023 and has been serving as the secretary of the Party Committee, Chairman and executive director of QHD Port since February 2023.
NIE Yuzhong	Mr. NIE Yuzhong (聶玉中), born in January 1969, holds a bachelor's degree and a master's degree, and is a senior economist and a senior political engineer. He is currently the deputy party secretary to the Party Committee, the vice chairman, an executive Director and the president of QHD Port. Mr. Nie started his career in July 1989 and joined the Communist Party of China in June 2000. Mr. NIE has successively served as a cadre of electromechanical section of the second branch of the Qinhuangdao Port Authority, a salesperson and a dispatching director of China Ocean Shipping Agency Qinhuangdao Co., Ltd. (秦皇島外輪代理有限公司) and the manager of shipping department of China Ocean Shipping Agency Qinhuangdao Co., Ltd. He served as deputy general manager of China Ocean Shipping Agency Qinhuangdao Co., Ltd. from April 2001, and the general manager of China Ocean Shipping Agency Qinhuangdao Co., Ltd. from April 2003. Mr. NIE served as the secretary to the Party Committee of the Ninth Party Branch of Qinhuangdao Port Group Co., Ltd. from July 2005, and served as the secretary to the Party Committee and secretary of the Discipline Committee of the Ninth Party Branch of Qinhuangdao Port Group Co., Ltd. from December 2006. He also served as a manager of the Ninth Branch of QHD Port since July 2011. He served as a Supervisor and the chairman of the Supervisory Committee of QHD Port from June 2014, a member of the Party Committee of QHD Port from February 2018, a member of the Party Committee and the vice president of QHD Port from March 2018, the vice secretary of the Party Committee of QHD Port since January 2023 and has been serving as the deputy secretary of the Party Committee, the vice Chairman, an executive Director and the president of QHD Port since February 2023.
GAO Feng	Mr. GAO Feng (高峰), born in April 1970, holds a bachelor's degree. He is currently the executive Director, the deputy secretary of Party Committee, the secretary to the Board and chairman of the labor union of QHD Port. Mr. GAO started his career in August 1992, and joined the Communist Party of China (CPC) in December 1996. Mr. GAO has successively served as an assistant lecturer of CPC Qinhuangdao Municipal Committee Party School, a staff member, the deputy principal staff member, the deputy section chief and the section chief of the Comprehensive Fourth Division, the section chief of the Comprehensive Third Division of the Qinhuangdao Municipal Committee Office, the deputy county executive, a member of the County Party Committee, the director of the office, the deputy secretary of the County Party Committee of Qinglong County, the deputy secretary to the County Party Committee, the deputy county executive and the county executive of Lulong County, the director and secretary of the Party Committee of the Qinhuangdao Municipal Development and Reform Commission, the director of Qinhuangdao Municipal Administration of Grain, the deputy secretary of the Party Leadership Group of the Office of Qinhuangdao Municipal People's Government, the deputy secretary of the Party Leadership Group of the Qinhuangdao municipal government agencies, the chairman, the general manager and the secretary to the Party Committee of Qinhuangdao Tourism Holding Group Co., Ltd. He served as an assistant to the general manager of HPG in April 2019, an assistant to the general manager of HPG, the chairman and the secretary to the Party Committee of Hebei Port Group City Construction and Development Co., Ltd., curator and party branch secretary of China Port Museum, manager of Xigang Industrial Park Branch of Hebei Port Group, and the director, the chairman and the party branch secretary of Qinhuangdao Seaview Hotel Co., Ltd. in December 2021, and served as the deputy secretary of the Party Committee and the chairman of the labor union of Qinhuangdao Port Co., Ltd. in February 2023. He has been in his current positions since April 2023.
Li Yingxu	Mr. LI Yingxu (李迎旭), born in August 1967, holds a master's degree and is currently a non-executive Director of QHD Port. Mr. Li joined the Communist Party of China in June 1987 and started his career in July 1989. He successively served as the organizer of the Organization Department of Shanhaiguan Food Factory (山海關食品廠), the deputy director of the Technical Department, the deputy director of the Party Office and the deputy director of the Organization Department, the director of the Party Office, the director of the fourth branch, the deputy director of the main factory, the deputy secretary of the Party Committee, the director, and the secretary of the Party Committee. In August 2003, he was appointed as the secretary to the Party Committee of Qinhuangdao Acrylic Fiber Factory (秦皇島腈綸廠). In May 2005, he was appointed as the secretary to the Party Committee of Qinhuangdao Outlet Acrylic Fiber Co., Ltd. (秦皇島奧萊特腈綸有限公司), and in November 2014, he was appointed as the general manager, the vice chairman, and the deputy secretary to the Party Committee of Qinhuangdao State-owned Assets Operation Holdings Limited (秦皇島市國有資產經營控股有限公司). In June 2021, he was the chairman, the deputy secretary to the Party Committee and the general manager of Qinhuangdao State-owned Assets Operation Holdings Limited (秦皇島市國有資產經營控股有限公司). From January 2023 to December 2023, he was the chairman, the secretary of the Party Committee and the general manager of Qinhuangdao State-owned Assets Operation Holdings Limited (秦皇島市國有資產經營控股有限公司). Mr. Li has been serving as a non-executive Director of QHD Port since June 2022.

SECTION V CORPORATE GOVERNANCE

Name	Major work experience
XIAO Xiang	Ms. XIAO Xiang (肖湘), born in June 1973, holds a master's degree and is a senior economist, is currently a non-executive Director of QHD Port and a deputy general manager of Hebei Jiantou Transportation Investment Co., Ltd. (河北建投交通投資有限責任公司), Ms. Xiao was the project manager of the Foreign Investment Department of Hebei Construction & Investment Corporation in June 1995 and the project manager of the Transportation Division of Hebei Construction & Investment Corporation in April 2000. In April 2006, she was the assistant manager of the Transportation Division of Hebei Construction & Investment Corporation. She served as the manager of the port branch of Hebei Jiantou Transportation Investment Co., Ltd. in June 2007, the manager of port branch of Hebei Jiantou Transportation Investment Co., Ltd. and the assistant to the general manager of Hebei Jiantou Transportation Investment Co., Ltd. in May 2008. She was the deputy general manager of Hebei Jiantou Electric Fuel Management Co., Ltd. in February 2014 and has been the deputy general manager of Hebei Jiantou Transportation Investment Co., Ltd. since July 2015. Ms. Xiao has been serving as a non-executive Director of QHD Port since June 2018.
ZHAO Jinguang	Mr. ZHAO Jinguang (趙金廣), born in April 1964, holds a doctoral degree. He is currently an independent non-executive Director of QHD Port, a professor and a master tutor of the College of International Cultural Exchange of Hebei Normal University, and a doctoral tutor of the Krirk University in Thailand. Mr. Zhao started his career in July 1987. In August 1991, he served as the head of the Ideological Education Section and the director of the Moral Education and Research Section of the Student Office of Hebei Normal University. In September 1995, he was appointed as the deputy secretary to the Youth League Committee of Hebei Normal University. In December 1996, he was appointed as the deputy director of the Foreign Affairs Office of Hebei Normal University. In May 2000, he was appointed as the deputy dean of the College of International Cultural Exchange of Hebei Normal University, and as the secretary and the dean of the College of International Cultural Exchange of Hebei Normal University in October 2007. Since November 2018, he has been a professor and a master tutor of Hebei Normal University, and since January 2020, he has been a doctoral tutor of the Krirk University in Thailand. Mr. Zhao has published many academic papers in "Contemporary World and Socialism", "Hebei Academic Journal", etc., and presided over a number of projects of the Education Department, the Department of Science and Technology, and the Office for Philosophy and Social Science of Hebei Province. Mr. Zhao is a member of the 12th and 13th Shijiazhuang Municipal Chinese People's Political Consultative Conference, an executive director of the Western Returned Scholars Association of Hebei Province (河北省歐美同學會), a director of the Hebei Overseas Friendship Association (河北省海外聯誼會), and the vice president of the Hebei Cultural Exchange Society (河北省文化交流學會). Mr. Zhao has been serving as an independent non-executive Director of QHD Port since June 2022.
ZHU Qingxiang	Ms. ZHU Qingxiang (朱清香), born in July 1962, holds a master's degree. She is currently an independent non-executive Director of QHD. Ms. Zhu worked in the Propaganda Department of the Party Committee of Northeast Heavy Machinery College (東北重型機械學院) from July 1984 to September 1985. From September 1985 to April 1996, she worked in Yanshan University as a student counselor, the secretary to the general branch of the Communist Youth League, and the secretary to the Party Branch. From April 1996 to February 1998, she taught in the department of metallurgical smelting of the School of Mechanical Engineering of Yanshan University. From February 1998 to January 2015, she was employed as the associate professor, a professor and a master tutor in the Accounting Department of the School of Economics and Management of Yanshan University. From June to December 2006, she took a high-level visit and cooperative research at the University of Salford in the UK. From January 2015 to July 2022, she has been a professor and a master tutor of the Accounting Department of the School of Economics and Management of Hebei University of Technology, and retired from August 2022. Ms. Zhao has been serving as an independent non-executive Director of QHD Port since June 2022.
LIU Li	Mr. LIU Li, born in February 1968, holds a PhD degree and is currently the independent non-executive Director of QHD Port. Mr. Liu started working in June 1997, and has successively served as the research assistant of Institute of Finance and Trade Economics of Chinese Academy of Social Sciences; the associate researcher of the Department of Economics of the Party School of the Central Committee of the CPC; the division director of the General Affairs Division of the General Affairs Department of the Ministry of Commerce of the PRC; the division director of the Policies and Regulations Division of the Strategic Reserves Bureau of the NDRC of the PRC; the deputy director and the director of the Chongqing Government Research Office; the deputy director of the China Food Research and Training Center of the NDRC; the deputy director of the Information Office of the Research Office of the State Council; the executive deputy general manager of China Yan Shi Press* (中國言實出版社) under the auspices of the Research Office of the State Council; and the vice president of Simcere Pharmaceutical Co., Ltd. He was appointed as a strategic advisor of Simcere Pharmaceutical Co., Ltd. in March 2024, and has served as the independent non-executive Director of QHD Port since June 2024.
ZHOU Qing	Mr. ZHOU Qing, born in September 1969, holds a university degree and is a senior engineer. He is currently the independent non-executive Director of QHD Port. Mr. ZHOU started working in July 1993, and has successively served as the deputy general manager of China General Consulting & Investment Co., Ltd.; the president of Beijing Shenxing Investment Management Co., Ltd.* (北京深行投資管理有限責任公司); and the general manager of China Railway Mintong (Beijing) Investment Co., Ltd.* (中鐵民通(北京)投資有限公司). He has been serving as a senior partner of Beijing Shengyong Jiahua Investment Management Consulting Co., Ltd.* (北京盛永嘉華投資管理顧問有限公司) since September 2021 and the director of Guohe Xinli (Beijing) Fund Management Consulting Co., Ltd.* (國合新力(北京)基金管理有限公司) since June 2022. He has served as the independent non-executive Director of QHD Port since June 2024.

SECTION V CORPORATE GOVERNANCE

Name	Major work experience
Supervisors	
ZHENG Guoqiang	Mr. ZHENG Guoqiang (鄭國強), born in March 1970, holds a bachelor's degree and is a senior political engineer. He is currently a supervisor and the chairman of the Supervisory Committee of QHD Port and the deputy secretary to the Disciplinary Committee of HPG. Mr. ZHENG started working in December 1989 and joined the CPC in July 1997. He has successively served as a cadre of the Discipline Inspection and Supervision Section of the Second Branch of Qinhuangdao Port Group, the section-level discipline supervisor of the Disciplinary Committee and Supervision Division of Qinhuangdao Port Group, the section-level discipline supervisor of the Disciplinary Committee, the division chief of the Supervision Division and the deputy director of the Supervision Department of Qinhuangdao Port Co., Ltd. He served as the director of the Trial Office of the Disciplinary Committee of HPG in January 2015, a director of the Discipline Inspection and Supervision Office of HPG and QHD Port in March 2016, the deputy secretary of the Disciplinary Committee and the director of the Inspection and Investigation Office (Concurrently) of HPG and QHD Port in October 2016, and the deputy secretary of the Disciplinary Committee of HPG and QHD Port in March 2022. He has been the deputy secretary of the Disciplinary Committee of HPG since November 2022. He served as a supervisor and the chairman of the Supervisory Committee of QHD Port and the deputy secretary of the Disciplinary Committee of HPG in April 2023.
WANG Huaning	Ms. WANG Huaning, born in December 1978, holds a postgraduate degree and is a senior economist. She is currently the Supervisor of QHD Port, head of the Discipline Inspection Group of the Disciplinary Committee and the chairwoman of the supervisory committee assigned by Hebei Port. Ms. WANG started working in July 2000 and joined the Communist Party of China (CPC) in November 1999. She has successively served as a cadre of the production service team of the Second Branch of QHD Port Group, an office clerk of QHD Port Group, a clerk of the Clerical Section and the deputy director (deputy section level) of the Clerical and Confidential Division of the office of Hebei Port, the director of the Clerical (Confidential) Section of the office of Hebei Port, and the director of the Clerical and Confidential Section of the office of Hebei Port. She was appointed as the head of the Discipline Inspection Group of the Disciplinary Committee and the chairwoman of the supervisory committee assigned by Hebei Port since December 2021. She has served as the Supervisor of QHD Port, the head of the Discipline Inspection Group of the Disciplinary Committee and the chairwoman of the supervisory committee assigned by Hebei Port since December 2024.
BIAN Yingzi	Madam BIAN Yingzi (卞英姿), born in November 1971, holds a bachelor's degree, a senior accountant, and a certified public accountant, is currently a supervisor of QHD Port, and a director and the general manager of Qinhuangdao State-owned Assets Management Holdings Limited (秦皇島市國有資產經營控股有限公司). From July 1994 to June 2002, Ms. Bian served as a staff member of the Project Preparation Office, Account Division and Capital Division, and the manager assistant of China Yaohua Glass Group Finance Co., Ltd. (中國耀華玻璃集團財務有限公司), and served as the deputy general manager and the leading deputy general manager there from June 2002 to April 2005. In April 2005, she served as the general manager of China Yaohua Glass Group Finance Co., Ltd. (中國耀華玻璃集團財務有限公司), and in August 2007, served as the general manager of the Financial Settlement Center of China Yaohua Glass Group Co., Ltd. (中國耀華玻璃集團有限公司). In September 2009, she served as the vice minister of the Finance Department of China Yaohua Glass Group Co., Ltd. (中國耀華玻璃集團有限公司) and the general manager of the Financial Settlement Center thereof, and in July 2011 the vice minister of the Finance Department thereof. She served as the minister of the Finance Department of China Yaohua Glass Group Co., Ltd. (中國耀華玻璃集團有限公司) in April 2013. She served as a member of the Party Committee, the director, and the CFO of Qinhuangdao State-owned Assets Management Holdings Co., Ltd. (秦皇島市國有資產經營控股有限公司) in December 2015, and served as a member of the Party Committee, the director, and the deputy general manager of Qinhuangdao State-owned Assets Management Holdings Limited (秦皇島市國有資產經營控股有限公司) in June 2021. Since January 2024, she has been serving as a member of the Party Committee, the director, and the general manager of Qinhuangdao State-owned Assets Management Holdings Co., Ltd. (秦皇島市國有資產經營控股有限公司). Ms. Bian has been serving as a Supervisor of the Company since June 2018.

SECTION V CORPORATE GOVERNANCE

Name	Major work experience
LI Yufeng	Mr. Li Yufeng, born in November 1968. He holds a bachelor's degree and is a senior political engineer. He currently serves as an Employee Representative Supervisor, and the head of the Party Committee Work Department, the Publicity Office and the People's Armed Forces Department, and the executive vice chairman of the labor union of QHD Port. He started working in July 1990 and joined the Communist Party of China in April 1990. He served as a probationer of the supplies division, the cadre of the Party Committee organization department (cadre division) and the deputy chief of the cadre allocation section of the Qinhuangdao Port Authority, and the chief of the cadre allocation section of the Party Committee organization department (cadre division) of Qinhuangdao Port Group; the deputy director and the deputy division chief of the cadre division of the Party Committee organization department of Qinhuangdao Port Group in July 2005; the deputy director of the Party Committee organization department of Qinhuangdao Port Group in March 2007; the deputy director of the Party Committee organization department and the deputy director of the human resources department of QHD Port in April 2008; the secretary to the Party Committee of the mobile machinery branch of QHD Port in July 2011; the party secretary and the discipline secretary of the mobile machinery branch of QHD Port in August 2011; the party secretary, the discipline secretary and the deputy manager of the mobile machinery branch of QHD Port in June 2014; the party secretary and the deputy manager of the mobile machinery branch of QHD Port in October 2016; the party secretary, the deputy manager, the chairman of the labor union of the mobile machinery branch of QHD Port in January 2017; the manager and the deputy party secretary of the communications and information engineering branch and the manager of the measurement and testing branch of HPG, and the director and the chairman of Qinhuangdao Port Gangli Elevator Co., Ltd. (秦皇島港港立電梯有限公司) in March 2018; the manager and the deputy secretary to the Party Committee of the communications and information engineering branch and the manager of the measurement and testing branch of HPG, and the director, the chairman and the secretary to the Party branch of Qinhuangdao Port Gangli Elevator Co., Ltd. in August 2018; the secretary to the Party Committee, the deputy manager and the chairman of the labor union of the communications and information engineering branch and the manager of the measurement and testing branch of HPG in August 2019; the secretary to the Party Committee, the deputy manager, and the chairman of the labor union of the communications and information engineering branch of HPG, and the secretary to the Party Committee, the deputy manager and the chairman of the labor union of the water heating supply branch and the manager of the measurement and testing branch of HPG in October 2020; a full-time director of Qinhuangdao Fangyu Property Services Management Co., Ltd. (秦皇島方宇物業服務有限公司) in April 2021; and a full-time director of Qinhuangdao Fangyu Property Services Management Co., Ltd. and Hebei Port Group City Construction and Development Co., Ltd. in January 2022. He served as the head of the Working Department of the Party Committee, the Publicity Office and the People's Armed Forces Department of QHD Port, and the executive vice chairman of the labor union of QHD Port in November 2022. He has been an Employee Representative Supervisor, and the head of the Working Department of the Party Committee, the Publicity Office and the People's Armed Forces Department, and the executive vice chairman of the labor union of QHD Port since March 2023.
PEI Baowen	Mr. Pei Baowen, born in November 1969. He holds a bachelor's degree and is an accountant. He currently serves as an Employee Representative Supervisor and the head of the audit department of QHD Port. He started working in October 1990 and joined the Communist Party of China in July 2008. He served as a cadre of the industrial section of Qinhuangdao Statistics Bureau, a cadre of the audit department of the Qinhuangdao Port Authority, a cadre of the audit department, the deputy chief and the chief of the finance audit section of Qinhuangdao Port Group, and the head of the finance department of Cangzhou Bohai Port Co., Ltd (滄州渤海港務有限公司); the director and the deputy general manager of Cangzhou Huanghuagang Steel Logistics Co., Ltd. (滄州黃驊港鋼鐵物流有限公司) in May 2012; the deputy general manager of Cangzhou Huanghuagang Mineral Port Co., Ltd. (滄州黃驊港礦石港務有限公司) in November 2013; the deputy general manager of Cangzhou Huanghuagang Mineral Port Co., Ltd. and the deputy general manager of Cangzhou Bohai Port Co., Ltd in January 2017; and the deputy general manager of Cangzhou Huanghuagang Mineral Port Co., Ltd. in March 2021. He served as the head of the audit department of QHD Port in November 2022. He has been an Employee Representative Supervisor and the head of the audit department of QHD Port since March 2023.

SECTION V CORPORATE GOVERNANCE

Name	Major work experience
Senior Management	
BU Zhouqing	Mr. BU Zhouqing (卜周慶), born in October 1969, holds a bachelor's degree and is a senior accountant. He is currently the chief financial officer of QHD Port. Mr. Bu has started working in July 1992 and joined the CPC in May 1999. He served as a cadre of the Finance Department of the Qinhuangdao Port Authority, a deputy section chief and the section chief of the infrastructure section of the Finance Department, and the chief of the accounting section of the Finance Department. He served as the deputy director of the Finance Department of QHD Port Group since December 2008, the director of the Finance Department of Hebei Port Group Service Management Co., Ltd. (河北港口集團服務管理公司) and the deputy director of the Finance Department of QHD Port Group since January 2010, the deputy director of the Finance Department of HPG, the director of the Finance Department of Hebei Port Group Service Management Co., Ltd., and the deputy director of the Finance Department of QPG since May 2010. In July 2011, Mr. Bu served as the director of the Finance Department of QHD Port, and has served as the director of the Finance Department of HPG since June 2014. He has served as the assistant to general manager of Hebei Port Group and the chief of the finance department of Hebei Port Group since November 2020. From June 2021 to February 2023, Mr. BU served as the assistant to the general manager of Hebei Port Group and the chief auditor of Hebei Port Group. He served as a Supervisor of QHD Port from June 2015 to March 2023, and has been serving as the chief financial officer of QHD Port since March 2023.
SUN Jinggang	Mr. SUN Jinggang, born in August 1968, holds a university degree and is a senior engineer. He is currently the vice president of QHD Port. Mr. Sun started working in July 1990 and joined the Communist Party of China in November 1999. He has successively served as an equipment technician of the operation office of the Tangshan Port Construction Headquarters (唐山市港口建設指揮部運辦); a technician of the machinery department, the head of the material section of the production dispatch department and a technician of the electromechanical department of Jingtang Port Authority (京唐港務局); and a technician, the gantry crane team leader, the head of technical section and the deputy general manager of Second Stevedoring Company. He served as the deputy general manager of the Stevedoring Subsidiary of Jingtang Port Co., Ltd.* (京唐港股份有限公司); the deputy general manager, a secretary of the Party Branch and the general manager of the Second Stevedoring Company of Tanggang Co., Ltd.; and a deputy secretary of the Party Branch and the general manager of Tangshan Haigang Jingtang Port Professional Coal Terminal Co., Ltd.* (唐山海港京唐港專業煤炭碼頭有限公司). He was appointed as an assistant to the general manager of Tanggang Co., Ltd. and a deputy secretary of the Party Branch, an executive officer and the general manager of Tangshan Haigang Jingtang Port Professional Coal Terminal Co., Ltd.* (唐山海港京唐港專業煤炭碼頭有限公司) in September 2018. He was appointed as an assistant to the general manager and a secretary of the Party Branch and the director of the operation support department of Tanggang Co., Ltd. in December 2019. He was appointed as an assistant to the general manager and the director of the technology information department of Tanggang Co., Ltd. in July 2020. He was appointed as an assistant to the general manager and the director of the technology information department of Tanggang Co., Ltd. and an executive Director of Hong Kong Aircraft and Marine Engineering Co. Ltd.* (港機船舶維修有限公司) in December 2020. He was appointed as an assistant to the general manager of Tanggang Co., Ltd., an executive officer of Hong Kong Aircraft and Marine Engineering Co. Ltd. of Tangshan Port Group, an executive officer of Tangshan Port Group Information Technology Co. Ltd.* (唐山港集團信息技術有限公司), an executive officer of Tangshan Gangxin Technology Development Co., Ltd.* (唐山港信科技發展有限公司) and a director and the chairman of Jingtang Port Shougang Terminal Co., Ltd.* (京唐港首鋼碼頭有限公司) in July 2021. He was appointed as the deputy general manager and chief safety controller of Tangshan Port Group Co., Ltd. from February 2023 to February 2024. He has served as the vice president of QHD Port since February 2024.
MAO Dewei	Mr. MAO Dewei, born in August 1970, holds a university degree and a master's degree and is a professorate senior engineer. He is currently the vice president and chief safety controller of QHD Port, and a director, the chairman and a secretary of the Party Branch of Tangshan Caofeidian Jitong Port Co., Ltd.* (唐山曹妃甸冀同港口有限公司). Mr. MAO started working in July 1992 and joined the Communist Party of China in August 1997. He has successively served as a cadre, the deputy division manager and the chief officer of the project section at the construction instruction department of Qinhuangdao (秦皇島建港指揮部) as well as a cadre of the human resources department of QHD Port. He was appointed as the deputy general manager of Tangshan Caofeidian Coal Port in August 2011, the deputy general manager of Tangshan Caofeidian Coal Port and the deputy director of the construction department of HPG in June 2014, and the deputy general manager of Tangshan Caofeidian Coal Port in March 2016. He was appointed as the general manager of Cangzhou Huanghua Port Coal Bulk Cargo Port Co., Ltd.* (滄州黃驊港煤炭(散貨)港務有限公司) and the deputy general manager of Tangshan Caofeidian Coal Port Co., Ltd.* (唐山曹妃甸煤炭港務有限公司) in July 2017. He was appointed as a director and the chairman of Tangshan Caofeidian Jigang Coal Port Co., Ltd. (唐山曹妃甸冀港煤炭港務有限公司) and the deputy general manager of Tangshan Caofeidian Coal Port in September 2018. He was appointed as a director, the chairman and the general manager of Tangshan Caofeidian Jitong Port Co., Ltd., a director and the chairman of Tangshan Caofeidian Jigang Coal Port Co., Ltd., and the deputy general manager of Tangshan Caofeidian Coal Port in April 2019. He was appointed as the chairman and secretary of the Party Committee of Tangshan Caofeidian Coal Port and the chairman of Tangshan Caofeidian Jitong Port Co., Ltd. in November 2020. He has served as the vice president and chief safety controller of QHD Port and a director, the chairman and a secretary of the Party Branch of Tangshan Caofeidian Jitong Port Co., Ltd. since May 2024.
LI Sanglong	Mr. LI Sanglong, born in February 1976, holds a university degree and is a senior engineer. He is currently the vice president of QHD Port, the secretary of the Party Committee, a director and the chairman of Cangzhou Huanghuagang Mineral Port, and a secretary of the Party Branch, a director and the chairman of Cangzhou Huanghua Port Bulk Cargo Port Co., Ltd. (滄州黃驊港散貨港務有限公司). Mr. LI started working in July 1996 and joined the Communist Party of China in May 2006. He has successively served as a technician of the wagon discharge department of Qinhuangdao Port Authority Seventh Company* (秦皇島港務局七公司), a clerical worker of Communist Youth League Committee of Qinhuangdao Port Authority (秦皇島港務局), a technician of the technical equipment section of the mobile machinery company, the technical deputy head of the first machinery team, a secretary of the Party Branch, a secretary of the Party Branch and the head of the fifth machinery team, the section chief of the plant engineering section, the section chief of the material and supply section, the secretary of the first Party Branch, the deputy general manager, the secretary of the Party Committee, the general manager, an associate to the president of QHD Port and the director of the innovation and entrepreneurship office. He has served as the vice president of QHD Port, the secretary of the Party Committee, a director and the chairman of Cangzhou Huanghuagang Mineral Port, and a secretary of the Party Branch, a director and the chairman of Cangzhou Huanghua Port Bulk Cargo Port Co., Ltd. since December 2024.

SECTION V CORPORATE GOVERNANCE

Other descriptions

✓ Applicable ☐ Not applicable

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

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

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

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

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

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

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

On 25 June 2024, the resolution on the election of the independent non-executive Director of the fifth session of the Board of the Company was considered and passed on the 2023 annual general meeting of the Company, the Board elected Mr. LIU Li and Mr. ZHOU Qing as the independent non-executive Director of the fifth session of the Board of the Company. Mr. LIU Li and Mr. ZHOU Qing have confirmed that they understand their responsibilities as Directors of a listed company, and obtained the legal advice as described in Rule 3.09D of the Hong Kong Listing Rules on 25 June 2024.

In December 2024, Mr. DING Xiaoping resigned from his position as a vice president of the Company due to the change of his work.

On 20 December 2024, the resolution on the appointment of Mr. LI Sanglong as the vice president of the Company was considered and passed at the 26th meeting of the fifth session of the Board of the Company, and it was agreed to appoint Mr. LI Sanglong as the vice president of the Company.

In October 2024, Ms. QU Ying resigned from her position as a supervisor of the Company due to the change of her work.

On 20 December 2024, the resolution on the election of supervisor of the fifth session of the Supervisory Committee of the Company was considered and passed on the 2024 first extraordinary general meeting of the Company, the Board elected Ms. WANG Huaning as a supervisor of the fifth session of the Supervisory Committee of the Company.

SECTION V CORPORATE GOVERNANCE

(II) PARTICULARS OF EMPLOYMENT OF CURRENT AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

1. Positions held in the shareholding companies

√ Applicable □ Not applicable

Name of employee	Name of shareholding companies	Positions held in the shareholding companies	Start of the term of office	Expiration of the term of office
XIAO Xiang	Hebei Jiantou Transportation Investment Co., Ltd.* (河北建投交通投資有限責任公司)	Deputy general manager	July 2015	
ZHENG Guoqiang	Hebei Port Group Co., Ltd.	Deputy secretary of the Disciplinary Committee	October 2016	
WANG Huaning	Hebei Port Group Co., Ltd.	Head of the Residential Group for Discipline Inspection and the assigned chairwoman of the supervisory committee	December 2021	
Description of positions held in the shareholding companies				

2. Positions held in other companies

√ Applicable □ Not applicable

Name of employee	Name of other companies	Positions held in the other companies	Start of the term of office	Expiration of the term of office
ZHANG Xiaoqiang	Jinneng Holding Shanxi Coal Industry Co. Ltd.	Director	April 2023	
LI Yingxu	Qinhuangdao State-owned Real Estate Development Co., Ltd.* (秦皇島市國有房地產開發有限公司)	Director	January 2024	
	Qinhuangdao Water Supply Co., Ltd.* (秦皇島市自來水有限公司)	Director	January 2024	
	Qinhuangdao Port Industrial Development Group Co., Ltd.* (秦皇島市臨港產業發展集團有限公司)	Director	January 2024	
XIAO Xiang	Tangshan Port Group Co., Ltd. (唐山港集團股份有限公司)	Supervisor	March 2008	
	Tianjin Qinhuangdao Passenger Dedicated Railway Co., Ltd. (津秦鐵路客運專線有限公司)	Supervisor	August 2018	
	China Energy Huanghua Harbour Administration Co., Ltd. (國能黃驊港務有限責任公司)	Supervisor	May 2017	
	Tianjin Xingcheng Intercity Railway Co., Ltd.* (津興城際鐵路有限公司)	Supervisor	December 2024	
	Hebei Transportation Investment Beijing-Zhangjiakou Expressway Co., Ltd. (河北交投京張高速公路有限責任公司)	Director	March 2018	
	Beijing Shijiazhuang Railway Passenger Dedicated Line Co., Ltd.* (京石鐵路客運專線有限公司)	Director	April 2023	
	Shiji Railway Passenger Dedicated Line Co., Ltd.* (石濟鐵路客運專線有限公司)	Director	April 2023	
	Shijiazhuang-Taiyuan Passenger Railway Co., Ltd.	Director	April 2023	

SECTION V CORPORATE GOVERNANCE

Name of employee	Name of other companies	Positions held in the other companies	Start of the term of office	Expiration of the term of office
ZHAO Jinguang	Hebei Normal University	Professor	December 2012	
ZHU Qingxiang	Hebei Construction & Investment Group Co., Ltd.	Director	December 2021	
LIU Li	Haikou Zhongshikang Equity Investment Center (Limited Partnership)* (海口眾事康股權投資中心(有限合夥))	Executive Partner	June 2024	
	Wuhan Qirui Technology Development Co., Ltd.	Senior Vice President	December 2024	
ZHOU Qing	Beijing Shengyong Jiahua Investment Management Consulting Co., Ltd.* (北京盛永嘉 華投資管理顧問有限公司)	Senior Partner	September 2021	
	Guohe Xinli (Beijing) Fund Management Consulting Co., Ltd.* (國合新力(北京)基金管理有限公司)	Director	June 2022	
	Yidus Information Technology (Xiamen) Co., Ltd.* (意度思信息科技(廈門)有限公司)	Director	January 2017	
	Beijing Guangchuan Shihang Technology Consulting Co., Ltd.* (北京廣川世行科技諮詢有限公司)	Executive Director	June 2017	
	Xi'an Changqing Tongxin Petroleum Technology Co., Ltd.	Director	August 2022	
BIAN Yingzi	Qinhuangdao State-owned Assets Management Holdings Limited* (秦皇島市國有資產經營控股有限公司)	Director	December 2015	
		General Manager	January 2024	
	Qinhuangdao Yaohua Industrial Technology Co., Ltd.* (秦皇島耀華工業技術玻璃有限公司)	Director	July 2018	
	Qinhuangdao Qinshan Port Co., Ltd.* (秦皇島秦山港務有限責任公司)	Director and Vice Chairman	June 2019	
	Qinhuangdao Industrial State-owned Assets Management Co., Ltd. (秦皇島市工業國有資產經營有限公司)	Supervisor	November 2019	
	Qinhuangdao Commerce and Trade State-owned Assets Investment and Operation Limited (秦皇島市商貿國有資產投資經營有限公司)	Supervisor	November 2019	
PEI Baowen	Qinhuangdao Chemical Industry Group Co. Ltd.* (秦皇島市化工集團有限公司)	Director	July 2016	
	SDIC Caofeidian Port Co., Ltd. (國投曹妃甸港口有限公司)	Supervisor	February 2023	
BU Zhouqing	Bohai Jin-Ji Port Investment and Development Company Limited (渤海津冀港口投資發展有限公司)	Supervisor	April 2024	
	Bank of Qinhuangdao Co., Ltd. (秦皇島銀行股份有限公司)	Director	May 2015	
	HPG (Tianjin) Investment Management Co., Ltd.	Director	March 2018	
	Chizhou CMS Zhong An Equity Investment Management Co., Ltd.	Supervisor and Chairman of the Supervisory Committee	October 2015	
	Hebei Port Group Finance Company Limited (河北港口集團財務有限公司)	Director and Vice Chairman	February 2023	
SUN Jinggang	China National Coal Exchange Co., Ltd. (全國煤炭交易中心有限公司)	Supervisor	January 2024	
	Hebei Port Group Shulian Technology (Xiong'an) Co., Ltd. (河北港口集團數聯科技(雄安)有限公司)	Director	October 2023	
MAO Dewei	Zhejiang Zheneng Power Co., Ltd. (浙江浙能電力股份有限公司)	Supervisor	April 2024	
Description of positions held in other companies				

SECTION V CORPORATE GOVERNANCE

(III) REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

√ Applicable ☐ Not applicable

Decision-making procedures on the remuneration of the Directors, supervisors and senior management	The remuneration of Directors and Supervisors shall be reported to the general meeting for approval after being considered by the remuneration and appraisal committee of the Board and the Board, and the remuneration of the senior management shall be reported to the Board for approval after being considered by the remuneration and appraisal committee
Whether a director abstains from the Board's discussion on his remuneration	Yes
Details of the recommendations issued by the remuneration and appraisal committee or the special meeting of independent Directors on matters relating to the remuneration of Directors, supervisors and senior management	At the first meeting of the Remuneration and Appraisal Committee of the fifth session of the Board for 2024 held on 28 March 2024, the resolution regarding the Director's 2023 annual remuneration, the resolution regarding the supervisor's 2023 annual remuneration and the resolution regarding the senior management's 2023 annual remuneration were considered and passed.
The basis for determining the remuneration of the Directors, supervisors and senior management	For the Directors, supervisors, and senior management who receive remunerations from the Company, the Company determines their remunerations with reference to the responsibilities, risk and results of operation of their positions. The Company's independent Directors receive an annual remuneration amounted to RMB100,000 (inclusive of tax).
Actual payment of remuneration of the Directors, supervisors and senior management	Please refer to "IV. (I) Particulars of changes in shareholding and remuneration of current and resigned Directors, supervisors and senior management during the Reporting Period" of this section
Total remuneration actually obtained by the Directors, supervisors and senior management at the end of the Reporting Period	Please refer to "IV. (I) Particulars of changes in shareholding and remuneration of current and resigned Directors, supervisors and senior management during the Reporting Period" of this section

(IV) CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF QHD PORT

√ Applicable ☐ Not applicable

Name	Position	Change	Reason for change
XIA Zhixin	Vice President	resigned	Change of the work
SUN Jinggang	Vice President	appointed	Appointment by the Board
HU Zhaohui	Vice President	resigned	Change of the work
DING Xiaoping	Vice President	appointed	Appointment by the Board
YANG Xuejun	Vice President	resigned	Change of the work
MAO Dewei	Vice President	appointed	Appointment by the Board
DING Xiaoping	Vice President	resigned	Change of the work
LI Sanglong	Vice President	appointed	Appointment by the Board
CHEN Ruihua	Independent Non-executive Director	resigned	Expiration of term of office
XIAO Zuhe	Independent Non-executive Director	resigned	Expiration of term of office
LIU Li	Independent Non-executive Director	elected	Election at the general meeting
ZHOU Qing	Independent Non-executive Director	elected	Election at the general meeting

SECTION V CORPORATE GOVERNANCE

(V) PARTICULARS OF PENALTIES IMPOSED BY SECURITIES REGULATORY AUTHORITIES IN RECENT THREE YEARS

☐ Applicable ☒ Not applicable

(VI) OTHERS

☐ Applicable ☒ Not applicable

V. PARTICULARS OF THE BOARD MEETING DURING THE REPORTING PERIOD

Session of Meeting	Date	Resolutions of the Meeting
17th meeting of the fifth session	27 February 2024	For details, please see the announcement of the Company on the resolutions of the 17th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-002)
18th meeting of the fifth session	28 March 2024	For details, please see the announcement of the Company on the resolutions of the 18th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-005)
19th meeting of the fifth session	16 April 2024	For details, please see the announcement of the Company on the resolutions of the 19th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-011)
20th meeting of the fifth session	29 April 2024	For details, please see the announcement of the Company on the resolutions of the 20th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-015)
21st meeting of the fifth session	24 May 2024	For details, please see the announcement of the Company on the resolutions of the 21st Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-020)
22nd meeting of the fifth session	19 June 2024	For details, please see the announcement of the Company on the resolutions of the 22nd Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-024)
23rd meeting of the fifth session	25 June 2024	For details, please see the announcement of the Company on the resolutions of the 23rd Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-026)
24th meeting of the fifth session	29 August 2024	For details, please see the announcement of the Company on the resolutions of the 24th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-030)
25th meeting of the fifth session	29 October 2024	For details, please see the announcement of the Company on the resolutions of the 25th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-035)
26th meeting of the fifth session	20 December 2024	For details, please see the announcement of the Company on the resolutions of the 26th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-044)
27th meeting of the fifth session	30 December 2024	For details, please see the announcement of the Company on the resolutions of the 27th Meeting of the Fifth Session of the Board Meeting (Announcement No.: 2024-047)

SECTION V CORPORATE GOVERNANCE

VI. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Directors' attendance at the Board meetings and General Meetings

Name of directors	Independent director or not	Attendance at the Board meetings						Attendance at the General Meetings
		Required attendance for the year	Attendance in person	Attendance by communication	Attendance by proxy	Absence	Two consecutive absences from the Board meeting	Number of attendance
Zhang Xiaoqiang	No	11	10	5	1	0	No	1
Nie Yuzhong	No	11	11	5	0	0	No	4
GAO Feng	No	11	11	5	0	0	No	4
LI Yingxu	No	11	11	8	0	0	No	4
Xiao Xiang	No	11	11	11	0	0	No	4
ZHAO Jinguang	Yes	11	11	8	0	0	No	4
ZHU Qingxiang	Yes	11	11	9	0	0	No	4
LIU Li	Yes	5	5	4	0	0	No	3
ZHOU Qing	Yes	5	5	4	0	0	No	3
CHEN Ruihua (resigned)	Yes	6	6	6	0	0	No	1
XIAO Zuhe (resigned)	Yes	6	6	6	0	0	No	1

Notes on the two consecutive absences from the Board meeting

☐ Applicable ☒ Not applicable

Number of the Board meetings within the year	11
Among which: Number of meetings held on site	0
Number of meetings held by communication	5
Number of meetings held on site in combination with communication	6

(II) Directors' objection to any matters related to the Company

☐ Applicable ☒ Not applicable

(III) Others

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE

VII. THE SPECIAL COMMITTEES UNDER THE BOARD

√ Applicable ☐ Not applicable

(I) The Members of Special Committees under the Board

Classification of special committees	Name of members
Audit committee	ZHU Qingxiang (chairperson), LI Yingxu and ZHOU Qing
Nomination committee	LIU Li (chairperson), XIAO Xiang and ZHU Qingxiang
Remuneration and appraisal committee	ZHAO Jinguang (chairperson), ZHU Qingxiang and ZHOU Qing
Strategy committee	ZHANG Xiaoqiang (chairperson), NIE Yuzhong, LI Yingxu, ZHAO Jinguang and LIU li
Compliance management committee	NIE Yuzhong (chairperson), GAO Feng and ZHAO Jinguang
Risk management committee	ZHOU Qing (chairperson), NIE Yuzhong, GAO Feng, XIAO Xiang and LIU li

Responsibilities of special committees

The audit committee: to make recommendations on the appointment, re-appointment and removal of the external auditors; to review and monitor the independence and objectiveness of the external auditors and the effectiveness of the audit procedure in accordance with applicable standards; to review the preparation and disclosure of financial information of the Company; to oversee the financial reporting system and internal control procedure of the Company; and to enhance the communication between internal auditors and external auditors.

The nomination committee: to review the selection requirements and procedures, structure, number and composition (including skill, knowledge and experience) of Directors and senior management annually and make suggestions related to any proposed changes to the Directors and senior management based on the strategy of the Company; to identify and select qualified candidates to be nominated as Directors and senior management or make recommendations to the Board; and to make recommendations to the Board on the appointment or re-appointment of and the succession planning for Directors and senior management.

The remuneration and appraisal committee: to evaluate the remuneration package and policies of all Directors and senior management of the Company and to make recommendation to the Board on the proper and transparent procedures for the formulation of remuneration policies; to study the remuneration (including non-monetary benefits, pension and compensation) policies and package of Directors, Supervisors and senior management and the procedures for the formulation of remuneration policies and to make recommendation to the Board. The formulation of remuneration policies shall be proper and transparent; to make recommendation to the Board on the remuneration of the non-executive Directors; to review and approve compensation arrangements for dismissal or removal of Directors due to misconduct and to ensure they are in compliance with contractual terms and are otherwise reasonable and appropriate; and to monitor the implementation of remuneration policies of the Directors, Supervisors and senior management of the Company.

The strategy committee: to research and recommend on the long term development strategy of the Company; to research and recommend on significant investment and financing plans which are required by the Articles of Association to be approved by the Board; to research and recommend on significant capital operation and asset operation which are required by the Articles to be approved by the Board; and to research and recommend on other significant matters affecting the development of the Company.

The compliance management committee: to review the compliance management strategic plan and annual report, and clarify the annual compliance management objectives; to review the basic compliance management system; to review the compliance management organization and its duties setting plan; to study major issues related to compliance management, and to give opinions or make recommendations on compliance management; to study major violations, and give opinions or make recommendations on the handling of relevant violations to the Board; to guide, supervise and evaluate the compliance management; and to coordinate and solve major compliance management issues, providing guarantees and creating conditions for promoting compliance management.

The risk management committee: to review the annual work report of comprehensive risk management; to review risk management strategies and major risk solutions; to review the organization of risk management and its responsibilities; and to handle other matters related to comprehensive risk management authorized by the Board.

SECTION V CORPORATE GOVERNANCE

(II) Seven Meetings Convened by the Audit Committee during the Reporting Period

Date	Content of meeting	Significant opinions and recommendations	Other duties performed
28 March 2024	<ol style="list-style-type: none"> 1. The Resolution Regarding the 2023 Annual Report of the Company; 2. The Resolution Regarding the Annual Results Announcement of the Company for the Year 2023; 3. The Resolution Regarding the Final Financial Report of the Company for the Year 2023; 4. The Resolution Regarding the Special Report on the Audit of the Financial Report and the Audit of Internal Control of the Company for the Year 2023; 5. The Resolution Regarding the Internal Control Self-Evaluation Report of the Company for the Year 2023; 6. The Resolution Regarding the 2023 Duty Performance Report of the Audit Committee of the Board of the Company; 7. The Resolution Regarding the Assessment Report on the Duty Performance of the Auditor for the Year 2023; 8. The Resolution Regarding the Report on the Performance of Supervision Duties of the Audit Committee of the Board of the Company on the Auditor for the Year 2023. 	All resolutions have been approved through detailed communication and discussion.	
29 April 2024	<ol style="list-style-type: none"> 1. 2024 First Quarterly Report of the Company; 2. Financial Analysis Report of the Company for January to March 2024. 	All resolutions have been approved through detailed communication and discussion.	
24 May 2024	<ol style="list-style-type: none"> 1. The Resolution Regarding the Appointment of the Financial Statement Auditor for the Year 2024; 2. The Resolution Regarding the Appointment of the Internal Control Auditor for the Year 2024; 	All resolutions have been approved through detailed communication and discussion.	
22 July 2024	<ol style="list-style-type: none"> 1. To consider the Interim Review Plan of the Company for the year 2024 by Deloitte Touche Tohmatsu Certified Public Accountants LLP. 	All resolutions have been approved through detailed communication and discussion.	
29 August 2024	<ol style="list-style-type: none"> 1. The Resolution Regarding the 2024 Interim Report of the Company; 2. The Resolution Regarding the 2024 Interim Results Announcement of the Company; 3. The Resolution Regarding the Financial Analysis Report of the Company for January to June 2024; 4. The Resolution on the Review of the 2024 Interim Financial Report of the Company by Deloitte Touche Tohmatsu Certified Public Accountants LLP; 5. The Resolution on the Adjustment of the Internal Audit Plan of the Company for 2024; 6. The Resolution on the Internal Audit Work Summary for January to July 2024 of the Company. 	All resolutions have been approved through detailed communication and discussion.	
29 October 2024	<ol style="list-style-type: none"> 1. 2024 Third Quarterly Report of the Company; 2. Financial Analysis Report of the Company for January to September 2024. 	All resolutions have been approved through detailed communication and discussion.	
27 December 2024	<ol style="list-style-type: none"> 1. To consider the Resolution on the Report on the 2024 Audit Plan of the Company submitted to governance by Deloitte Touche Tohmatsu Certified Public Accountants LLP; 2. To consider the Resolution on the Report on the Adjustment of the Internal Audit Plan of the Company for 2024; 3. To consider the Resolution on the Audit Work Summary for the year 2024 and Audit Work Plan for the year 2025 of the Company. 	All resolutions have been approved through detailed communication and discussion.	

SECTION V CORPORATE GOVERNANCE

(III) Four Meetings Convened by the Nomination Committee During the Reporting Period

Date	Content of meeting	Significant opinions and recommendations	Other duties performed
27 February 2024	To consider the resolution on the appointment of Mr. SUN Jinggang as the vice president of the Company.	All resolutions have been approved through detailed communication and discussion.	
28 April 2024	1. To consider the resolution on the appointment of Mr. DING Xiaoping as the vice president of the Company; 2. To consider the resolution on the nomination of Mr. LIU Li and Mr. ZHOU Qing as independent non-executive directors of the Company.	All resolutions have been approved through detailed communication and discussion.	
20 May 2024	To consider the resolution on the appointment of Mr. MAO Dewei as the vice president of the Company.	All resolutions have been approved through detailed communication and discussion.	
13 December 2024	To consider the resolution on the appointment of Mr. LI Sanglong as the vice president of the Company.	All resolutions have been approved through detailed communication and discussion.	

(IV) One Meeting Convened by the Remuneration and Appraisal Committee During the Reporting Period

Date	Content of meeting	Significant opinions and recommendations	Other duties performed
28 March 2024	1. To consider the resolution regarding the Directors' 2023 annual remunerations; 2. To consider the resolution regarding the supervisors' 2023 annual remunerations; 3. To consider the resolution regarding the senior management's 2023 annual remuneration.	All resolutions have been approved through detailed communication and discussion.	

(V) Two Meetings Convened by the Compliance Committee During the Reporting Period

Date	Content of meeting	Significant opinions and recommendations	Other duties performed
28 March 2024	To consider the resolution on the Compliance Management Report of the Company for the year 2023.	All resolutions have been approved through detailed communication and discussion.	
20 December 2024	To consider the resolution regarding amendments to the Measures for the Administration of Compliance of Qinhuangdao Port Co., Ltd.	All resolutions have been approved through detailed communication and discussion.	

SECTION V CORPORATE GOVERNANCE

(VI) One Meeting Convened by the Risk Committee During the Reporting Period

Date	Content of meeting	Significant opinions and recommendations	Other duties performed
28 March 2024	To consider the resolution on the Comprehensive Risk Work of the Company for the year 2023.	All resolutions have been approved through detailed communication and discussion.	

Note: All members attended the above meetings of special committees of the Board in person.

(VII) Particulars of the Dissenting Matters

☐ Applicable ☒ Not applicable

VIII. RISKS DISCOVERED BY THE SUPERVISORY COMMITTEE

☐ Applicable ☒ Not applicable

The Supervisory Committee had no dissenting opinions on the supervision matters during the Reporting Period.

SECTION V CORPORATE GOVERNANCE

IX. INFORMATION ABOUT THE STAFF OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

(I) Information about the staff

Number of staff employed by the parent company	7,142
Number of staff employed by the major subsidiaries	1,532
The total number of staff employed	8,674
Number of paid retired staff by the parent company and its major subsidiaries	0
Profession Composition	
Profession	Persons
Production personnel	5,952
Administrative personnel	1,576
Technical personnel	367
Other personnel	779
Total	8,674
Education	
Levels of education	Number (persons)
Master's degree and above	319
Bachelor's degree	2,843
College degree	2,939
Technical secondary school degree, high school degree and below	2,573
Total	8,674

(II) Remuneration policy

☒ Applicable ☐ Not applicable

The Company has established a scientific and efficient remuneration performance appraisal system, implemented a salary and benefit linkage mechanism, and the salary level of employees is closely linked to the completion of economic benefits. Meanwhile, it has formulated the excess throughput incentive program for 2024 and the fourth-quarter to stimulate employees' entrepreneurial and proactive spirit. Meanwhile, it will further promote the performance management of key employees, implement performance appraisal for all employees, embody the principle of income distribution with more pay for more work and better performance, and allow employees to share the development results of the Company.

(III) Training plan

☒ Applicable ☐ Not applicable

Committed to the construction of the "integrity, intelligent, efficient and green" ports, the Company has consolidated the requirements for the production operation and risk control of the ports. By combining internal and external, online and offline, customized and general, knowledge and skill-based training methods, it continues to make the training in a more targeted manner, enhancing the matching degree of trainings. In 2024, 130,203 people participated in trainings, with the coverage rate of employee trainings reaching 100%.

(IV) Labor outsourcing

☒ Applicable ☐ Not applicable

Total hours of labor outsourcing	N/A
The total amount of remuneration paid for labor outsourcing (RMB0'000)	9,120

Note: Since the Company charged labor outsourcing services by time and piece, the labor outsourcing service cannot be measured uniformly according to the number of working hours.

SECTION V CORPORATE GOVERNANCE

X. INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARE CAPITAL OF THE COMPANY

As of 31 December 2024, none of Directors, Supervisors or chief executive of QHD Port had any interest or short position in Shares, underlying Shares and debentures of the associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified by Directors, Supervisors or chief executive to QHD Port and the Stock Exchange pursuant to the Model Code.

XI. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Current Directors and Supervisors have entered into service contracts or relevant appointment documents with QHD Port. In addition, in order to protect the interests of Directors and Supervisors, QHD Port purchased liability insurance for Directors and Supervisors. The permitted indemnity provisions are included in the liability insurance purchased for directors, and the insurance will compensate the directors for negligence in the performance of their duties in the face of legal proceedings.

None of the Directors and Supervisors of QHD Port had entered into any service contract with QHD Port which was not determinable by QHD Port within one year without payment of compensation (other than statutory compensation).

XII. INTERESTS IN CONTRACTS OF DIRECTORS AND SUPERVISORS

None of Directors and Supervisors and entities connected with Directors or Supervisors was materially interested, directly or indirectly, in any transactions, arrangements or contracts of significance entered into by QHD Port and its subsidiaries, parent company or subsidiaries of the parent company during the year and subsisting as at the end of the Year.

XIII. SPECIAL TREATMENTS FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, Directors, Supervisors and senior management of QHD Port did not enjoy any special treatments.

XIV. INTERESTS OF DIRECTORS IN BUSINESSES COMPETING WITH THE COMPANY

Other than business of the Company, none of the Directors of QHD Port holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Company.

XV. PLAN FOR PROFIT DISTRIBUTION OR CAPITALISATION OF CAPITAL RESERVES

(I) Formulation, implementation or adjustment of the cash dividend policy

☒ Applicable ☐ Not applicable

According to the Article of Association, the Company adopts a consistent and stable profit distribution policy, including:

1. Form of profit distribution

The Company adopts the form of cash, shares, a combination of cash and shares or otherwise forms as permitted by laws and regulations in profit distribution, giving priority to cash dividends.

2. Specific conditions and ratios of cash dividends

In the absence of the special circumstances which in the opinion of the board of directors may have material adverse impact on the normal operation of the Company, if the Company's profit for the year and undistributed profit are positive, profit distribution shall be made by way of cash not less than 30% of the net profit attributable to shareholders of the Company for the year, provided that such distribution shall not prejudice the normal operation and long-term business development of the Company.

3. Specific conditions under which the Company may make dividends

When the Company is in a sound operating condition with rapid growth in operating income and net profit, and the Board of Directors considers that the Company's has good growth potential, overvalued net assets per share, stock price not reflecting the Company's scale of capital and a share dividend may have a dilution effect on the net assets per share which is in the interests of the shareholders as a whole, a proposal for share dividends may be proposed upon fulfillment of the above conditions concerning cash dividends.

SECTION V CORPORATE GOVERNANCE

4. Differentiating cash dividend policy

When proposing distribution of dividends, the Board shall take into account, among other things, features of the industries where the Company operates, its development stage, business model, profit level and whether it has any significant capital expenditure arrangements and formulate differentiating profits distribution proposals in accordance with the provisions set out below and procedures provided in the Articles of Association:

- (1) If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the ratio of cash dividends shall be at least 80% in the profit distribution;
- (2) If the Company is at the mature stage of development and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 40% in the profit distribution;
- (3) If the Company is at the growing stage and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 20% in the profit distribution;

If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution.

5. Procedures for decision making in the profit distribution

- (1) Profit distribution proposal shall be formulated by the Board of Directors of the Company. In formulating a specific profit distribution proposal, the board of directors shall study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making in respect of the cash dividends. The independent directors may seek the opinion of the minority shareholders, devise a dividend distribution proposal accordingly and submit the same directly to the Board of Directors for consideration.
- (2) The Board of Directors shall propose the profit distribution proposal by special resolution at a general meeting for approval to effect such proposal. The proposal will become effective upon approval at the general meeting by way of an ordinary resolution. Prior to the consideration of the specific profit distribution proposal at the general meeting, the Company shall communicate and exchange ideas through multiple channels with shareholders (in particular minority shareholders) to obtain the opinion and requests of the minority shareholders.
- (3) The supervisory committee of the Company shall supervise the formulation of the profit distribution proposal by the Board. It has the right to require the Board of Directors to make rectifications if the Board of Directors fails to execute cash dividend policy or perform corresponding decision-making procedures thereof according to the Company's Articles of Association.
- (4) When the Company does not distribute its profit as cash dividends under the special circumstances or proposes cash dividends at a percentage lower than as set out in Article 252 under the Articles of Association, the Board of Directors shall give explanations as to the reasons of not distributing cash dividends or the lower percentage, the precise use of the undistributed profit and the anticipated gains, which will be submitted for consideration at the shareholders' general meeting after receiving opinions from independent Directors, and be disclosed afterwards on the Company's designated media. The explanations of not distributing cash dividends under special circumstances must be approved by way of an ordinary resolution at the shareholders' general meeting.
- (5) If the Company needs to adjust the profit distribution policy due to material changes in external operating environment or its own operating conditions, the Board of Directors shall make such adjustment and obtain opinions of independent Directors thereon. The adjusted policy shall be subject to approval at a shareholders' general meeting by a special resolution. The meeting shall allow both on-site and online voting to provide conveniences to shareholders, especially minority shareholders, for their participation in formulating or amending the policy.

During the Reporting Period, the Company strictly implemented the above-mentioned profit distribution policy, with the dividend distribution standard and ratio specified and clear, and the relevant decision-making process and arrangement complete. In preparing and making decision on the distribution plan, it was considered and approved by the Board meetings and the shareholders' general meeting, and implemented within the period as specified, thus effectively ensuring the interests of all shareholders. The particulars are as follows:

As audited, the Company recorded net profit attributable to shareholders of the parent in 2024 of RMB1,564,897,805.73. The 2024 profit distribution plan is: A cash dividend of RMB0.85 per 10 shares (inclusive of tax) is proposed to be distributed on the basis of the total share capital of 5,587,412,000 shares as at 31 December 2024, totaling RMB474,930,020.00.

In the event that the total share capital registered at the record date for the subsequent implementation of equity distribution changes, the Company intends to maintain the total amount of distribution unchanged and make corresponding adjustments to the distribution ratio of each share.

SECTION V CORPORATE GOVERNANCE

In accordance with the Corporate Income Tax Law of the PRC and its implementation rules effective on 1 January 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% corporate income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of final dividends as corporate income tax, distribute the final dividends to nonresident enterprise shareholders, i.e. any shareholders who hold the Company's Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, or other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups.

Due to changes in the PRC tax laws and regulations, according to the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents issued by the State Administration of Taxation《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》) on 4 January 2011, individual Shareholders who hold QHD Port's H Shares and whose names appeared on the H Share Register of QHD Port can no longer be exempted from individual income tax pursuant to the Notice of the State Administration of Taxation Concerning the Taxation of Gains on Transfer and Dividends from Shares (Equities) Received by Foreign Investment Enterprises, Foreign Enterprises and Foreign Individuals (Guo Shui Fa [1993] No. 045)《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]045 號)) issued by the State Administration of Taxation, whilst pursuant to the letter titled Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies issued by the Hong Kong Stock Exchange to the issuers on 4 July 2011 and the Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 of State Administration of Taxation (Guo Shui Han [2011] No. 348)《國家稅務總局關於國稅發[1993]045 號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348 號)), it is confirmed that the overseas resident individual shareholders holding shares of domestic non-foreign invested enterprises issued in Hong Kong are entitled to the relevant preferential tax treatments pursuant to the provisions in the tax arrangements between the countries where they reside and the PRC or the tax arrangements between the PRC and Hong Kong or the Macau Special Administrative Region of the PRC. Therefore, the Company will withhold 10% of the dividend as individual income tax, unless it is otherwise specified in the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividends in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

If the relevant proposal on profit distribution is approved at the 2024 annual general meeting, the dividends will be paid to shareholders before 29 August 2025.

(II) Special particulars of the policy of cash offer in cash dividend

☒ Applicable ☐ Not applicable

Was it in compliance with the requirements of the Articles of Association or the resolution of the general meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were the dividend distribution criteria and proportion well-defined and clear	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were related decision-making processes and mechanisms complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Did independent Directors fulfill their duties and play their roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were the minority Shareholders given opportunities to sufficiently voice their opinions and make requests and were their legal interests fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If profits for the Reporting Period and the distributable profit of the parent to Shareholders are positive and no profit distribution plan in cash for the Shares is proposed, the Company should disclose the reasons as well as the use and intended use of the retained profits in details

☐ Applicable ☒ Not applicable

(IV) Profit distribution and proposal to conversion of capital reserve into share capital during the Reporting Period

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE

(V) Cash dividends for the latest three accounting years

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Cumulative cash dividends for the last three accounting years (inclusive of tax) (1)	1,335,391,468.00
Cumulative amount of repurchases and cancellation for the last three accounting years (2)	0
Cumulative amount of cash dividends and repurchases and cancellation for the last three accounting years (3)=(1)+(2)	1,335,391,468.00
Average annual net profit for the last three accounting years (4)	1,468,173,090.06
Percentage of cash dividends for the last three accounting years (%) (5)=(3)/(4)	90.96
Net profit attributable to ordinary shareholders of the Company as reflected in the consolidated financial statements for the last accounting year	1,564,897,805.73
Undistributed profit at the end of the year as reflected in the financial statements of the parent company for the last accounting year	5,185,505,074.48

XVI. SHARE INCENTIVE SCHEME, EMPLOYEE SHARE SCHEME OR OTHER INCENTIVE MEASURES FOR EMPLOYEES AND THEIR IMPACTS

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

☐ Applicable ☒ Not applicable

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

Share incentive

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

Employee share scheme

☐ Applicable ☒ Not applicable

Other incentive measures

☐ Applicable ☒ Not applicable

(III) Share incentives granted to Directors and senior management during the Reporting Period

☐ Applicable ☒ Not applicable

(IV) The establishment and implementation of the assessment mechanism and incentive mechanism for senior management during the Reporting Period

☒ Applicable ☐ Not applicable

The Company insists on the combination of incentives and limitations, and the match between salary and responsibility, risk and contribution. The salary is linked with the operating performance of the Company. With the emphasis on short-term interests and medium and long-term goals, the Company enhanced the medium and long-term incentives to drive the sound and sustainable development of the Company. Through continuous overall consideration, the Company forms a reasonable distribution relationship of salary between senior management and enterprise employees, and implements a salary system of annual salary determined by tenure incentive for senior management. In 2024, the excess throughput incentive program was implemented.

SECTION V CORPORATE GOVERNANCE

XVII. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

The Board shall have the decision on all operation matters and be responsible for the risk management and internal control systems and is committed to establishing and improving the internal control and risk management system. It shall also supervise the implementation of the risk management and internal control system to safeguard the investment of the Shareholders and the assets of the Group. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has adopted a number of internal control and corporate governance measures since July 2010 to strengthen the systematic management of construction projects and other business operations for better internal control. Some major measures are as follows:

clear division of the authorities of the general meeting of the Shareholders, the Board, the chairman of the Board and the general manager to avoid the centralization of authority;

stringent authority delegation, division and supervision system to ensure the security and proper use of funds;

collective decision is required for major investment and the proposal, evaluation, decision and implementation procedures are under strict control to minimize investment risks;

to promote the transparency of the management and operation through the implementation of “Three Major One Important” policy so as to prevent the Directors and senior management from fraud and bribe;

the entire procurement procedure from application, approval, contracting, procurement, inspection and delivery and payment is improved through the improvement of purchase procedure and payment monitoring process to eliminate any loophole in procurement;

an information disclosure system and insider registration system is formulated and implemented, and the implementation of the systems is regularly evaluated and disclosed in accordance with relevant regulations;

the size, structure and sources of funding as well as the use of significant amount of fund are also under strict control to minimize finance costs and ensure the efficient use of funds; and there are highly regulated procedures for connected transactions to specify the preliminary appraisal by independent Directors before submitting for approval by the Board.

During the Year, the above procedures were effectively implemented. The internal control system was improved to strengthen the risk prevention and internal control capabilities. A review of the risk management and internal control of the Company includes major risks on environment, society and governance. The responsibilities of the Audit Committee include the review of the risk management and internal control system of the Company. The Audit Committee will continue to review and evaluate the effectiveness of the risk management and internal control system of the Company and to report the findings to the Board. The Board will review and evaluate the risk management and internal control system of the Company at least once a year to ensure that no material internal control loophole exists.

A self-evaluation report has been prepared by the Board in respect of the risk management and internal control matters of the Company during the Year. The Board has reviewed the control system of the Company and is of the view that during the Year, such system was effective. The Company’s resources, employees’ qualifications and experience in accounting, internal audit, financial reporting functions and the training courses for the employees and the related budgets, as well as those relating to the Company’s environmental, social, and governance performance and reporting are adequate. Meanwhile, the management of the Company should further perfect its risk management and internal control system to promote the improvement of its corporate governance.

Explanation on significant deficiencies in internal control during the Reporting Period

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE

XVIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

Since incorporation, all subsidiaries of QHD Port have adhered to the principle of stable operation to regulate the operation and strengthen internal management by strictly abiding by the Company Law, the Securities Law and other regulations and rules as well as the Article of Association. On the basis of the industrial characteristics, business expansion and operation, QHD Port has established sound management and evaluation systems of all subsidiaries, and standardized the production and operation of subsidiaries in strict accordance with laws, regulations and systems.

XIX. INFORMATION ABOUT THE INTERNAL CONTROL AUDIT REPORT

☒ Applicable ☐ Not applicable

For details, please refer to the Internal Control Self-Evaluation Report of 2024 and the Internal Control Audit Report of 2024 disclosed on the website of the SSE on 29 March 2025.

Whether to disclose the internal control audit report: Yes

Opinion of the internal control audit report: standard unqualified opinion

XX. RECTIFICATION OF ISSUES IN SELF-INSPECTION OF SPECIAL ACTIONS FOR GOVERNANCE OF LISTED COMPANIES

Not applicable

XXI. OTHERS

☒ Applicable ☐ Not applicable

(I) Corporate governance practices

The Company is committed to maintaining a high level of corporate governance. The Board is responsible for the implementation of corporate governance, including: (a) formulating, developing and reviewing the corporate governance policies and practices of the Company; (b) reviewing and supervising the training and continuous professional development of the Directors and senior management; (c) reviewing and supervising the policies and practices for the compliance of laws and regulatory requirements by the Company; (d) developing, reviewing and supervising the code of conduct and compliance manual, if any, for employees and the Directors; and (e) reviewing the compliance of the Corporate Governance Code by the Company and the disclosure in the corporate governance report. In the past year, actions and measures were taken by the Board to improve the corporate governance gradually and further strengthen the construction of the Company's corporate governance system. The Board believes that an effective corporate governance system can safeguard the interests of the Shareholders and promote the value and accountability of the Company.

The Company has adopted the Hong Kong Listing Rules and the code provisions of the Corporate Governance Code which were applicable to the Company during the Year. Save for the deviations disclosed in this report with reasons explained for the deviations, if any, the Company has complied with the Hong Kong Listing Rules and the Corporate Governance Code during the Year.

The Board will continue to review and improve its corporate governance system to ensure the compliance of the Hong Kong Listing Rules and the Corporate Governance Code.

SECTION V CORPORATE GOVERNANCE

(II) Board

Duties and Division Responsibility

The Board shall act in the interests of all the Shareholders and shall be accountable to the general meeting. The Board shall mainly be responsible for: implementing the resolutions of the general meeting; determining the operation plan and investment program of the Company; formulating the annual financial budget plan and final accounting plan of the Company; formulating the profit distribution plan of the Company; determining the establishment of internal management bodies and formulating the basic management system of the Company. The Company has established six special committees under the Board to oversee specific matters of the Company, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee, the Risk Management Committee and the Compliance Management Committee. The Board has delegated relevant duties to the respective committees, which are contained in the terms of reference of the relevant committees. The Board has developed our mission, value and strategy and is satisfied that our corporate culture is in harmony. Through acting in good faith and setting an example via personal conduct, the Board promotes desired culture to instill across the Company and enhance the value of acting in a lawful, ethical and responsible manner. The Company also has adopted a policy of anti-corruption and whistleblowing to create a discussion platform for reporting issues and concerns on any misconduct and to maintain the operation practice of business integrity. Besides, the management of the Company will provide sufficient consultation to the Board and the Board committees when appropriate to facilitate the Directors in making informed decision.

Chairman of the Board and Chief Executive Officer

The Board is responsible for decision making on important matters of the Company and the management is authorized to manage the daily operation of the Company. The Company has the position of President. Mr. Zhang Xiaoqiang and Mr. Nie Yuzhong are the current chairman of the Board and President of the Company, respectively. The chairman of the Board and the President of the Company have clear division of duties. The chairman of the Board shall oversee the work of the Board and monitor the implementation of the resolutions adopted by the Board and the President shall coordinate the operation of the business of the Company under the supervision of the Board. Therefore, the Company has complied with C.2.1 of the Corporate Governance Code. Save as disclosed in the section "Biographical Details of Directors, Supervisors and Senior Management" in this annual report, there is no financial, business, family or other important relationship between the Directors, the chairman of the Board and the Chief Executive Officer.

Composition of the Board

Currently, the Board comprises 9 Directors, including three executive Directors, Mr. ZHANG Xiaoqiang (Chairman), Mr. NIE Yuzhong (vice Chairman and President) and Mr. GAO Feng, two non-executive Directors, Mr. LI Yingxu and Ms. XIAO Xiang, and four independent non-executive Directors, Mr. ZHAO Jinguang, Ms. ZHU Qingxiang, Mr. LIU Li and Mr. ZHOU Qing. The particulars of the Directors are set out in this section "IV. Directors, Supervisors and Senior Management" in this report.

During the Year, the Board had complied with the requirement of Rules 3.10(1) and 3.10(2) of the Hong Kong Listing Rules to have not less than three independent non-executive Directors, including at least one independent non-executive Director who has the relevant professional qualification or is an expert in accounting or financial management. Besides, in accordance with Rule 3.10A of the Hong Kong Listing Rules, not less than one third of the Directors shall be independent non-executive Directors. The number of independent non-executive Directors of the Company during the Year was no less than one-third of the total number of Directors and was in compliance with relevant requirement.

The Company believes a balanced composition of executive Directors and non-executive Directors empowers a strong independent element for the Board to secure independent opinions and advices to make independent judgements in an effective manner. The expertise background and the corresponding number of non-executive Directors endow a significant influence of their advices. The Board reviews the implementation and effectiveness of the mechanism annually.

Positions in Other Companies Held by Directors

Save as otherwise disclosed in this annual report, none of the Directors hold any directorship in other listed companies.

SECTION V CORPORATE GOVERNANCE

Time Commitment of Directors

In addition to attending formal meetings, the Directors shall also review reports of the management and regular reports of the Company, inspect the operation of the Company and understand all matters of the Company through various channels so as to effectively perform their duties. After making particular enquiries, the Board is of the view that the Directors have devoted sufficient time and efforts to perform their duties.

Training and Professional Development of Directors

During the Year, all Directors have received trainings in the written form or by participating in seminars and completed the training hours required by the relevant rules of the SSE and the Hong Kong Stock Exchange, in order to comply with the code provision C.1.4 under the Corporate Governance Code in relation to continuous professional development of the Directors.

The Directors will be updated with the latest developments in legal and regulatory requirements and the operation of the Company to facilitate the performance of their duties. Training will also be provided for the Directors when necessary to ensure that the Directors understand the business and operation of the Company and their duties and obligations under the Hong Kong Listing Rules and the applicable laws and regulations.

Diversification of the Board

In accordance with the requirement of the Hong Kong Listing Rules, the Board has formulated and adopted the Diversified Membership Policy of the Board and reviews its implementation and effectiveness annually. During the Reporting Period, the Nomination Committee has reviewed the composition of the Board in accordance with the Hong Kong Listing Rules. There are two female Directors in the Company. The Company concluded that the composition of the Board is in compliance with the diversification requirements of the Hong Kong Listing Rules in terms of age, gender, education background, industry experience, geographical location and duration of service. With respect to potential candidates of directors, the Board and the nomination committee will, as and when necessary, seek assistance of shareholders, professional recommendations and other channels to identify potential female directors. Current members of the Board are set out in the following table:

Name	Gender	Education Background	Industry Experience	Location
Executive Directors				
– Zhang Xiaoqiang (Chairman)	Male	Master	Port Operation	Hebei, China
– Nie Yuzhong	Male	Master	Port Operation	Hebei, China
– Gao Feng	Male	Bachelor	Port Operation	Hebei, China
Non-executive Directors				
– Li Yingxu	Male	Master	Port Investment	Hebei, China
– Xiao Xiang	Female	Master	Construction Investment	Hebei, China
Independent Non-executive Directors				
– Zhao Jinguang	Male	Master	Chinese	Hebei, China
– Zhu Qingxiang	Female	Master	Accounting, Audit	Hebei, China
– Mr. Liu Li	Male	Master	Policy Research	Beijing, China
– Zhou Qing	Male	Bachelor	Investment Management	Beijing, China

In addition, among all existing employees of the Company (including senior management), the proportion of male and female employees is 82.53% and 17.47%, respectively. Therefore, the Board of Directors believes that the Company's employee team (including senior management) is also diversified in terms of gender.

(III) Director

Appointment and Re-election of Directors

Directors (including non-executive Directors and independent non-executive Directors) shall be elected by general meeting with a term of office of three years from the date of passing the resolution of the general meeting and till the expiration of term of office of the Board. The Directors are eligible for re-election upon the expiration of term of office, provided that no independent non-executive Director shall serve consecutive terms for more than six years.

The chairman and vice chairman of the Board shall be elected and removed by over half of the members of the Board, with a term of office of three years, and may be re-elected upon the expiration of term.

SECTION V CORPORATE GOVERNANCE

Nomination of Directors

In accordance with the Company Law, the Articles of Association and other relevant rules, the Board will nominate and recommend the candidates of Directors upon full inspection of their professional qualifications, education background, working experiences and other aspects, and they shall also be nominated by the Shareholders separately or jointly holding over 3% of the shares of the Company in the form of proposal. The Board shall verify the qualifications and conditions of the candidates of Directors and a written resolution should be proposed at the general meeting for approval after the candidate of Director is determined by proposal.

Independence of Independent Non-executive Directors

During the Year, the number and qualification of the independent non-executive Directors of QHD Port are in compliance with the requirements of the Hong Kong Listing Rules and the Articles of Association. Their independence is highly guaranteed as none of the independent non-executive Directors has any business and financial interest in the Company or its subsidiaries and has no management function in the Company.

Each of our four independent non-executive Directors has given their written confirmation of their independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. Having confirmed, the Board understands that all current independent non-executive Directors are independent and are in compliance with the requirement of Rule 3.13 of the Hong Kong Listing Rules.

Securities Transaction by Directors and Supervisors

The Company has adopted the Model Code set out in Appendix C3 to the Hong Kong Listing Rules (the “Model Code”) as its code of conduct for securities transactions by the Directors and Supervisors to regulate the securities transactions of the Directors and Supervisors. After specific enquiries, all Directors and Supervisors have confirmed that they have complied with the provisions of the Model Code during the Year. The Company has also established the “Administrative System for Registration of Persons with Inside Information” with standards no less stringent than the Model Code to standardize the activities in connection with trading the Company’s securities of the Company’s employees.

Directors’ Responsibilities on Financial Statements

The Directors have the responsibility to prepare the financial statements for the year ended 31 December 2024 to give a true and fair view of the affairs of the Company and the results and cash flow of the Company.

According to Code provision D.1.1 of the Corporate Governance Code, the management shall provide necessary explanation and information to the Board so that the Board can have a preliminary assessment of the financial statements before they are submitted to the Board for approval. The Company will also provide monthly reports on the results, positions and prospects of the Company to all members of the Board.

(IV) Control System

Supervisory Committee

The Supervisory Committee of the Company is the supervisory authority of the Company and shall be accountable to the general meeting of the Shareholders. Supervisors shall act independently to protect the legal interests of Shareholders and the Company in accordance with the laws.

The authority and duties of the Supervisory Committee include but not limited (1) to review the financial statements, business report and profit distribution plan prepared by the Board and may retain certified accountant or certified auditor to review the financial information; (2) to supervise the financial activities of the Company; (3) to demand the rectification of acts of the Directors, President and senior management which are against the interests of the Company; and (4) to exercise other power, authority and duties in accordance with the Articles of Association.

During the Year, the Supervisory Committee of QHD Port now comprises of five members, including three Supervisors elected by the Shareholders (Mr. ZHENG Guoqiang, Ms. WANG Huaning and Ms. BIAN Yingzi) and two Employee Representative Supervisors (Mr. LI Yufeng and Mr. PEI Baowen). Mr. ZHENG Guoqiang acts as chairman of the present Supervisory Committee. Supervisors who are representatives of the Shareholders shall be elected and removed by Shareholders’ general meeting. Employee Representative Supervisors shall be elected and removed by employee conference, employee general meeting or other democratic procedures. Each Supervisor shall have a term of three years from the date of approval by Shareholders’ general meeting or employee conference subject to termination upon expiry of the session of the Supervisory Committee. Supervisors are eligible for re-election.

Particulars of the Supervisors are set out in this section headed “IV. Directors, Supervisors and Senior Management” of this report.

During the Year, the Supervisory Committee convened eight meetings on 27 February 2024, 28 March 2024, 16 April 2024, 29 April 2024, 29 August 2024, 29 October 2024, 20 December 2024 and 30 December 2024 respectively, at which proposals including the resolution on the 2023 Work Report of the Supervisory Committee of the Company were reviewed. The work of the Supervisory Committee is set out in the section headed “Report of Supervisory Committee” in this annual report.

SECTION V CORPORATE GOVERNANCE

(V) Joint Company Secretary

Mr. TIAN Hongwei (田宏偉), born in December 1971, a member of the Communist Party of China. He holds a bachelor's degree and is a senior political engineer. Mr. TIAN started working in March 1991. He once served as a cadre of the second unloading team, a publicity officer in the publicity section and a theoretical officer in the publicity section at Second Port Branch, an officer in the political and works section, vice section manager of the political and works section and manager of the political and works section of Mobile Machinery Branch of Qinhuangdao Port* (秦港流動機械公司), minister of democratic management of trade union organizations department and minister of democratic management of the economy department of QHD Port, vice general manager of Hebei Port Real Estate Development Co., Ltd.* (河北港口集團房地產開發有限公司), vice general manager of Hebei Port Group Urban Development Co., Ltd.* (河北港口集團城市發展有限公司), vice minister of the business management department of QHD Port. He was appointed as the minister of the business management department (legal and risk-control department) of QHD Port in November 2022, and has been appointed as the minister of the business management department (legal and risk-control department) of QHD Port, the securities affairs representative and the joint company secretary in November 2023. He has been serving as the minister of the business management department (legal and risk-control department), the director of the board office, the securities affairs representative and the joint company secretary of the Company since December 2024.

Mr. CHU Hon Leung (朱瀚樑) was admitted as a solicitor of the High Court of Hong Kong in 2009, and currently is the partner of Li & Partners. Mr. CHU obtained a postgraduate diploma in law from The College of Law as well as a diploma in Hong Kong law from the City University of Hong Kong. Prior to joining Li & Partners, Mr. CHU worked as an attorney at a U.S. law firm, as an in-house legal advisor of a large asset management company in China, and as a joint company secretary of two Hong Kong listed companies. Mr. CHU's practice focuses on securities, corporate finance and mergers and acquisitions, and he possessed over 14 years of experience in representing a wide range of clients in public and private mergers and acquisitions transactions, initial public offerings on the Stock Exchange and securities regulatory compliance for Hong Kong listed companies. In November 2023, Mr. CHU was appointed as the joint company secretary of QHD Port. Mr. CHU resigned as the joint company secretary of the Company in February 2025 due to change of his work.

Ms. NG Sau Mei is a director and the head of the Listing Services Department of TMF Hong Kong Limited and is responsible for providing corporate secretarial and compliance services to listed company clients. She has over 20 years of experience in the company secretarial field. Ms. NG obtained a master's degree in laws from University of London and a bachelor's degree in laws from City University of Hong Kong. She is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. NG was appointed as the joint company secretary of the Company in February 2025.

Mr. TIAN and Mr. CHU have confirmed that they have received not less than 15 hours of relevant professional training as required by Rule 3.29 of the Hong Kong Listing Rules during the Year.

(VI) Shareholders' Rights and Investor Relationship

Convening of Extraordinary General Meeting

In accordance with the Articles of Association, the shareholders of QHD Port may demand, convene, chair, attend or attend by proxy general meetings and exercise voting rights thereat.

Shareholder(s), separately or jointly, holding not less than 10% Shares in issue with voting rights may demand the convening of extraordinary general meeting in writing. The Company shall promptly convene such meeting after receipt of the demand.

Procedures for Enquiry to the Board

In accordance with the provisions of the Articles of Association, the shareholders may consult and make a copy of the Articles of Association, the register of shareholders, minutes of the shareholders meetings, the resolutions of meetings of the Boards of Directors and Supervisors and the financial reports after payment of reasonable costs.

Where the shareholders require to consult the relevant information set out in the above paragraph or request such information, they shall provide written documents evidencing the category and number of shares they hold in the Company, and the Company shall provide after such shareholders are verified.

SECTION V CORPORATE GOVERNANCE

Procedures for Proposal at the General Meeting

Shareholders are entitled to make proposal(s) at the general meeting by proposing resolution or speaking at the meeting.

Shareholder(s), separately or jointly, holding more than 1% of the Shares in the Company may propose additional resolution in writing to the convener 10 days before the general meeting. Upon receipt of the proposal, the convener shall issue supplemental notice of meeting to contain the additional resolutions in two days.

Shareholders attending the general meeting are entitled to speak. Shareholders who require speaking shall make registration before voting.

Amendment of Constitutional Documents

In June 2024 and December 2024, QHD Port made amendments to the Articles of Association, the current Articles of Association in effect is available on the website of SSE, the Hong Kong Stock Exchange and the Company, respectively.

Communication with Investors and Investor Relationship

The Company has established an Investor Relationship Management System to strengthen and regulate the communication between the Company and its investors and potential investors so as to enhance the understanding and recognition of the Company by the investors. The system is also part of the corporate governance of the Company as it protects the legal rights of the investors, in particular the public investors. The Company provides various communication channels for investors, including but not limited to:

- (I) announcements, including regular and ad hoc reports;
- (II) general meeting of the Shareholders;
- (III) website of the Company;
- (IV) mailing materials;
- (V) telephone enquiry;
- (VI) press interview;
- (VII) meeting with analysts and briefing of operation results;
- (VIII) advertisement or other promotion materials;
- (IX) face to face discussion;
- (X) on-site visit;
- (XI) road show;
- (XII) questionnaire survey; and
- (XIII) others.

SECTION V CORPORATE GOVERNANCE

The Company has complied with the disclosure requirement of the place in which the Shares are listed. The disclosure of information is compliant, transparent, sufficient and continuous and allows the investors and potential investors to have full access to the information of the Company.

The Company has always maintained good and efficient communication with the Shareholders and investors. The Company strictly complies with the legal disclosure requirement to allow local and overseas investors to have prompt and full access to information of the operation and development of the Company by organizing various investor relationship activities. The Board of Directors conducted an annual review of and was satisfied with the implementation and effectiveness of the above communication methods during the Reporting Period. In the future, the Company will maintain regular communication with local and overseas investors through telephone, mail and personal interview. The Company will also voluntarily and promptly disclose information of the Company on the websites of the stock exchanges and the Company in accordance with the requirement of the listing rules. The Company will maintain its good corporate governance reputation by enhancing the transparency of the Company.

Corporate governance is a long-term strategic system of the Company. The Company will further improve its risk management and internal control in accordance with the regulatory requirements of the place in which its Shares are listed and the chances in the capital market as well as the expectation of investors. The Company will continue to review and improve its corporate governance and enhance the transparency of information disclosure to ensure the stable and healthy development of the Company and the continuous increase in Shareholders' value.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. INFORMATION ON ENVIRONMENTAL PROTECTION OF THE COMPANY

Whether the mechanism on environmental protection is developed	Yes
Investment in environmental protection during the Reporting Period (Unit: RMB0'000)	24,879.33

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

☒ Applicable ☐ Not applicable

1. Information about pollution discharge

☒ Applicable ☐ Not applicable

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

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

2. Construction and operation of pollution prevention facilities

☒ Applicable ☐ Not applicable

In 2024, the Company completed the renovation of the water pipeline network system in the east port area of Qinhuangdao Port. After heightening the reservoir in the ore storage yard, the water storage capacity reached 210,000 m³. A 45,000 m³ reservoir was constructed in the west port area of Qinhuangdao Port, and a new 5,000 m³ reservoir was built in the Cangzhou Ore Port area. All this enhanced the recycling and utilization rate of water resources and reduced the purchase of reclaimed water. The Company strengthened coal leakage control, carried out refined and grid online monitoring of environment and air quality, and regularly conducted cruise monitoring of road dust load; Developed a dust prevention and control system for the all-round production process of “unloading, stacking, picking and loading”; Took various measures to improve the effectiveness of comprehensive air pollution governance; Strengthened the governance of mobile pollution sources, purchased new energy non-road mobile machinery as required, and continuously increased the use of new energy vehicles.

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

☒ Applicable ☐ Not applicable

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

4. Contingency plans for environmental emergencies

☒ Applicable ☐ Not applicable

In 2024, the Company has strictly complied with the Contingency Plans for Environmental Emergencies and actively carried out the relevant work. Comprehensive emergency drill for production safety accidents and sudden environmental incidents was organized and conducted by the Company. The Contingency Plans has been amended in compliance with regulatory requirements.

5. Environmental self-monitoring plans

☒ Applicable ☐ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

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

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

The Company proactively fulfills its environmental responsibilities. By regularly launching the “opening day activities for residents”, it enhances the publicity of the port, with a particular focus on intensifying the promotion of the achievements in green port construction. The Company has put great importance to the transparency in environmental information disclosure and established a multi-channel social supervision system. With respect to environmental management, regular inspections of the harbor area and bay sections, sea area cleaning operations, and coastal garbage cleaning work are carried out routinely. Meanwhile, it continues to advance the implementation of greening projects and strengthens the meticulous maintenance of green spaces in key areas to work hard to enhance the ecological landscape quality of the port area.

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

Whether to take carbon reduction measures	Yes
Reduction of carbon dioxide emissions (unit: tonne)	187,923
Types of carbon reduction measures (such as use of clean energy for power generation, carbon reduction technology in the production process, research and development of new products for carbon reduction)	Green power procurement, photovoltaic power generation, electrification update of port machinery, and promotion of shore power construction and use of ships

Details

☒ Applicable ☐ Not applicable

As a key energy-using enterprise in Qinhuangdao City, the Company has always attached great importance to energy saving and emission reduction, and has set up a leading management group of energy saving and emission reduction since 2008, and has been improving its energy saving management system and improving its management system to promote the construction of a green port. In 2024, the Company continued to develop a “smart, green, efficient, and safe” port, advancing the upgrade of green and low-carbon initiatives while implementing multiple measures to promote energy conservation and emissions reduction. Adopting a goal-oriented approach, the Company decomposed targets at all levels, formulated comprehensive energy-saving goals, tracked and reported energy consumption data regularly; strictly controlled unit consumption during production, scientifically formulated production plans, optimized production processes, and reasonably dispatched and commanded; increased energy-saving investment, made concerted efforts to advance energy-saving and carbon reduction projects in 2024; continuously promoted the large-scale procurement of green electricity, developed photovoltaic industry and optimized the electricity consumption structure; increased the proportion of new energy mobile equipment and gradually replaced and updated fuel equipment such as motor vehicles, mobile machinery, and diesel locomotives with electric equipment; facilitated the construction and renovation of ship shore power facilities as planned. During the year, Phases 1 and 2 of coal terminal project in Qinhuangdao Port passed review on “Four-star” green port, marking the successful transformation of all dry bulk cargo terminals in the eastern Port Zone of QHD port into green ports.

II. SOCIAL RESPONSIBILITY COMMITMENTS

(I) Whether to disclose a separate social responsibility report, sustainability report or ESG report

☒ Applicable ☐ Not applicable

For details of the Company’s performance of social responsibility commitments, please refer to the 2024 ESG Report disclosed by the Company on the website of Shanghai Stock Exchange on 29 March 2025.

(II) Specifics of social responsibility work

☐ Applicable ☒ Not applicable

Details

☐ Applicable ☒ Not applicable

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

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

√ Applicable ☐ Not applicable

Poverty alleviation and rural revitalization project	Amount/Content	Description
Total investment (RMB'0,000)	59.83	
Of which: funds (RMB'0,000)	59.83	
Materials (RMB'0,000)		
Number of beneficiaries (people)	65	Planters and workers in Shimenzi Village ("Shimenzi Village"), Guanchang Township, Qinglong County, Qinhuangdao City, Hebei Province
Form of assistance (e.g. industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)		Industrial assistance and consumption-driven assistance

Details

√ Applicable ☐ Not applicable

The Company has implemented the directives of the CPC Central Committee, the State Council, provincial Party Committee and provincial government regarding the application of the "Thousand Village Demonstration and Ten Thousand Village Renovation Project" (「千萬工程」) experience to comprehensively advance rural revitalization. It has been focusing on this program with efforts in maintaining structured progress in rural industrial development, infrastructure enhancement, and governance modernization while continuously improving assistance efficacy. During the Reporting Period, the Company has conducted specialized research on Shimenzi Village's industrial development, forming the "Research Report on Industrial Specialty of Shimenzi Village" (《石門子村產業專題調研報告》) and "Plan for the Development of the Economy and Specialty Industry in Shimenzi Village" (《石門子村經濟發展與特色產業發展規劃》). The Company partnered with agricultural enterprises through executing pumpkin cultivation procurement agreements to ensure sustainable supply of non-polluting raw materials; It also implemented the Rural Revitalization Project for the Renovation of Micro-Factory in Shimenzi Village with upgrades compliant with food production safety standards. In addition, it allocated RMB598,300 for consumption assistance programs, benefiting 65 farming households and workers. The Company will continue to discharge social responsibilities with targeted measures to consolidate poverty alleviation achievements and facilitate rural revitalization.

SECTION VII SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS

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

√ Applicable □ Not applicable

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
Undertakings in relation to IPO	Dealing with horizontal competition	HPG	<p>In order to avoid competition with QHD Port and its controlled enterprises, HPG issued the Non-competition Undertaking to QHD Port on 10 August 2015, which irrevocably undertakes and guarantees as follows:</p> <ol style="list-style-type: none"> None of the controlling enterprises of HPG and HPG (Other than QHD Port) is or will be engaged in any business or activity in any form, directly or indirectly, in competition with or likely to be in competition with the principal businesses currently and in the future engaged by QHD Port and its controlling enterprises, both within and outside the PRC; HPG undertakes to use its best endeavors to procure that the companies in which HPG holds equity interests do not or will not engage in or participate in any form of business or activity which competes or is likely to compete, directly or indirectly, with the principal business of QHD Port and its controlled enterprises within or outside the PRC. If HPG or the holding enterprise of HPG other than QHD Port identifies any new business opportunity that competes or may compete, directly or indirectly, with the principal business of QHD Port or its holding enterprise, it shall immediately notify QHD Port in writing and use its best endeavors to procure that such business opportunity is first offered to QHD Port or its holding enterprise on reasonable and fair terms and conditions. If QHD Port or its controlled enterprises abandon such competing new business opportunities and HPG or its controlled enterprises engage in such competing business other than QHD Port, QHD Port or its controlled enterprises shall have the right to acquire any equity interests, assets and other interests in the aforesaid competing business from HPG or its controlled enterprises at any time, either on a one-off or multiple occasions, or by QHD Port to entrust, lease or contract to operate the assets or businesses of HPG or its controlled enterprises other than QHD Port in the aforesaid competing business in a manner permitted by national laws and regulations. When HPG and HPG's holding enterprises other than QHD Port intend to transfer, sell, lease, license or otherwise transfer or permit to use assets and businesses that compete or are likely to compete, directly or indirectly, with the principal businesses of QHD Port or its holding enterprises, HPG and HPG's holding enterprises other than QHD Port will provide QHD Port or its holding enterprises with pre-emptive rights, and undertake to use their best efforts to procure HPG's shareholding enterprises to provide pre-emptive rights to QHD Port or its holding enterprises in the above circumstances. From the date of this letter of undertaking, HPG undertakes to indemnify QHD Port or its controlled entities against all actual losses, damages and expenses suffered by HPG or its controlled entities as a result of any breach of any terms of this letter of undertaking. This letter of undertaking shall terminate upon the earlier of: (1) Any holding enterprise of HPG and HPG directly or indirectly holds less than 30% of the total number of shares of QHD Port (On an aggregated basis); or (2) The shares of QHD Port shall cease to be listed on the SSE and other internationally recognized stock exchanges (Except for the suspension of trading of the shares of QHD Port for any reason). 	13 July 2017	No	Long term	Yes
Disclosure of Information Undertaking		QHD Port	<p>If the CSRC or other competent authorities determine that there are false representations, misleading statements or material omissions in the prospectus and such circumstances have a material and substantial impact on the determination of whether QHD Port is subject to the conditions of Issuance as prescribed by the laws, QHD Port will repurchase all the new shares issued under this Issuance in accordance with the following methods: 1) If the above circumstances occur during the stage when the new shares issued under this issuance by QHD Port are issued but not traded, QHD Port will return the proceeds raised from this Issuance to the investors who have paid the subscription monies according to the issue price plus bank deposit interest for the same period within 5 working days from the date of the above circumstances. 2) If the above situation occurs after the new shares to be issued by QHD Port have been listed and traded, QHD Port will convene a board meeting within 15 trading days after the competent authorities such as the CSRC or the People's Court have made a final determination or effective judgment on the existence of the above-mentioned facts of QHD Port, formulate a share repurchase plan for the new shares to be issued and submit it to the general meeting for consideration and approval, and repurchase all the new shares to be issued under the Issuance through the trading system of the SSE in accordance with the specific share repurchase plan considered and approved by the Board and the general meeting at a price not lower than the issue price of the shares to be issued under the issuance plus interest on current bank deposits for the relevant period from the issuance of shares to the repurchase or such other price as recognized by the CSRC. In case of any ex-right or ex-dividend activities such as profit distribution, conversion of capital reserve into share capital, additional issuance and placing of shares of QHD Port after the issuance and before the repurchase, the above issue price shall be the ex-right and ex-dividend price. Should there be any false representation, misleading statement or material omission in the prospectus of QHD Port which results in losses suffered by investors in securities trading, QHD Port shall compensate the investors in full and in a timely manner according to the final decision or effective judgment of the competent authorities such as the CSRC or the People's Court.</p>	13 July 2017	No	Long term	Yes

SECTION VII SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Disclosure of Information Undertaking	HPG	HPG, the controlling shareholder of QHD Port, undertakes that if the prospectus of QHD Port contains false representations, misleading statements or material omissions, which have material and substantial impact on the determination of the issue conditions as stipulated by the laws, it will repurchase the transferred original restricted shares in accordance with the laws after the competent authorities such as the CSRC or the People's Court have made the final determination or effective judgment of the aforesaid facts in the prospectus of QHD Port. The repurchase price shall not be lower than the issue price of the shares of QHD Port plus interest on bank demand deposits for the relevant period from the Issuance of the shares to the Issuance of the repurchase offer or such other price as recognized by the CSRC, and shall be implemented in accordance with the procedures stipulated by relevant laws and regulations. If there are any ex-right or ex-dividend activities such as profit distribution, conversion of capital reserve into share capital, additional issuance or distribution of shares after listing of QHD Port, the above issue price shall be the ex-right or ex-dividend price. If the prospectus of QHD Port contains any false record, misleading statement or material omission which causes losses to the investors in securities trading, it will compensate the investors in full and in a timely manner according to the final decision or effective judgment of the competent authorities such as the CSRC or the People's Court. In the event that there is any false representation, misleading statement or material omission in the prospectus of QHD Port, which has material and substantial impact on the determination of whether the issue conditions stipulated by the laws of the People's Republic of China have been fulfilled by the competent authorities such as the CSRC or the People's Court, which have made the final determination or effective judgment of the issuer, it has undertaken to procure QHD Port to perform the decision-making procedures for the share repurchase, and in the event that QHD Port convenes a general meeting to resolve on the share repurchase, it has undertaken to vote for the share repurchase at the general meeting.	13 July 2017	No	Long term	Yes
	Disclosure of Information Undertaking	Directors and senior management of QHD Port	The directors and senior management of QHD Port have made undertakings on the effective implementation of the remedial measures for returns of the Company in accordance with the relevant requirements of the CSRC, details of which are as follows: Not to transfer to other entities or individuals for free or under unfair conditions, nor otherwise to prejudice the interests of QHD Port; To restrict job-related consumption; The assets of QHD Port will not be used for investment and consumption activities unrelated to the performance of their duties; The remuneration system formulated by the Board of Directors or the Remuneration Committee is linked to the implementation of the remedial measures for returns of QHD Port; If QHD Port proposes to implement an equity incentive, it will link the exercise conditions of the equity incentive formulated by QHD Port with the implementation of the remedial measures for returns of QHD Port; The Company will duly implement the relevant remedial measures for returns formulated by QHD Port, and if there is any breach of such undertakings which causes losses to QHD Port or investors, it will be liable for the compensation to QHD Port and investors in accordance with the laws; Prior to the completion of the offering and listing of QHD Port, if the CSRC imposes other new regulatory requirements in relation to the remedial measures for returns and its undertakings, and such undertakings fail to meet such requirements of the CSRC, it will make supplemental undertakings in accordance with the latest requirements of the CSRC.	13 July 2017	No	Long term	Yes
	Resolving Title Defects such as Properties	HPG	QHD Port leased from HPG the properties without building ownership certificates, and HPG issued an undertaking letter, undertaking that it is the sole owner of such properties, and that there are no third party rights or any ownership disputes on such properties, and it is entitled to lease such properties to QHD Port; In the event that HPG or any third party causes any interruption or interference to the leasing and use of such properties by QHD Port or any third party due to the reasons for the ownership of such properties, which causes economic loss or other burden to QHD Port, HPG undertakes to compensate or bear any loss or burden caused to QHD Port by the aforesaid reasons.	13 July 2017	No	Long term	Yes

SECTION VII SIGNIFICANT EVENTS

Undertaking background	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Whether there is a time limit for performance or not	Term of undertaking	Whether strictly performed in a timely manner
	Restraint Measures for Failure to Perform the Undertaking by the Undertaking Party	QHD Port	<p>QHD Port will strictly perform all the public undertakings made by QHD Port in relation to the Issuance and actively accept social supervision. In the event that the undertaking of QHD Port fails to be performed, is unable to be performed or is unable to be performed on schedule (Except for reasons beyond the control of QHD Port due to objective reasons such as changes in relevant laws and regulations, policies, natural disasters and other force majeure), QHD Port will take the following measures: 1) To timely and fully disclose the specific reasons for the failure to perform, the failure to perform or the failure to perform on schedule by QHD Port; 2) Provide supplemental undertakings or alternative undertakings to the investors of QHD Port to protect the interests of the investors as much as possible; 3) Submitting the above supplemental undertaking or alternative undertaking to the general meeting of QHD Port for consideration; 4) QHD Port will impose penalties in the form of reduction or suspension of remuneration or allowances or demotion of duties on the relevant responsible person; at the same time, QHD Port will immediately cease the formulation or implementation of major asset purchases and disposals, as well as capital operation activities such as issuance of new shares, issuance of corporate bonds and major asset restructuring until QHD Port has fulfilled the relevant undertakings; 5) To publicly explain the specific reasons for non-performance of the undertakings at the general meeting and the media designated by the CSRC for disclosure, and apologize to the shareholders and the public investors.</p> <p>If the undertaking of QHD Port fails to be performed, is unable to be performed or is unable to be performed on schedule due to objective reasons beyond the control of QHD Port, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, QHD Port will adopt the following measures: 1) Timely and fully disclose the specific reasons for the failure, inability or inability to perform the undertaking of QHD Port; 2) Provide supplemental undertakings or alternative undertakings to the investors of QHD Port to protect the interests of the investors of QHD Port as much as possible; 3) To publicly explain the specific reasons for non-performance of the undertaking and apologize to the shareholders and public investors at the general meeting and the media designated by the CSRC for disclosure.</p>	13 July 2017	No	Long term	Yes
	Restraint Measures for Failure to Perform the Undertaking by the Undertaking Party	HPG, State-owned Assets Supervision and Administration Commission of People's Government of Qinhuangdao City	<p>It will strictly comply with all public undertakings made in relation to the Issuance of QHD Port and actively accept social supervision. If its undertaking is not performed, is proved to be unable to be performed or is unable to be performed on schedule (other than due to objective reasons beyond its control, such as relevant laws and regulations, policy changes, natural disasters and other force majeure), it will take the following measures: 1) To fully disclose the specific reasons for his failure to perform, being unable to perform or being unable to perform on schedule through QHD Port in a timely manner; 2) To provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible; 3) To submit the above supplemental undertaking or alternative undertaking to the general meeting of QHD Port for consideration; 4) The proceeds obtained by it from the breach of the undertaking shall belong to QHD Port and thus cause losses to QHD Port or the investors, it shall compensate QHD Port or the investors in accordance with the law, and shall compensate in accordance with the following procedures: ① The cash dividends payable to it shall be directly used by QHD Port for the execution of the outstanding undertaking or to compensate for the losses incurred by QHD Port or the investors due to the non-performance of the undertaking; ② If it reduces its shareholding prior to the full performance of its undertaking or the completion of compensation, it shall transfer the funds received from the reduction to the Board of Directors of QHD Port for specific performance of its undertaking or for compensation until it has fulfilled its undertaking or made up for the losses of the Company and the investors. If its undertakings cannot be performed, cannot be performed or cannot be performed on schedule due to objective reasons beyond its control, such as changes in relevant laws and regulations, policies, natural disasters and other force majeure, it will take the following measures: 1) To timely and fully disclose the specific reasons for its failure, inability or inability to perform on schedule through QHD Port; 2) To provide supplemental undertakings or alternative undertakings to QHD Port and its investors to protect the interest of QHD Port and its investors as much as possible.</p>	13 July 2017	No	Long term	Yes

SECTION VII SIGNIFICANT EVENTS

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

(II) If the Company has made a profit forecast to its assets or projects, and the profit estimate period is within the Reporting Period, the Company's explanation on whether its assets or projects would fulfill its profit forecast and the reasons thereof

☐ Fulfillment ☐ Unfulfillment ☒ Not applicable

(III) Fulfillment of undertakings and its impact on goodwill impairment test

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS

III. IS THERE ANY ILLEGAL GUARANTEE

☐ Applicable ☒ Not applicable

IV. EXPLANATION OF THE BOARD OF THE COMPANY ON THE “MODIFIED AUDIT REPORT” FROM AUDITORS

☐ Applicable ☒ Not applicable

V. ANALYSIS AND EXPLANATION OF THE COMPANY ON THE REASONS FOR AND IMPACTS OF THE CHANGES IN ACCOUNTING POLICIES OR ACCOUNTING ESTIMATES OR CORRECTION OF MATERIAL ACCOUNTING ERRORS

(I) Analysis and explanation of the Company on the reasons for and impacts of the changes in accounting policies or accounting estimates

☒ Applicable ☐ Not applicable

The MOF issued the Accounting Standards for Business Enterprises Interpretation No.17 (“Interpretation No. 17”) and Accounting Standards for Business Enterprises Interpretation No.18 (“Interpretation No. 18”) on 25 October 2023 and 6 December 2024, respectively. Upon assessment, the Group is of the view that the adoption of above interpretations has no significant impact on the financial statements of the Group.

(II) Analysis and explanation of the Company on the reasons for and impacts of correction of material accounting errors

☐ Applicable ☒ Not applicable

(III) Communications with former auditors

☐ Applicable ☒ Not applicable

(IV) Approval procedures and other explanation

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS

VI. APPOINTMENT AND REMOVAL OF AUDITORS

Unit: Yuan Currency: RMB

	Former appointment	Current appointment
Name of domestic auditors	Ernst & Young Hua Ming LLP	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration of domestic auditors	4,000,000.00 (inclusive of tax)	3,000,000.00 (inclusive of tax)
Term of domestic auditors	11	1
Name of certified public accountant of domestic auditors	Li Weihua, Wang Hongmei	
Cumulative year of service of certified public accountant of domestic auditors	Li Weihua (1), Wang Hongmei (1)	
	Name	Compensation
Auditors for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	450,000.00 (inclusive of tax)

Explanation on the appointment and removal of auditors

☒ Applicable ☐ Not applicable

Given that the former accounting firm Ernst & Young Hua Ming LLP has been providing audit services to the Company for consecutive years, its term of services provided has reached the upper limit of the continuous period as stipulated in the Administrative Measures for the Selection and Engagement of Accounting Firms by State-owned Enterprises and Listed Companies issued by the MOF, the SASAC of the State Council and the CSRC. Therefore, the Company shall select and engage new auditors for 2024. As considered and approved at the 2023 annual general meeting of the Company, Deloitte Touche Tohmatsu Certified Public Accountants LLP was appointed as auditors of the Company. For details, please refer to the announcement of Qinquangdao Port Co., Ltd. on the change of auditors (Announcement No.: 2024-021).

Explanation on the change of auditors during the audit period

☐ Applicable ☒ Not applicable

Explanation on the decrease by more than 20% (including 20%) in audit fees over the previous year

☒ Applicable ☐ Not applicable

The fees for the audit services for 2024 were determined based on the audit workload and the principle of fairness and reasonableness in accordance with the bid results from the public tender selection process, and were lower compared to that for 2023. The financial statements audit fee to be paid by the Company for 2024 is RMB3 million (inclusive of tax), representing a decrease of RMB1 million compared to that for 2023 (inclusive of tax). The internal control audit fee to be paid by the Company for 2024 is RMB450,000 (inclusive of tax), representing a decrease of RMB250,000 compared to that for 2023 (inclusive of tax).

VII. RISK OF DELISTING

(I) Reasons for alert of delisting

☐ Applicable ☒ Not applicable

(II) Response measures to be adopted by the Company

☐ Applicable ☒ Not applicable

(III) Delisting and the reasons thereof

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS

VIII. MATTERS RELATING TO INSOLVENCY OR RESTRUCTURING

☐ Applicable ☒ Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

☒ The Company had material litigations or arbitrations during the year ☐ The Company had no material litigation or arbitration during the year

(I) Litigation and arbitration issues that have been disclosed in the provisional announcements and without subsequent development

☒ Applicable ☐ Not applicable

Summary and type of event	Query index
QHD Port is a co-defendant in the case of China National Chemical Fiber, the case of Blazers and the case of Jiangxi Copper. This year, the Tianjin Maritime Court issued civil rulings of the first instances in the three cases and ruled to dismiss the lawsuits.	For details, please refer to the Announcement on Progress of the Litigations Involving the Company (Ann No. 2024-029) published by QHD Port on the website of the SSE on 8 August 2024 and the Announcement on Litigations – Latest Development published by QHD Port on the website of the Stock Exchange on 7 August 2024.

(II) Litigation and arbitration not disclosed in the provisional announcements or with subsequent development

☐ Applicable ☒ Not applicable

(III) Other explanations

☐ Applicable ☒ Not applicable

X. VIOLATION OF LAWS AND RULES AND PENALTY AND RECTIFICATION AGAINST THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

☐ Applicable ☒ Not applicable

XI. EXPLANATION ON INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

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

SECTION VII SIGNIFICANT EVENTS

XII. MATERIAL RELATED TRANSACTIONS

(I) Related transactions related to daily operation

1. Matters disclosed in extraordinary announcements without progress or change in the follow-up implementation
☐ Applicable ☒ Not applicable
2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation
☒ Applicable ☐ Not applicable

As HPG is the controlling shareholder of QHD Port, HPG and its associates (as defined in the Shanghai Listing Rules and the Hong Kong Listing Rules) are related parties/connected persons of QHD Port under the Shanghai Listing Rules and the Hong Kong Listing Rules. As HPG Finance is a subsidiary of HPG, and is held as to 60% equity interests by HPG, HPG Finance is an associate of HPG and a related party/connected person of the Company.

Details of the Company's related/connected transactions during the year are set out in note XII to the financial statements in this annual report. The related party transactions described in note XII to the financial statements, of which the related party transactions between the Company and HPG and its associates (as defined in the Shanghai Listing Rules and the Hong Kong Listing Rules) are also connected transactions/continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and comply with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

During the Year, the Company had the following continuing related/connected transactions with related parties/connected persons:

Leasing Framework Agreement

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

During the year of 2024, the Company incurred the rental of RMB115,832,704.38 according to Lease Framework Agreement.

SECTION VII SIGNIFICANT EVENTS

General Services Agreement

Considered and approved by the first extraordinary general meeting of 2021, on 28 October 2021, the Company entered into General Services Agreement with HPG, with effect from 1 January 2022 to 31 December 2024. Pursuant to General Services Agreement, the Company offers general services to HPG mutually and the price of each service shall be determined according to the following principles and orders: (1) Government Price: At all times, government price is applicable to any specific product and service, and such products and services will be provided according to applicable government price (whether national or regional); (2) Government Guidance Price: Price shall be determined within the scope of the government guidance price if there is a standard of government guidance fee; (3) Market Price: The price will be determined with reference to the market price at that time if there is neither of the above two pricing standards but the price of the same or similar products, technology and services provided by independent third parties during the ordinary course of business on normal commercial terms; The management of the two parties shall refer to at least two comparable transactions with independent third parties when determining whether the transaction price of any product under the General Services Agreement is the market price; (4) Agreement Price: The charging standard will be determined according to reasonable costs plus reasonable profits of services provided where there is no above standards. The management shall refer to at least two comparable transactions with independent third parties when determining reasonable profits of the relevant services under the General Services Agreement, not higher than 15% of the cost in principle, save as otherwise agreed in the specific agreement.

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

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

During the year of 2024, the Company provided services to HPG with an amount of RMB107,163,740.11; HPG provided services to the Company with an amount of RMB980,593,786.79.

Financial Services Framework Agreement

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

SECTION VII SIGNIFICANT EVENTS

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

1. Deposit services:

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

2. Loan services:

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

3. Other Financial Services:

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

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

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

During the year of 2024, the maximum deposit balance of deposit service (namely maximum daily deposit and interest income balance) and the maximum amount of loan granted in respect of loan service (namely maximum daily loan and interest expense balance) at the actual transaction date were RMB5,393,105,933.22 and RMB1,715,150,000.00, respectively. In terms of other financial services, the actual transaction amount was RMB0.00.

The independent non-executive Directors of QHD Port had reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- (1) in the ordinary and usual course of business of QHD Port;
- (2) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms or not, on terms no less favorable than those available to or from independent third parties; and
- (3) in accordance with the relevant agreements governing the transactions and on terms that are fair and reasonable and in interests of QHD Port and the Shareholders as a whole.

SECTION VII SIGNIFICANT EVENTS

According to Rule 14A.56 of the Hong Kong Listing Rules, the auditor of QHD Port was engaged to report on the Company's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements Note 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules". The auditor has issued an unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed above by the Company in accordance with Rule 14A.56 of the Hong Kong Listing Rules.

The above continuing connected transactions:

- (1) have been approved by the Board;
- (2) have been, in all material respects, effected in accordance with pricing policies specified under the respective agreements relating to the transactions;
- (3) have been, in all material respects, entered into on the terms of the respective agreements relating to the transactions; and
- (4) do not exceed the annual caps as disclosed in relevant announcements.

3. Matters not disclosed in extraordinary announcements

☐ Applicable ☒ Not applicable

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

1. Matters disclosed in extraordinary announcements without further development or change in subsequent implementation

☒ Applicable ☐ Not applicable

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

2. Matters disclosed in extraordinary announcements and with further development or change in subsequent implementation

☐ Applicable ☒ Not applicable

3. Matters not disclosed in extraordinary announcements

☐ Applicable ☒ Not applicable

4. If agreement upon performance is involved, the performance achievements during the Reporting Period shall be disclosed

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS

(III) Major related transactions relating to joint external investments

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

(IV) Amounts due from/to related parties

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

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

☒ Applicable ☐ Not applicable

1. Deposit business
☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relations with related party	Maximum daily deposit limit	Interest scope of deposit	Opening balance	Amount incurred		Closing balance
					Amount deposited	Amount withdrawn	
Hebei Port Group Finance Co., Ltd.	Controlling subsidiary of the parent	6,500,000,000.00	0.66%-3.27%	4,293,652,722.58	15,921,862,601.02	15,425,683,431.81	4,789,831,891.79
Total				4,293,652,722.58	15,921,862,601.02	15,425,683,431.81	4,789,831,891.79

SECTION VII SIGNIFICANT EVENTS

2. Loan business

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relations with related party	Loan limitation	Interest scope of loan	Opening balance	Amount incurred		Closing balance
					Amount borrowed	Amount repaid	
Hebei Port Group Finance Co., Ltd.	Controlling subsidiary of the parent	2,000,000,000.00	2.27%-3.03%	1,486,500,000.00	600,000,000.00	689,700,000.00	1,396,800,000.00
Total				1,486,500,000.00	600,000,000.00	689,700,000.00	1,396,800,000.00

3. Credit business or other financial business

☐ Applicable ☒ Not applicable

4. Other explanation

☐ Applicable ☒ Not applicable

(VI) Others

☐ Applicable ☒ Not applicable

XIII. MATERIAL CONTRACTS AND THEIR EXECUTION

(I) Trusteeship, contracting and leasing

1. Trusteeship

☐ Applicable ☒ Not applicable

2. Contracting

☐ Applicable ☒ Not applicable

3. Leasing

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS

(II) Guarantees

☐ Applicable ☒ Not applicable

(III) Management of cash assets entrusted to third parties

1. Entrusted wealth management

(1) General conditions of entrusted wealth management

☐ Applicable ☒ Not applicable

Others

☐ Applicable ☒ Not applicable

(2) Breakdown of entrusted wealth management

☐ Applicable ☒ Not applicable

Others

☐ Applicable ☒ Not applicable

(3) Provision for impairment of entrusted wealth management

☐ Applicable ☒ Not applicable

2. Entrusted loans

(1) General conditions of entrusted loans

☐ Applicable ☒ Not applicable

Others

☐ Applicable ☒ Not applicable

(2) Breakdown of entrusted loans

☐ Applicable ☒ Not applicable

Others

☐ Applicable ☒ Not applicable

(3) Provision of impairment of entrusted loans

☐ Applicable ☒ Not applicable

3. Others

☐ Applicable ☒ Not applicable

(IV) Other material contracts

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS

XIV. EXPLANATION ON PROGRESS IN USE OF PROCEEDS

☐ Applicable ☒ Not applicable

XV. EXPLANATION FOR OTHER SIGNIFICANT EVENTS THAT HAVE A SIGNIFICANT INFLUENCE ON THE VALUE JUDGEMENTS AND INVESTMENT DECISIONS OF INVESTORS

☐ Applicable ☒ Not applicable

XVI. COMPLIANCE WITH LAWS AND REGULATIONS

The Company recognizes the importance of compliance with regulatory requirements and the risk of termination of operating licenses for non-compliance. QHD Port has been allocating system and staff resources to ensure continuing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the year ended 31 December 2024, to the best knowledge of the Directors, the Company has complied with the Company Law, the Securities Law, the Port Law of the PRC 《中華人民共和國港口法》, the Securities and Futures Ordinance, the Shanghai Listing Rules, the Hong Kong Listing Rules and other relevant rules and regulations.

XVII. RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Our results and sustainable development are materially affected by the Company's relationships with its employees, customers and suppliers. As such, the Company is committed to maintaining good relationships with its employees, customers and suppliers.

XVIII. USE OF PROCEEDS FROM ISSUANCE OF H SHARES

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

During the Reporting Period, the Company has used the proceeds from H Shares of HK\$2.5089 million mainly for working capital and general corporate purposes. As of 31 December 2024, HK\$3,850.0422 million of the proceeds from H Shares have been used by the Company and HK\$9.2475 million of the proceeds from H Shares remain unused, including the self-raised funds for the payment of the listing expenses of HK\$24.0174 million and the net interest income relating to the proceeds from H Shares of HK\$12.5164 million. During the Reporting Period, the use of proceeds from H Shares by the Company was in line with the planned use as disclosed in previous announcements and has no material change.

The balance of proceeds from H Shares of HK\$9.2475 million is expected to be used for the working capital and general corporate purposes of the Company in the next five years, including the payment of dividend to the shareholders of H Shares, if any, and the payment of relevant fees to the overseas intermediaries in relation to the listing of H Shares. "The balance of proceeds from H Shares" shall represent the balance of proceeds from H Shares kept in the Designated Account.

SECTION VIII REPORT OF SUPERVISORY COMMITTEE

The Supervisory Committee of QHD has fully discharged its duty of supervision on the Directors and senior management of the Company in a faithful and diligent manner according to the Company Law, the Articles of Association of the Company, Rules of Procedures of the Supervisory Committee and other applicable laws and regulations, playing a positive role for the regulation and compliance operation of the Company.

I. EVALUATION ON THE BEHAVIOR AND PERFORMANCE OF THE BOARD AND SENIOR MANAGEMENT IN 2024

The Supervisory Committee is of the view that the Directors and senior management of the Company were able to comply with the requirements of the Company Law, Articles of Association of the Company and other applicable laws and regulations to carry out operation. The Directors and senior management of the Company discharged their fiduciary duties in a prudent manner based on the resolutions approved at the general meetings and the resolutions approved and policies formulated by the Board. After supervision and investigation, none of the Directors and senior management of the Company were found to be in breach of the Articles of Association of the Company and other applicable laws and regulations when discharging their duties and none of their acts were found to be detrimental to the interests of the Company or the Shareholders of the Company.

II. OVERVIEW OF THE MEETINGS OF SUPERVISORY COMMITTEE

During the year, eight meetings were held by the Supervisory Committee. Details of the meetings are set out below:

1. On 27 February 2024, the Supervisory Committee held its eleventh meeting of the fifth session of the Supervisory Committee. At the meeting, the Resolution on the Plans of Investment in Fixed Asset and Investment in Software Asset of Qinhuangdao Port Co., Ltd. for 2024 (《關於秦皇島港股份有限公司2024年度固定資產投資和軟件資產投資計劃的議案》) was considered and approved.
2. On 28 March 2024, the Supervisory Committee held its twelfth meeting of the fifth session of the Supervisory Committee. At the meeting, the Resolution on the Report of the Supervisory Committee of the Company for 2023 (《關於本公司2023年度監事會報告的議案》), the Resolution on the 2023 Annual Report of the Company (《關於本公司 2023年年度報告的議案》), the Resolution on the Final Financial Report of the Company for the Year 2023 (《關於本公司 2023年度財務決算報告的議案》), the Resolution on the Profit Distribution Plan and Declaration of Final Dividend of the Company for 2023 (《關於本公司 2023 年度利潤分配方案及宣派末期股息的議案》), the Resolution on the Internal Control Evaluation Report of the Company for 2023 (《關於本公司 2023 年度內部控制評價報告的議案》), and the Resolution on the Supervisors' 2023 Annual Remuneration (《關於監事 2023年度薪酬的議案》) were considered and approved.
3. On 16 April 2024, the supervisory committee convened the 13th meeting of the fifth session of the Supervisory Committee, at which the Resolution on Consideration of the Transfer of the Vouchers and Contracts of the Ship Branch and the Resolution on Consideration of the Transfer of 18.03% Equity Interests in Tangshan Caofeidian Tugboat Co., Ltd. (唐山曹妃甸拖船有限公司) Held by Tangshan Caofeidian Coal Port Co., Ltd. (唐山曹妃甸煤炭港務有限公司) were considered and approved.
4. On 29 April 2024, the Supervisory Committee held its fourteenth meeting of the fifth session of the Supervisory Committee. At the meeting, the Resolution on the 2024 First Quarterly Report of the Company (《關於本公司 2024 年第一季度報告的議案》) was considered and approved.
5. On 29 August 2024, the Supervisory Committee held its fifteenth meeting of the fifth session of the Supervisory Committee. At the meeting, the Resolution on the 2024 Interim Report of the Company (《關於本公司 2024 年半年度報告的議案》) and the Resolution on External Donation (《關於對外捐贈的議案》) were considered and approved.
6. On 29 October 2024, the Supervisory Committee held its sixteenth meeting of the fifth session of the Supervisory Committee. At the meeting, the Resolution on the Election of Supervisor of the Fifth Session of the Supervisory Committee of the Company (《關於選舉本公司第五屆監事會監事的議案》) and the Resolution on the 2024 Third Quarterly Report of the Company (《關於本公司 2024 年第三季度報告的議案》) were considered and approved.
7. On 20 December 2024, the supervisory committee convened the 17th meeting of the fifth session of the Supervisory Committee, at which the Resolution on the Fixed Asset Investments and Software Asset Investment Plan of Qinhuangdao Port Co., Ltd. for 2025 was considered and approved.
8. On 30 December 2024, the supervisory committee convened the 18th meeting of the fifth session of the Supervisory Committee, at which the Resolution on the Provision for Costs on Employees Who Leave Their Posts and Wait for Retirement was considered and approved.

The Supervisory Committee also kept track of the business operation, financial position and performance of the Company through a variety of means in a timely manner to conduct effective supervision on the internal control, financial and major decision-making process of the Company and the performance of duties by the Board and senior management of the Company. Such measures mainly include:

1. To understand and supervise the research and decision-making on major issues by attending important meetings, such as the Board meetings, general meetings, operation meetings of president, and regular and monthly meetings in relation to administrative affairs.
2. To understand and supervise the operation of the Company through extensive project review and inspection in line with its annual supervision emphasis.
3. To facilitate the active and proper performance of duties by Directors and senior management through supervision on the performance of duties and clear separation of roles of Directors and senior management.
4. To integrate supervision into daily operation with an emphasis on financial, investment and operation aspects so as to promptly respond to any problems identified.

During the Year, compositions of the Supervisory Committee and the meetings convened by the Supervisory Committee were in compliance with the Company Law, the Articles of Association of the Company, Rules of Procedures of Meetings of the Supervisory Committee and other applicable laws and regulations.

SECTION VIII REPORT OF SUPERVISORY COMMITTEE

III. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT ISSUES IN YEAR 2024

1. Compliance of the Company

During the Year, the operation and decision-making process of the Board of QHD were in compliance with the Company Law, the Articles of Association and other applicable laws and regulations. The operating results of the Company are objective and true, reflecting its optimal internal control system. The Directors and senior management of the Company carried out the business and management with diligence, prudence and aspiration. None of the Directors and senior management of the Company were found to be in breach of the laws and regulations when discharging their duties and none of their acts were found to be detrimental to the interests of the Company and the Shareholders as a whole.

2. Financial Position and Periodic Report of the Company

The Supervisory Committee duly reviewed and discussed the audited financial statements of the Company for 2024 and other periodic reports and considered that it gave an objective, true, reasonable view in compliance with the laws, regulations and the Articles of Association of the Company. It also gave a complete and objective picture of the Company without any false representations, misleading statements or material omissions.

In addition, the Supervisory Committee considered that the preparation of this report was in compliance with the laws, regulations and the Articles of Association of the Company and its disclosure gave a complete and true picture of the operation, management and financial position of the Company during the Year.

3. Use of Proceeds

The H Shares of QHD have been listed and traded on the Stock Exchange since 12 December 2013. Since the Listing of the Company in December 2013, the use of proceeds from H-share (other than working capital and general corporate purposes) disclosed in the section "Future plans and use of proceeds" in the Prospectus has been completed as planned. The Board of Directors of QHD has resolved to approve the adjustment of unutilized proceeds from H-share to working capital and general corporate purposes. The Supervisory Committee supervised and inspected the use of proceeds from H-share of the Company and believed that the use of proceeds was in compliance with relevant requirements and no misappropriation was found.

4. Supervision and Review on Connected Transactions

The Supervisory Committee carried out supervision and review on connected transactions (including continuing connected transactions) of the Company during the Year. No connected transactions were found to be unfair and detrimental to the interests of the Company and the Shareholders as a whole.

5. Acquisition and disposal of material assets and external investments

The Supervisory Committee carried out supervision and inspection on the disposal and acquisition of material assets and external investments of the Company during the year. None of the above acquisition and disposal of material assets and external investments involved insider trading, was detrimental to the interests of the Company and the Shareholders or resulted in the loss of assets of the Company.

IV. PROSPECTS OF THE SUPERVISORY COMMITTEE FOR 2025

The Supervisory Committee will further carry out its supervision and inspection duties accountable to all the Shareholders in strict accordance with relevant laws and regulations, the Articles of Association and the Rules of Procedures of the Supervisory Committee of the Company in 2025. The Supervisory Committee will continue to safeguard the legal interests of the Company and the Shareholders so as to effectively regulate the operation and development of the Company.

By order of the Supervisory Committee
ZHENG Guoqiang
Chairman

28 March 2025

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Changes in shares

1. Table for changes in shares

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

2. Explanation on the changes in shares

☐ Applicable ☒ Not applicable

3. Impact of changes in shares on financial indicators including earnings per share, net assets per share, etc. in the latest year and period (if any)

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

(II) Changes in shares subject to selling restrictions

☐ Applicable ☒ Not applicable

II. SECURITIES ISSUANCE AND LISTING

(I) Issuance of securities during the Reporting Period

☐ Applicable ☒ Not applicable

Explanation of securities issuance as at the Reporting Period (for bonds with different interest rates during the duration, please specify separately):

☐ Applicable ☒ Not applicable

(II) Changes in the total number of shares of the Company and shareholder structure, and changes in the Company's assets and liabilities structure

☐ Applicable ☒ Not applicable

(III) Shareholding of existing internal employees

☐ Applicable ☒ Not applicable

III. PARTICULARS OF SHAREHOLDERS AND ACTUAL CONTROLLERS

(I) Total number of Shareholders

Total number of ordinary Shareholders as at the end of the Reporting Period (Person)	53,871
Total number of ordinary shareholders at the end of the previous month before the annual report disclosure date (Person)	52,476

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

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

Unit: share

Shareholding of the top 10 Shareholders (excluding those by lending shares for securities financing)							
Name of Shareholder (full name)	Change during the Reporting Period	Number of Shares held at the end of the period	Percentage (%)	Number of Shares subject to selling restrictions	Pledged, marked or frozen		Nature of Shareholder
					Status of Shares	Amount	
Hebei Port Group Co., Ltd.* (河北港口集團有限公司)	111,740,000	3,256,008,078	58.27		Nil		State-owned legal person
HKSCC Nominees Limited (香港中央結算(代理人) 有限公司) ^{Note}	1,055,500	828,536,373	14.83		Unknown		Overseas legal person
Qinhuangdao Municipal People's Government State-owned Assets Supervision and Administration Commission (秦皇島市人民政府國有 資產監督管理委員會)	-111,740,000	397,975,485	7.12		Nil		Country
Hebei Jiantou Transportation Investment Co., Ltd. (河北建投交通投資有限 責任公司)		209,866,757	3.76		Nil		State-owned legal person
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)		42,750,000	0.77		Nil		State-owned legal person
COSCO SHIPPING (Tianjin) Co., Ltd.* (中遠海運(天津)有限公司)		41,437,588	0.74		Nil		State-owned legal person
Jinneng Holding Coal Industry Group Co., Ltd. (晉能控股煤業集團有限公司)		41,437,588	0.74		Nil		State-owned legal person
Hong Kong Securities Clearing Company Ltd. (Shanghai- Hong Kong Stock Connect) (香港中央結算有限公司 (滬股通))	9,753,238	40,929,058	0.73		Nil		Overseas legal person
Qinhuangdao Port Management Office of the People's Government of Shanxi Province (山西省人民政府駐 秦皇島港務管理辦公室)		30,538,764	0.55		Nil		Others
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Securities Investment Fund (招商銀行股份有限公 司－南方中證1000 交易型 開放式指數證券投資基金)	10,059,700	11,829,700	0.21		Nil		Others

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Shareholding of top 10 Shareholders not subject to selling restrictions			
Name of Shareholder	Number of tradable shares held not subject to selling restrictions	Types and number of Shares	
		Types of Shares	Number of Shares
Hebei Port Group Co., Ltd.* (河北港口集團有限公司)	3,256,008,078	RMB-denominated ordinary shares	3,256,008,078
HKSCC Nominees Limited (香港中央結算(代理人)有限公司) ^{Note}	828,536,373	Overseas-listed foreign shares	828,536,373
Qinhuangdao Municipal People's Government State-owned Assets Supervision and Administration Commission (秦皇島市人民政府國有資產監督管理委員會)	397,975,485	RMB-denominated ordinary shares	397,975,485
Hebei Jiantou Transportation Investment Co., Ltd. (河北建投交通投資有限責任公司)	209,866,757	RMB-denominated ordinary shares	209,866,757
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	42,750,000	RMB-denominated ordinary shares	42,750,000
COSCO SHIPPING (Tianjin) Co., Ltd.* (中遠海運(天津)有限公司)	41,437,588	RMB-denominated ordinary shares	41,437,588
Jinneng Holding Coal Industry Group Co., Ltd. (晉能控股煤業集團有限公司)	41,437,588	RMB-denominated ordinary shares	41,437,588
Hong Kong Securities Clearing Company Ltd. (Shanghai-Hong Kong Stock Connect) (香港中央結算有限公司(滬股通))	40,929,058	RMB-denominated ordinary shares	40,929,058
Qinhuangdao Port Management Office of the People's Government of Shanxi Province (山西省人民政府駐秦皇島港務管理辦公室)	30,538,764	RMB-denominated ordinary shares	30,538,764
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Securities Investment Fund (招商銀行股份有限公司－南方中證1000 交易型開放式指數證券投資基金)	11,829,700	RMB-denominated ordinary shares	11,829,700
Explanations on the repurchase of special accounts among the top ten shareholders	Not applicable		
Explanation of the above-mentioned shareholders' entrusting voting rights, entrusted voting rights, and abstaining from voting	Not applicable		
Explanations on the connections or parties acting in concert among the aforesaid Shareholders	The Company is not aware of the existence of any connections in concert among the aforesaid Shareholders among the aforesaid Shareholders, or whether they are parties acting in concert within the requirements of the Administrative Measures on Takeover of Listed Companies		
Explanations on the shareholders of preferred shares whose voting rights have been restored and the number of Shares held	Not applicable		

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

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Participation of the shareholders holding 5% or above shares, top 10 shareholders and top 10 shareholders with tradable shares not subject to selling restrictions in lending shares for securities financing

☒ Applicable ☐ Not applicable

Unit: share

Participation of the shareholders holding 5% or above shares, top 10 shareholders and top 10 shareholders with tradable shares not subject to selling restrictions in lending shares for securities financing								
Name of Shareholder (full name)	Shareholding of ordinary accounts and credit accounts at the beginning of the period		Shares of lending shares for securities financing and not yet being returned at the beginning of the period		Shareholding of ordinary accounts and credit accounts at the end of the period		Shares of lending shares for securities financing and not yet being returned at the end of the period	
	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Securities Investment Fund (招商銀行股份有限公司－南方中證1000 交易型開放式指數證券投資基金)	1,770,000	0.03	357,600	0.01	11,829,700	0.22	0	0

Changes of top 10 shareholders over the last period

☒ Applicable ☐ Not applicable

Unit: share

Changes in the top 10 shareholders and top 10 shareholders with tradable shares not subject to selling restrictions due to the lending/returning of shares for securities financing					
Name of Shareholder (full name)	New/exit during the Reporting Period	Number of Shares of lending shares for securities financing and not yet being returned at the end of the period		Number of shareholding of Shareholders through ordinary accounts and credit accounts and Shares of lending shares for securities financing and not yet being returned at the end of the period	
		Total	Percentage (%)	Total	Percentage (%)
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Securities Investment Fund (招商銀行股份有限公司－南方中證1000 交易型開放式指數證券投資基金)	New			11,829,700	0.21
Zuo Yuzhen (左玉珍)	Exit			6,619,800	0.12

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

IV. CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLERS

(I) Particulars of the Controlling Shareholder

1 Legal person

☒ Applicable ☐ Not applicable

Name	Hebei Port Group Co., Ltd.
Person in charge or legal representative	Cao Ziyu
Date of establishment	28 August 2002
Principal business	General items: Port and waterway construction investment and operational management; cargo handling, warehousing, tugging and railway transport, other port business and logistics services; shipping and port passengers transport service; port information and technology consulting service; lease and maintenance of port facilities, equipment and machinery; port-centric industry investments, acquisition and reservation of land resources along coastlines and around ports for development and utilization; building lease; provision of terminal facilities for vessels; port operation; corporate management service. (In addition to items as permitted by laws, it can operate independently within the scope of business license according to law)
Details of controlling interests and investments in other domestic and foreign-listed companies during the Reporting Period	HPG holds 100% equity interests of Tangshan Port Industrial Group Co., Ltd., therefore, it indirectly holds 44.88% equity interests of Tangshan Port (60100.SH). Meanwhile, HPG holds 1.81% equity interests of Tangshan Port through Hebei Port Group (Tianjin) Investment Management Co., Ltd.(河北港口集團(天津)投資管理有限公司), its wholly-owned subsidiary, with a total of 46.69% equity interests indirectly held in Tangshan Port.
Other descriptions	Nil

2 Natural person

☐ Applicable ☒ Not applicable

3 No specific descriptions of controlling shareholders of the Company

☐ Applicable ☒ Not applicable

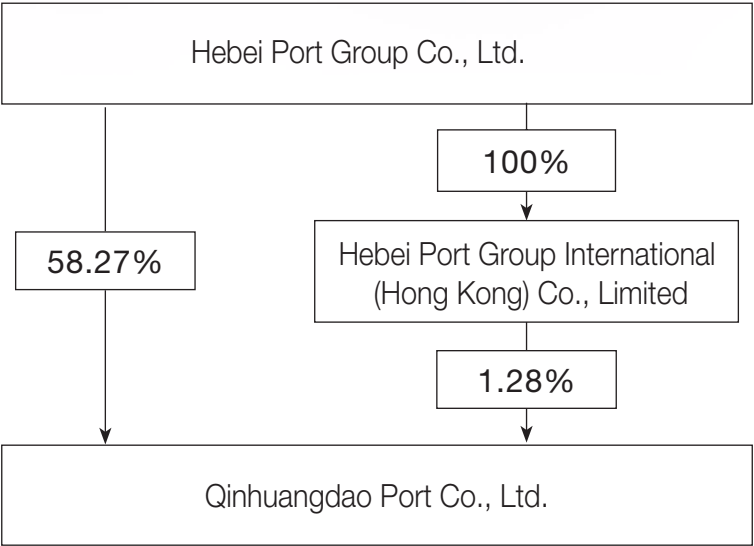
4 Explanations on the particulars of change in controlling shareholders during the Reporting Period

☐ Applicable ☒ Not applicable

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

5 Table of ownership and controlling relationship between the Company and controlling Shareholders

☒ Applicable ☐ Not applicable



(II) Particulars of De Facto Controllers

1 Legal person

☒ Applicable ☐ Not applicable

Name	State-owned Assets Supervision and Administration Commission of People's Government of Hebei Province
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2 Natural person

☐ Applicable ☒ Not applicable

3 No specific descriptions of de facto controllers of the Company

☐ Applicable ☒ Not applicable

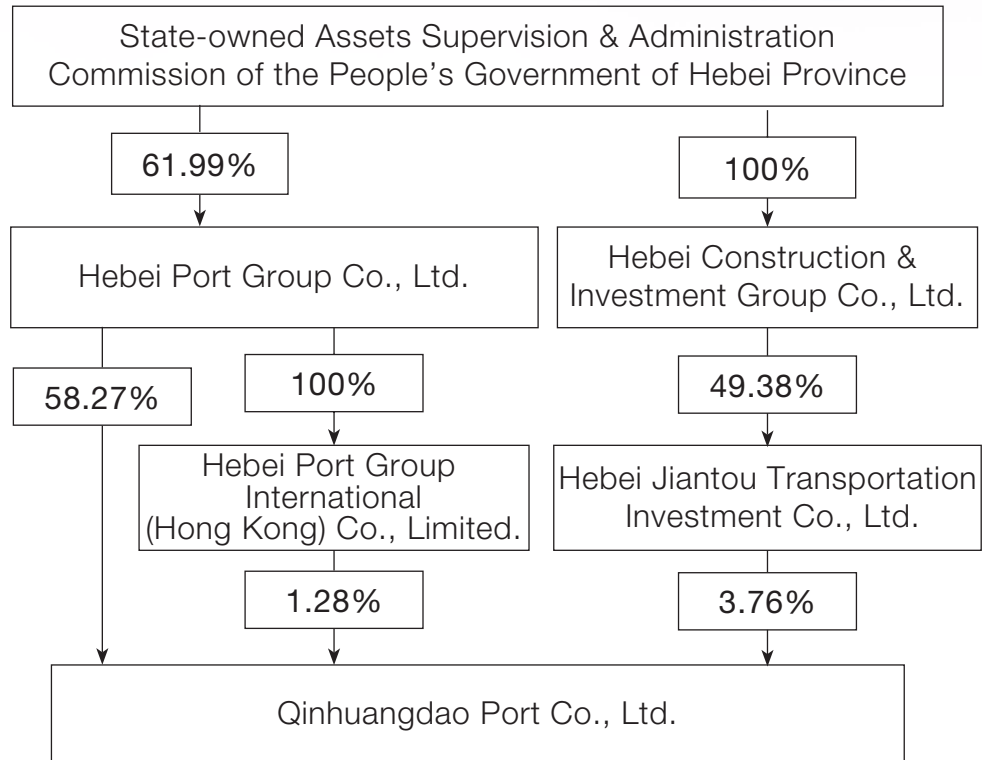
4 Explanations on the particulars of change in control of the Company during the Reporting Period

☐ Applicable ☒ Not applicable

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

5 Table of ownership and controlling relationship between the Company and de facto controllers

☒ Applicable ☐ Not applicable



6 Control of the Company by de facto controllers by way of trust or other means of asset management

☐ Applicable ☒ Not applicable

(III) Particulars of controlling shareholders and de facto controllers

☐ Applicable ☒ Not applicable

V. THE ACCUMULATED NUMBER OF SHARES PLEDGED BY THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OR PERSON ACTING IN CONCERT ACCOUNT FOR MORE THAN 80% OF THE AMOUNT OF SHARES OF THE COMPANY HELD BY THEM

☐ Applicable ☒ Not applicable

VI. OTHER CORPORATE SHAREHOLDERS WITH A SHAREHOLDING OF 10% OR ABOVE

☐ Applicable ☒ Not applicable

VII. EXPLANATION ON REDUCED SHAREHOLDING

☐ Applicable ☒ Not applicable

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING REPORTING PERIOD

☐ Applicable ☒ Not applicable

IX. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, so far as the Directors and Supervisors are aware, other than the Directors, Supervisors, the senior management of QHD Port and their respective associates, the following persons had or deemed to have an interest or short position in the Shares, underlying Shares and debentures which was recorded in the register required to be kept by QHD Port pursuant to Section 336 of the SFO:

Name of Shareholders	Number of Shares held	Capacity	Class of Shares	Approximate percentage of the total number of relevant class of issued share capital of QHD Port	Approximate percentage to total issued share capital of QHD Port	Long position/ short position
State-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province	3,256,008,078 (Note 1)	Interest of controlled corporation	A Share	68.44%	58.27%	Long position
Hebei Port Group Co., Ltd.	3,256,008,078	Beneficial owner	A Share	68.44%	58.27%	Long position
Greatwall Life Insurance Co., Ltd.	191,400,000	Beneficial owner	H Share	23.06%	3.43%	Long position
Hebei Port Group Co., Ltd.	71,303,000 (Note 2)	Interest of controlled corporation	H Share	8.59%	1.28%	Long position
HEBEI PORT GROUP International (Hong Kong) Co., Ltd.	71,303,000 (Note 2)	Beneficial owner	H Share	8.59%	1.28%	Long position
China Shipping (Group) Company	44,296,500 (Note 3)	Interest of controlled corporation	H Share	5.34%	0.79%	Long position
China Shipping (Hong Kong) Holdings Co., Limited	44,296,500 (Note 3)	Interest of controlled corporation	H Share	5.34%	0.79%	Long position
China Shipping Ports Development Co., Ltd.	44,296,500	Beneficial owner	H Share	5.34%	0.79%	Long position

Note:

1. State-owned Assets Supervision & Administration Commission of the People's Government of Hebei Province is the controlling shareholder of HPG, and therefore, is deemed to be interested in 3,256,008,078 Shares of QHD Port under the SFO;
2. HPG, the controlling shareholder of HEBEI PORT GROUP International (Hong Kong) Co., Ltd., is deemed to be interested in 71,303,000 Shares of QHD Port under the SFO;
3. China Shipping (Group) Company (direct controlling shareholder of China Shipping (Hong Kong) Holdings Co., Limited) and China Shipping (Hong Kong) Holdings Co., Limited (direct controlling shareholder of China Shipping Ports Development Co., Ltd.) were deemed to be interested in 44,296,500 Shares of QHD Port respectively under the SFO.

Save as disclosed above, as at 31 December 2024, so far as the Directors, Supervisors and senior management of QHD Port are aware, no other persons or substantial shareholders of the Company (as defined in the Hong Kong Listing Rules) had or deemed to have an interest or short position in the Shares or underlying Shares (as the case may be) of QHD Port which was required to be disclosed pursuant to Divisions 2 and 3 of Part XV under the SFO.

SECTION IX CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

X. MANAGEMENT CONTRACTS

During the Reporting Period, QHD Port did not enter into any contracts with respect to the management or administration of all or any substantial part of our businesses.

XI. PRE-EMPTIVE RIGHTS

The Articles of Association of QHD Port or the laws of the PRC did not stipulate the articles of pre-emptive rights.

XII. PURCHASE, SALES AND REDEMPTION OF SHARES

For the twelve months ended 31 December 2024, the Company did not purchase, sell or redeem any of the listed shares of QHD Port (including sale of treasury shares (if any) as defined in the Hong Kong Listing Rules). As at 31 December 2024, the Company did not hold any treasury shares.

XIII. PUBLIC FLOAT

The Hong Kong Stock Exchange has granted QHD Port a waiver from strict compliance with the requirements of Rule 8.08(1) of the Hong Kong Listing Rules ("Waiver from Compliance with Public Float Requirement"). In accordance with the Waiver from Compliance with Public Float Requirement, QHD Port shall maintain the minimum percentage of public float of at least 15% of our total issued share capital. Pursuant to information available for public and as far as Directors are aware, as of the date of this annual report, QHD Port has maintained the public float in accordance with the Hong Kong Listing Rules and the Waiver from Compliance with Public Float Requirement.

SECTION X INFORMATION OF PREFERENCE SHARES

☐ Applicable ☒ Not applicable

SECTION XI CORPORATE BONDS

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

☐ Applicable ☒ Not applicable

II. CONVERTIBLE CORPORATE BONDS

☐ Applicable ☒ Not applicable

De Shi Bao (Shen) Zi (25) No. P03381
Qinhuangdao Port Co., Ltd.

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

I. AUDIT OPINION

We have reviewed the accompanying financial statements of Qinhuangdao Port Co., Ltd. (hereinafter referred to as "QHD Port"), which comprised the consolidated and parent's balance sheets as at 31 December 2024, and the consolidated and parent's income statements, statements of cash flows and statements of changes in equity for 2024, and notes to the financial statements.

In our opinion, the financial statements as attached herewith are prepared in accordance with the provisions of Enterprise Accounting Standards to a material extent, and give a fair view of the consolidated and parent's financial position of QHD Port as at 31 December 2024, and of its consolidated and parent's financial performance and its cash flows for 2024.

II. BASIS FOR AUDIT OPINION

We conducted our audit in accordance with the provisions of the Standards on Auditing for Certified Public Accountants in China. Our responsibilities under those standards are further described in the section of Certified Public Accountant's Responsibilities for the Audit of the Financial Statements under this audit report. We are independent of QHD Port. in accordance with the Code of Ethics for Certified Public Accountants in China, and we have fulfilled our other ethical responsibilities accordingly. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determine that the following matters are key audit matters that need to be communicated in the audit report.

Revenue Recognition

1. Description of the Matter

As disclosed in note V. 36 to the financial statements, QHD Port achieved revenue of RMB6,865,375,581.39 for the year 2024. Among which, the relatively higher portion of this revenue, amounting to RMB5,977,131,659.95, was derived from service in relation to coal and relevant products and service in relation to metal ore and relevant products, which are critical performance indicators for QHD Port. There is an inherent risk that those revenues may be artificially manipulated to meet specific targets or expectations. Therefore, the authenticity of revenue recognition has a significant impact on the financial statements. Consequently, we have identified the revenue recognition for service in relation to coal and relevant products and service in relation to metal ore and relevant products as a key audit matter.

2. Audit Response

The primary audit procedures we performed in relation to the revenue recognition for service in relation to coal and relevant products and service in relation to metal ore and relevant products include:

- (1) Understanding the key internal controls related to revenue recognition for service in relation to coal and relevant products and service in relation to metal ore and relevant products, evaluating the design effectiveness of these controls, and testing the operational effectiveness of the key internal controls;
- (2) Performing analytical procedures on the operating revenue for the current year to confirm the reasonableness of the revenue recognized for coal and relevant products and service in relation to metal ore and relevant products;
- (3) Selecting samples from the accounting records of recognized revenue for detailed testing, examining relevant service contracts, work order forms, and handover documents, among other information, to assess the authenticity of the revenue recognition;
- (4) Performing confirmation procedures for major customers during the year to verify the authenticity of the revenue recognized for service in relation to coal and relevant products and service in relation to metal ore and relevant products.

IV. OTHER INFORMATION

The management of QHD Port are responsible for the other information. The other information comprises the information included in the annual report for 2024 of QHD Port, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibilities are to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management of QHD Port is responsible for the preparation of the financial statements that give a fair view in accordance with the provisions of Enterprise Accounting Standards, and for designing, implementing and maintaining such internal control as the Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the ability of the QHD Port to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless under the circumstances of QHD Port's liquidation, cessation of operation or lack of other realistic alternatives.

Those charged with governance are responsible for overseeing the financial reporting process of QHD Port.

VI. CERTIFIED PUBLIC ACCOUNTANT'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards of Audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards of Auditing, we exercise professional judgment and maintain skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of QHD Port to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause QHD Port to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within QHD Port to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

AUDIT REPORT

De Shi Bao (Shen) Zi (25) No. P03381 Qinhuangdao Port Co., Ltd.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Certified Public Accountants LLP

Chinese Certified Public Accountant: Li Weihua (Project Partner)

Chinese Certified Public Accountant: Wang Hongmei

Shanghai, China

28 March 2025

CONSOLIDATED BALANCE SHEET

31 December 2024

RMB

Assets	Note V	31 December 2024	31 December 2023
Current assets			
Cash and bank balances	1	4,280,764,065.06	2,838,023,456.57
Bills receivable	2	38,638,013.00	49,965,475.00
Accounts receivable	3	91,240,275.48	67,817,955.73
Accounts receivable financing	4	56,275,477.79	74,502,289.57
Prepayments		31,310,326.20	30,560,118.08
Other receivables	5	167,937,083.02	131,647,857.46
Inventories	6	140,472,576.08	145,739,815.70
Other current assets	7	168,792,974.55	178,778,070.14
Total current assets		4,975,430,791.18	3,517,035,038.25
Non-current assets			
Long-term equity investments	8	3,797,392,993.22	3,821,426,321.81
Other equity instruments investments	9	713,888,490.67	1,091,562,136.20
Fixed assets	10	11,464,827,963.35	12,934,816,515.53
Construction in progress	11	2,222,928,377.48	815,220,131.65
Right-of-use assets	12	98,640,235.88	120,254,978.12
Intangible assets	13	2,850,760,032.41	2,928,202,819.21
Long-term prepaid expenses	14	13,673,877.88	4,797,193.38
Deferred income tax assets	15	312,907,916.77	365,511,874.01
Other non-current assets	16	1,429,562,960.64	2,427,279,951.61
Total non-current assets		22,904,582,848.30	24,509,071,921.52
Total assets		27,880,013,639.48	28,026,106,959.77

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET

31 December 2024

RMB

Liabilities and shareholders' equity	Note V	31 December 2024	31 December 2023
Current liabilities			
Short-term borrowings	18	300,094,583.33	500,252,083.33
Accounts payable	19	324,223,205.39	253,421,149.43
Contract liabilities	20	681,995,496.70	564,480,062.57
Employee benefits payable	21	461,140,399.50	583,280,527.61
Taxes payable	22	22,480,015.81	21,764,786.44
Other payables	23	500,949,300.07	603,776,486.76
Non-current liabilities due within one year	24	684,673,557.52	633,718,528.57
Total current liabilities		2,975,556,558.32	3,160,693,624.71
Non-current liabilities			
Long-term borrowings	25	4,211,393,604.00	4,995,881,608.50
Lease liabilities	26	–	7,219.53
Long-term payable	27	–	32,000,000.00
Long-term employee benefits payable	28	301,043,454.65	267,844,523.45
Deferred income	29	105,280,198.38	108,099,841.75
Deferred income tax liabilities	15	15,524,033.17	89,471,967.06
Total non-current liabilities		4,633,241,290.20	5,493,305,160.29
Total liabilities		7,608,797,848.52	8,653,998,785.00
Shareholders' equity			
Share capital	30	5,587,412,000.00	5,587,412,000.00
Capital reserve	31	5,240,054,962.23	5,241,882,136.35
Other comprehensive income	32	478,763,351.17	645,070,189.30
Special reserve	33	59,619,879.38	119,947,727.76
Surplus reserve	34	1,870,675,590.72	1,754,087,442.20
Retained profit	35	6,092,739,910.78	5,075,119,932.68
Total equity attributable to shareholders of the parent		19,329,265,694.28	18,423,519,428.29
Minority interests		941,950,096.68	948,588,746.48
Total shareholders' equity		20,271,215,790.96	19,372,108,174.77
Total liabilities and shareholders' equity		27,880,013,639.48	28,026,106,959.77

The financial statements from page 96 to page 226 have been signed by:

Legal representative

Person in charge of
business operation

Chief financial officer

Head of accounting department

The notes form part of these financial statements

PARENT'S BALANCE SHEET

31 December 2024

RMB

Assets	Note XVI	31 December 2024	31 December 2023
Current assets			
Cash and bank balances		3,384,222,871.76	1,760,461,469.49
Bills receivable		17,000,000.00	2,500,000.00
Accounts receivable	1	19,716,899.85	26,603,156.00
Accounts receivable financing		15,499,312.04	23,919,615.56
Prepayments		9,102,333.58	7,081,207.77
Other receivables		150,469,656.24	112,679,348.66
Inventories		75,940,239.67	80,523,026.17
Other current assets		108,995,780.13	112,055,474.40
Total current assets		3,780,947,093.27	2,125,823,298.05
Non-current assets			
Long-term equity investments	2	10,241,126,942.68	10,239,399,425.99
Other equity instruments investments	3	664,490,019.50	862,458,063.92
Fixed assets		2,985,131,826.79	3,190,052,709.75
Construction in progress		628,050,489.52	366,177,861.27
Right-of-use assets		–	17,099,125.68
Intangible assets		357,562,222.81	388,785,379.51
Deferred income tax assets		234,006,739.15	257,525,827.86
Other non-current assets		1,147,451,081.63	2,289,413,943.57
Total non-current assets		16,257,819,322.08	17,610,912,337.55
Total assets		20,038,766,415.35	19,736,735,635.60

The notes form part of these financial statements

PARENT'S BALANCE SHEET

31 December 2024

RMB

Liabilities and shareholders' equity	31 December 2024	31 December 2023
Current liabilities		
Accounts payable	157,891,591.88	116,410,982.64
Contract liabilities	389,551,439.50	365,429,232.20
Employee benefits payable	439,811,863.68	557,995,250.47
Taxes payable	11,991,866.49	9,769,062.42
Other payables	254,909,536.94	349,065,352.86
Non-current liabilities due within one year	–	21,043,438.23
Total current liabilities	1,254,156,298.49	1,419,713,318.82
Non-current liabilities		
Long-term payable	–	32,000,000.00
Long-term employee benefits payable	274,557,247.01	246,780,140.30
Deferred income	101,302,717.32	102,934,015.44
Deferred income tax liabilities	19,434,415.38	68,926,426.48
Total non-current liabilities	395,294,379.71	450,640,582.22
Total liabilities	1,649,450,678.20	1,870,353,901.04
Shareholders' equity		
Share capital	5,587,412,000.00	5,587,412,000.00
Capital reserve	5,229,526,919.59	5,231,063,136.42
Other comprehensive income	484,746,235.93	608,311,377.19
Special reserve	31,588,261.20	85,679,189.75
Surplus reserve	1,870,537,245.95	1,753,949,097.43
Retained profit	5,185,505,074.48	4,599,966,933.77
Total shareholders' equity	18,389,315,737.15	17,866,381,734.56
Total liabilities and shareholders' equity	20,038,766,415.35	19,736,735,635.60

The notes form part of these financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

RMB

Item	Note V	2024	2023
I. Revenue	36	6,865,375,581.39	7,054,883,834.36
Less: Operating costs	36	4,250,058,180.95	4,413,559,410.53
Tax and surcharges	37	136,899,752.33	135,725,310.18
Administrative expenses	38	874,398,181.09	746,412,812.10
Research and development expenses	39	173,671,628.28	154,045,515.83
Financial costs	40	56,624,973.78	105,653,575.66
Including: Interest expense	40	172,337,813.80	236,306,728.69
Interest income	40	116,304,013.05	130,974,478.65
Add: Other income	41	16,254,765.19	64,104,619.72
Investment income	42	421,204,791.03	311,501,884.52
Including: Investment income from associates and joint ventures		351,915,363.98	275,501,884.52
Credit impairment gain	43	9,416,923.91	3,859,652.04
Asset impairment loss	44	(2,461,090.51)	(4,375,553.88)
Gains from the disposal of assets	45	83,279,742.28	4,357,037.29
II. Operating profits		1,901,417,996.86	1,878,934,849.75
Add: Non-operating income	46	12,387,945.82	8,934,003.71
Less: Non-operating expenses	47	13,549,025.49	4,726,814.58
III. Total profit		1,900,256,917.19	1,883,142,038.88
Less: Income tax expenses	48	325,666,696.83	318,669,264.72
IV. Net profit		1,574,590,220.36	1,564,472,774.16
(I) Classified by business continuity			
1. Net profit from continuing operations		1,574,590,220.36	1,564,472,774.16
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent		1,564,897,805.73	1,531,202,403.96
2. Minority interests		9,692,414.63	33,270,370.20
V. Other comprehensive income, net of tax		(121,730,800.56)	15,422,431.30
(I) Other comprehensive income attributable to shareholders of the parent, net of tax	32	(125,238,453.67)	5,364,568.86
1. Other comprehensive income not to be reclassified to profit or loss			
(1) Other comprehensive income not to be taken to profit or loss using the equity method		24,910,892.06	48,735,206.87
(2) Changes in fair value of investments in other equity instruments		(144,825,210.70)	(44,055,469.62)
2. Other comprehensive income to be reclassified into profit or loss			
(1) Exchange differences on foreign currency translation		1,039,287.56	684,831.61
(2) Profit or loss transferred from foreign operation disposed of for the current period		(6,363,422.59)	–
(II) Other comprehensive income attributable to minority shareholders, net of tax	32	3,507,653.11	10,057,862.44
VI. Total comprehensive income		1,452,859,419.80	1,579,895,205.46
(I) Total comprehensive income attributable to shareholders of the parent		1,439,659,352.06	1,536,566,972.82
(II) Total comprehensive income attributable to minority shareholders		13,200,067.74	43,328,232.64
VII. Earnings per share			
Basic and diluted earnings per share (RMB/Share)	49	0.28	0.27

The notes form part of these financial statements

PARENT'S INCOME STATEMENT

For the year ended 31 December 2024

RMB

Item	Note XVI	2024	2023
I. Revenue	4	4,078,010,829.05	4,222,124,285.54
Less: Operating costs	4	2,298,136,532.17	2,420,927,106.56
Tax and surcharges		80,473,071.59	80,037,409.62
Administrative expenses		715,200,601.32	603,276,381.37
Research and development expenses		135,225,050.09	115,834,527.43
Financial costs		(92,191,410.33)	(103,910,637.83)
Including: Interest expense		528,277.78	1,361,095.70
Interest income		92,892,001.56	105,644,399.66
Add: Other income		14,133,540.18	52,945,989.64
Investment income	5	414,257,132.88	321,446,360.46
Including: Investment income from associates and joint ventures		377,577,983.29	285,446,360.46
Credit impairment (loss) gain		(602,210.59)	456,802.99
Asset impairment loss		(2,461,090.51)	–
Gains from the disposal of assets		83,283,142.28	139,733.90
II. Operating profits		1,449,777,498.45	1,480,948,385.38
Add: Non-operating income		12,176,571.99	8,675,821.40
Less: Non-operating expenses		13,212,744.17	3,296,238.99
III. Total profit		1,448,741,326.27	1,486,327,967.79
Less: Income tax expenses		241,893,266.15	287,483,716.92
IV. Net profit		1,206,848,060.12	1,198,844,250.87
Including: Net profit from continuing operations		1,206,848,060.12	1,198,844,250.87
V. Other comprehensive income, net of tax		(123,565,141.26)	(5,788,650.19)
1. Other comprehensive income not to be reclassified to profit or loss			
(1) Other comprehensive income not to be taken to profit or loss using the equity method		24,910,892.06	48,735,206.87
(2) Changes in fair value of investments in other equity instruments		(148,476,033.32)	(54,523,857.06)
VI. Total comprehensive income		1,083,282,918.86	1,193,055,600.68

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

RMB

Item	Note V	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		7,168,182,407.49	7,316,984,510.60
Refund of taxes and levies		7,240,485.50	3,129,398.92
Cash received relating to other operating activities	50	64,526,755.81	111,274,409.08
Sub-total of cash inflows		7,239,949,648.80	7,431,388,318.60
Cash paid for goods and services		1,775,745,377.23	1,952,721,436.97
Cash paid to and on behalf of employees		2,102,291,531.40	2,103,236,325.67
Cash paid for all taxes		510,692,016.86	588,160,131.66
Cash paid relating to other operating activities	50	436,073,750.37	393,471,317.05
Sub-total of cash outflows		4,824,802,675.86	5,037,589,211.35
Net cash flows from operating activities	51	2,415,146,972.94	2,393,799,107.25
II. Cash flows from investing activities:			
Cash received from return of investment		1,050,305,550.70	1,835,860,348.40
Cash received from investment income		217,746,610.85	72,853,869.92
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		192,064,799.67	12,032,527.50
Net cash received for the disposal of subsidiaries and other business units	51	50,712,597.91	10,712,597.92
Sub-total of cash inflows		1,510,829,559.13	1,931,459,343.74
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		1,048,956,560.17	1,061,056,755.66
Cash paid for investments		1,241,139,293.86	3,604,410,348.40
Cash paid relating to other investing activities	50	10,652,158.36	5,456,523.88
Sub-total of cash outflows		2,300,748,012.39	4,670,923,627.94
Net cash flows from investing activities		(789,918,453.26)	(2,739,464,284.20)
III. Cash flows from financing activities:			
Cash received from borrowings		680,000,000.00	2,001,100,000.00
Sub-total of cash inflows		680,000,000.00	2,001,100,000.00
Cash paid for repayments of borrowings		1,590,568,004.50	2,760,573,690.48
Cash paid for distribution of dividends or profits or for interest expenses		639,943,460.19	634,578,485.08
Cash paid relating to other financing activities	50	17,293,397.31	17,587,025.04
Sub-total of cash outflow		2,247,804,862.00	3,412,739,200.60
Net cash flows from financing activities		(1,567,804,862.00)	(1,411,639,200.60)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		634,693.39	544,518.96
V. Net increase(decrease) in cash and cash equivalents		58,058,351.07	(1,756,759,858.59)
Add: Balance of cash and cash equivalents at the beginning of the year		1,689,267,856.26	3,446,027,714.85
VI. Balance of cash and cash equivalents at the end of the year	51	1,747,326,207.33	1,689,267,856.26

The notes form part of these financial statements

PARENT'S STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	4,239,841,946.47	4,390,410,699.09
Cash received relating to other operating activities	28,481,538.08	85,272,904.83
Sub-total of cash inflows	4,268,323,484.55	4,475,683,603.92
Cash paid for goods and services	1,001,361,655.64	1,122,788,332.48
Cash paid to and on behalf of employees	1,733,631,989.31	1,762,537,855.56
Cash paid for all taxes	368,315,076.61	411,942,008.17
Cash paid relating to other operating activities	310,109,486.56	244,803,345.22
Sub-total of cash outflows	3,413,418,208.12	3,542,071,541.43
Net cash flows from operating activities	854,905,276.43	933,612,062.49
II. Cash flows from investing activities:		
Cash received from return of investment	720,000,000.00	1,550,000,000.00
Cash received from investment income	213,754,690.75	64,639,473.92
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	184,158,058.90	9,971,866.65
Net cash received for disposal of subsidiaries and other business units	122,058,648.21	—
Sub-total of cash inflows	1,239,971,397.86	1,624,611,340.57
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	389,786,976.24	512,322,966.49
Cash paid for investments	1,042,630,000.00	3,361,190,288.66
Sub-total of cash outflows	1,432,416,976.24	3,873,513,255.15
Net cash flows from investing activities	(192,445,578.38)	(2,248,901,914.58)
III. Cash flows from financing activities:		
Cash paid for distribution of dividends or profits or for interest expenses	463,754,946.43	396,705,468.13
Cash paid relating to other financing activities	17,130,646.31	17,424,274.04
Sub-total of cash outflow	480,885,592.74	414,129,742.17
Net cash flows from financing activities	(480,885,592.74)	(414,129,742.17)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(45,001.20)	(246,286.71)
V. Net increase(decrease) in cash and cash equivalents	181,529,104.11	(1,729,665,880.97)
Add: Balance of cash and cash equivalents at the beginning of the year	793,591,427.64	2,523,257,308.61
VI. Balance of cash and cash equivalents at the end of the year	975,120,531.75	793,591,427.64

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

RMB

Item	2024								
	Equity attributable to shareholders of the parent								Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Sub-total	Minority interests	
I. Current year's opening balance	5,587,412,000.00	5,241,882,136.35	645,070,189.30	119,947,727.76	1,754,087,442.20	5,075,119,932.68	18,423,519,428.29	948,588,746.48	19,372,108,174.77
II. Changes during the year									
(I) Total comprehensive income									
1. Net profit	-	-	-	-	-	1,564,897,805.73	1,564,897,805.73	9,692,414.63	1,574,590,220.36
2. Other comprehensive income	-	-	(125,238,453.67)	-	-	-	(125,238,453.67)	3,507,653.11	(121,730,800.56)
(II) Profit distribution									
1. Appropriation to surplus reserves	-	-	-	-	120,684,806.01	(120,684,806.01)	-	-	-
2. Distribution to Shareholders	-	-	-	-	-	(463,755,196.00)	(463,755,196.00)	(600,000.00)	(464,355,196.00)
(III) Special reserve									
1. Accrual	-	-	-	69,186,800.51	-	-	69,186,800.51	5,155,669.57	74,342,470.08
2. Usage	-	-	-	(129,514,648.89)	-	-	(129,514,648.89)	(4,157,844.71)	(133,672,493.60)
(IV) Others									
1. Disposal of other equity instruments investments	-	-	(41,068,384.46)	-	-	33,065,516.89	(8,002,867.57)	(7,689,029.64)	(15,691,897.21)
2. Disposal of equity interests in subsidiaries	-	-	-	-	(4,096,657.49)	4,096,657.49	-	(12,544,646.25)	(12,544,646.25)
3. Other equity movements	-	(1,827,174.12)	-	-	-	-	(1,827,174.12)	(2,866.51)	(1,830,040.63)
III. Current year's closing balance	5,587,412,000.00	5,240,054,962.23	478,763,351.17	59,619,879.38	1,870,675,590.72	6,092,739,910.78	19,329,265,694.28	941,950,096.68	20,271,215,790.96

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

RMB

	2023								
	Equity attributable to shareholders of the parent								
Item	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Sub-total	Minority interests	Total shareholders' equity
I. Current year's opening balance	5,587,412,000.00	5,207,670,068.40	639,705,620.44	192,106,174.51	1,634,203,017.11	4,060,508,205.81	17,321,605,086.27	903,471,238.40	18,225,076,324.67
II. Changes during the year									
(I) Total comprehensive income									
1. Net profit	-	-	-	-	-	1,531,202,403.96	1,531,202,403.96	33,270,370.20	1,564,472,774.16
2. Other comprehensive income	-	-	5,364,568.86	-	-	-	5,364,568.86	10,057,862.44	15,422,431.30
(II) Increase and decrease in capital contribution from shareholders									
1. Others	-	34,212,067.95	-	-	-	-	34,212,067.95	12,002.32	34,224,070.27
(III) Profit distribution									
1. Appropriation to surplus reserves	-	-	-	-	119,884,425.09	(119,884,425.09)	-	-	-
2. Distribution to Shareholders	-	-	-	-	-	(396,706,252.00)	(396,706,252.00)	-	(396,706,252.00)
(IV) Special reserve									
1. Accrual	-	-	-	67,530,778.13	-	-	67,530,778.13	5,238,045.67	72,768,823.80
2. Usage	-	-	-	(139,689,224.88)	-	-	(139,689,224.88)	(3,460,772.55)	(143,149,997.43)
III. Current year's closing balance	5,587,412,000.00	5,241,882,136.35	645,070,189.30	119,947,727.76	1,754,087,442.20	5,075,119,932.68	18,423,519,428.29	948,588,746.48	19,372,108,174.77

The notes form part of these financial statements

PARENT'S STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

RMB

Item	2024						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Total shareholders' equity
I. Current year's opening balance	5,587,412,000.00	5,231,063,136.42	608,311,377.19	85,679,189.75	1,753,949,097.43	4,599,966,933.77	17,866,381,734.56
II. Changes during the year							
(I) Total comprehensive income							
1. Net profit	-	-	-	-	-	1,206,848,060.12	1,206,848,060.12
2. Other comprehensive income	-	-	(123,565,141.26)	-	-	-	(123,565,141.26)
(II) Profit distribution							
1. Appropriation to surplus reserves	-	-	-	-	120,684,806.01	(120,684,806.01)	-
2. Distribution to Shareholders	-	-	-	-	-	(463,755,196.00)	(463,755,196.00)
(III) Special reserve							
1. Accrual	-	-	-	42,754,001.88	-	-	42,754,001.88
2. Usage	-	-	-	(96,844,930.43)	-	-	(96,844,930.43)
(IV) Others	-	(1,536,216.83)	-	-	(4,096,657.49)	(36,869,917.40)	(42,502,791.72)
III. Current year's closing balance	5,587,412,000.00	5,229,526,919.59	484,746,235.93	31,588,261.20	1,870,537,245.95	5,185,505,074.48	18,389,315,737.15

The notes form part of these financial statements

PARENT'S STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

RMB

Item	2023						Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	
I. Current year's opening balance	5,587,412,000.00	5,197,336,468.67	614,100,027.38	138,466,080.24	1,634,064,672.34	3,917,713,359.99	17,089,092,608.62
II. Changes during the year							
(I) Total comprehensive income							
1. Net profit	-	-	-	-	-	1,198,844,250.87	1,198,844,250.87
2. Other comprehensive income	-	-	(5,788,650.19)	-	-	-	(5,788,650.19)
(II) Increase and decrease in capital contribution from shareholders							
1. Others	-	33,726,667.75	-	-	-	-	33,726,667.75
(III) Profit distribution							
1. Appropriation to surplus reserves	-	-	-	-	119,884,425.09	(119,884,425.09)	-
2. Distribution to Shareholders	-	-	-	-	-	(396,706,252.00)	(396,706,252.00)
(IV) Special reserve							
1. Accrual	-	-	-	44,844,364.93	-	-	44,844,364.93
2. Usage	-	-	-	(97,631,255.42)	-	-	(97,631,255.42)
III. Current year's closing balance	5,587,412,000.00	5,231,063,136.42	608,311,377.19	85,679,189.75	1,753,949,097.43	4,599,966,933.77	17,866,381,734.56

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

I. GENERAL INFORMATION

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

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

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

These financial statements have been approved for issue by the Board of the Company by resolutions on 28 March 2025.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of Preparation

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

According to the Hong Kong Listing Rules, as well as the requirements of the relevant documents of the Ministry of Finance and the China Securities Regulatory Commission, the Company provides a financial report prepared in accordance with the China Accounting Standards for Business Enterprises to all shareholders and has taken into account the disclosure requirements under the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in the preparation of this financial report.

2. Going Concern

The Group evaluated its ability to continue as a going concern for the 12 months starting from 31 December 2024, and has not identified any matter or circumstance that may cast significant doubt on its ability to continue as a going concern. Therefore, these financial statements have been prepared on the basis of the going concern assumption.

3. Basis of Accounting and Principles of Measurement

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

3. Basis of Accounting and Principles of Measurement (Continued)

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

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

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

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

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates are presented as follows:

1. Statement of Compliance with Accounting Standards for Business Enterprises

The financial statements have been prepared by the Company in accordance with the Accounting Standards for Business Enterprises and have fairly and fully presented the consolidated and parent company's financial position as at 31 December 2024 as well as the consolidated and parent company's operating results, cash flows and changes in shareholders' equity for 2024.

2. Accounting Period

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

3. Operating Cycle

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Functional Currency

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

5. Methods of Determining and Basis of Selecting Materiality Criteria

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

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

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

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

6.1 Business combination under common control

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

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

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

6.2 Business combination not under common control and goodwill

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Accounting Treatment Methods for Business Combination under Common Control and Not under Common Control (Continued)

6.2 Business combination not under common control and goodwill (Continued)

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

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

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

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

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

7.1 Judgment criteria for control

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

7.2 Preparation method for consolidated financial statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

7.2 Preparation method for consolidated financial statements (Continued)

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Classification of Joint Venture Arrangement and Accounting Treatment Method for Joint Operations (Continued)

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

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

9. Determination Criteria for Cash and Cash Equivalents

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

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

10.1 Foreign currency transactions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Foreign Currency Transactions and Translation of the Financial Statements Prepared in Foreign Currencies (Continued)

10.2 Translation of the financial statements prepared in foreign currencies

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

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

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

11. Financial Instruments

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instruments (Continued)

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

11.1 Classification, recognition and measurement of financial assets

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

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

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

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

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

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

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

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

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

11.1.1 Financial assets measured at amortized cost

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

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

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

11.1.2 Financial assets at fair value through other comprehensive income

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

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instruments (Continued)

11.1 Classification, recognition and measurement of financial assets (Continued)

11.1.2 Financial assets at fair value through other comprehensive income (Continued)

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

11.1.3 Financial assets at fair value through profit or loss

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

11.2 Impairment of financial instruments

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

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

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

The Group has measured the provision for loss in the previous accounting period at an amount equivalent to the expected credit loss over the entire life of the financial instrument. However, on the current balance sheet date, if the financial instrument no longer falls under the category of significantly increased credit risk since initial recognition, the Group will measure the provision for loss on the financial instrument at an amount equivalent to the expected credit loss over the next 12 months on the current balance sheet date.

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For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk

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

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

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

11.2.2 Credit-impaired financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instruments (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.3 Determination of expected credit loss

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

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

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

11.2.4 Write-down of financial assets

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

11.3 Transfers of financial assets

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

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

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

11.4 Classification of financial liabilities and equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instruments (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.1 Equity instruments

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

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

12. Inventories

12.1 Category of inventories, valuation method for inventories delivered, inventory system, and amortization method for low-value consumables and spare parts

12.1.1 Category of inventories

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

12.1.2 Valuation method for inventories delivered

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

12.1.3 Inventory system

The Group adopts perpetual inventory system.

12.1.4 Amortization method for low-value consumables and spare parts

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

12.2 Recognition criteria and provision method for decline in value of inventories

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

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories (Continued)

12.2 Recognition criteria and provision method for decline in value of inventories (Continued)

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

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

13. Long-term Equity Investments

13.1 Judgment criteria for joint control and significant influence

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

13.2 Determination of initial investment cost

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term Equity Investments (Continued)

13.2 Determination of initial investment cost (Continued)

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

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

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

13.3 Subsequent measurement and profit or loss recognition methods

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term Equity Investments (Continued)

13.3 Subsequent measurement and profit or loss recognition methods (Continued)

13.3.2 Long-term equity investments accounted for under the equity method (Continued)

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

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

13.4 Disposal of Long-term Equity Investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed Assets

14.1 Recognition conditions

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

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

14.2 Depreciation method

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

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

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

14.3 Other instructions

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

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

15. Construction in Progress

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Construction in Progress (Continued)

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

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

16. Borrowing Costs

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

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

17. Intangible Assets

17.1 Useful life and its determination basis, estimation, amortization method or review procedures

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

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

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

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

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Intangible Assets (Continued)

17.2 Scope of R&D expenditures and related accounting treatment method

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

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

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

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

18. Impairment of Long-term Assets

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

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

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

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

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Long-term Prepaid Expenses

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

20. Contract Liabilities

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

21. Employee Benefits

21.1 Accounting treatment method for short-term employee benefits

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

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

21.2 Accounting treatment method for post-employment benefits

Post-employment benefits are all defined contribution plans.

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

21.3 Accounting treatment method for termination benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee Benefits (Continued)

21.4 Other long-term employee benefits

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

22. Estimated Liabilities

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

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

23. Revenue

23.1 Accounting policies used for revenue recognition and measurement based on business types

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Revenue (Continued)

23.1 Accounting policies used for revenue recognition and measurement based on business types (Continued)

23.1.1 Contracts for the rendering of services

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

23.1.2 Contracts for the sales of goods

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

24. Government Grants

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

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

24.1 Basis of judgment and accounting treatment method for government grants related to assets

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

24.2 Basis of judgment and accounting treatment method for government grants related to income

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

25.1 Current income tax

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

25.2 Deferred income tax assets and deferred income tax liabilities

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Deferred Income Tax Assets/Deferred Income Tax Liabilities (Continued)

25.2 Deferred income tax assets and deferred income tax liabilities (Continued)

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

25.3 Offsetting of income tax

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

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

26. Leases

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

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

26.1 The Group as a lessee

26.1.1 Right-of-use assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Leases (Continued)

26.1 The Group as a lessee (Continued)

26.1.1 Right-of-use assets (Continued)

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

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

26.1.2 Lease liabilities

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Leases (Continued)

26.1 The Group as a lessee (Continued)

26.1.2 Lease liabilities (Continued)

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

where there is a change in the lease term or a change in the assessment results of the purchase option, the Group re-measures the lease liability at the present value calculated according to the changed lease payments and the revised discount rate;

where there is a change in the expected amount payable of the guarantee residual value or a change in the index or ratio used to determine the lease payment amount, the Group remeasures the lease liability at the present value calculated according to the changed lease payments and the original discount rate.

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

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

26.2 The Group as a lessor

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

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

26.2.2 Operating leases recorded by the Group as a lessor

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Production Safety Expense

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

28. Other Significant Accounting Policies and Accounting Estimates

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

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

Key assumptions and uncertainties used in accounting estimates

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

Impairment of non-current assets other than financial assets

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

Fair value of unlisted equity investments

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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III. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

Key assumptions and uncertainties used in accounting estimates (Continued)

Deferred income tax assets

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

Useful lives and residual values of fixed assets

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

29. Changes in Significant Accounting Policies and Accounting Estimates

The MOF issued the Accounting Standards for Business Enterprises Interpretation No.17 ("Interpretation No. 17") and Accounting Standards for Business Enterprises Interpretation No.18 ("Interpretation No. 18") on 25 October 2023 and 6 December 2024, respectively.

Interpretation No. 17 provides for the classification of current liabilities and non-current liabilities and accounting treatment for sale and leaseback transactions, which came into effect on 1 January 2024.

Interpretation No. 18 provides for the subsequent measurement of investment properties held as foundation projects under the variable fee approach and the accounting for product quality warranties that do not fall within the category of standalone performance obligation, which came into effect on 6 December 2024, with the option for early adoption by enterprises within the fiscal year of issuance.

Upon assessment, the Group considers that the adoption of above Interpretation has no significant impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

IV. TAXATION

1. Major Categories of Taxes and Respective Tax Rates

Item	Tax Basis	Tax Rate
Value-added tax ("VAT")	Output VAT at the applicable tax rate on the sales amount, after deducting deductible input VAT	13%, 6%
City maintenance and construction tax	VAT paid actually	7%
Enterprise income tax	Taxable profit	25%, 16.5%
Property tax	70% of the initial cost of the properties and rental income	1.2%, 12%

Land use tax	Actual area of land used	Unit tax amount prescribed in the tax law
Environment protection tax	Emissions of taxable pollutants and their pollution equivalent	Under the Environmental Protection Tax Law, the applicable tax rates

The description of taxpayers with different corporate income tax rates:

Name of taxpayer	Income Tax Rate
Qinhuangdao Port GangSheng (Hong Kong) Co., Limited (秦皇島港港盛(香港)有限公司)	16.5%

2. Tax Concessions

Land use tax

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

VAT

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

IV. TAXATION (CONTINUED)

2. Tax Concessions (Continued)

Enterprise income tax

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

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

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and Bank Balances

RMB

Item	31 December 2024	31 December 2023
Cash on hand	1,046.82	11,334.47
Bank deposits	620,509,512.01	762,221,357.30
Other cash and bank balances	500.00	500.00
Deposits with Hebei Port Group Finance Company Limited (河北港口集團財務有限公司) ("Finance Company")	3,660,253,006.23	2,075,790,264.80
Total	4,280,764,065.06	2,838,023,456.57
Aggregate amounts deposited overseas	–	59,086,093.58

2. Bills Receivable

RMB

Item	31 December 2024	31 December 2023
Commercial acceptance bills	17,000,000.00	2,784,400.00
Bank acceptance bills	21,638,013.00	47,181,075.00
Total	38,638,013.00	49,965,475.00

As at 31 December 2024, no bank acceptance notes of the Group was pledged.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

2. Bills Receivable (Continued)

As at 31 December 2024, the bills receivable which was endorsed but undue as at the balance sheet date are as follows:

RMB

Item	Derecognized	Not derecognized
Commercial acceptance bills	–	8,000,000.00
Total	–	8,000,000.00

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

3. Accounts Receivable

(1) Disclosure by aging

RMB

Aging	31 December 2024	31 December 2023
Within 1 year	94,263,405.21	71,028,396.67
1 to 2 years	1,820,349.70	3,629,733.00
2 to 3 years	2,639,193.00	1,924.00
Over 3 years	893,306.48	913,672.63
Total	99,616,254.39	75,573,726.30

(2) Disclosure by bad debts provision method

31 December 2024

RMB

Item	Balance	Percentage (%)	Provision for bad debts	Percentage of provision (%)	Carrying amount
Individual provision for bad debts	2,565,299.00	2.58	2,565,299.00	100.00	–
Provision for bad debts made by portfolio of credit risk characteristics	97,050,955.39	97.42	5,810,679.91	5.99	91,240,275.48
Total	99,616,254.39	100.00	8,375,978.91		91,240,275.48

31 December 2023

RMB

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

3. Accounts Receivable (Continued)

(2) Disclosure by bad debts provision method (Continued)

Individual provision for bad debts

RMB

Item	31 December 2024				31 December 2023			
	Balance	Provision for bad debts	Percentage of provision (%)	Reason for provision	Balance	Provision for bad debts	Percentage of provision (%)	Reason for provision
China Ocean Shipping Agency Qinhuangdao Co., Ltd. (中國秦皇島外輪代理有限公司)	61,460.00	61,460.00	100.00	Debtor involved in litigation	61,460.00	61,460.00	100.00	Debtor involved in litigation
Penavico QHD Logistics Co., Ltd. (hereafter refer to "Waidai Logistics")	2,503,839.00	2,503,839.00	100.00	Debtor involved in litigation	3,190,904.00	3,190,904.00	100.00	Debtor involved in litigation
Total	2,565,299.00	2,565,299.00	--		3,252,364.00	3,252,364.00	--	

Provision for bad debt made by portfolio

31 December 2024

RMB

Item	Balance	Provision for bad debt	Percentage of provision (%)
Within 1 year	94,263,405.21	4,713,170.26	5.00
1 to 2 years	1,820,349.70	182,034.97	10.00
2 to 3 years	73,894.00	22,168.20	30.00
Over 3 years	893,306.48	893,306.48	100.00
Total	97,050,955.39	5,810,679.91	5.99

The expected credit loss of account receivables are measured at the amount equivalent to expected credit loss for lifetime ECL:

RMB

Item	Lifetime ECL (the credit impairment has not occurred)	Lifetime ECL (the credit impairment has occurred)	Total
31 December 2023	4,503,406.57	3,252,364.00	7,755,770.57
Provision for the year	2,133,268.80	—	2,133,268.80
Reversal for the year	(825,995.46)	(687,065.00)	(1,513,060.46)
31 December 2024	5,810,679.91	2,565,299.00	8,375,978.91

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

3. Accounts Receivable (Continued)

(3) Provision for bad debts

RMB

Item	31 December 2023	Provision for the year	Recovery in the year	Write-off in the year	31 December 2024
Individual provision for bad debts	3,252,364.00	–	(687,065.00)	–	2,565,299.00
Provision for bad debts made by aging group	4,503,406.57	2,133,268.80	(825,995.46)	–	5,810,679.91
Total	7,755,770.57	2,133,268.80	(1,513,060.46)	–	8,375,978.91

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

31 December 2024

RMB

Item	Balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Hebei Xinshenggang International Logistics Co., Ltd. (河北新盛港國際物流有限公司)	34,586,379.86	34.72	1,729,318.99	5.00
Angang Group International Trade Co., Ltd. (安鋼集團國際貿易有限責任公司)	23,842,540.29	23.93	1,192,127.01	5.00
Tangshan Caofeidian Shiye Port Co., Ltd. (唐山曹妃甸實業港務有限公司) (hereafter refer to "Tangshan Caofeidian Shiye")	3,802,481.21	3.82	281,141.55	7.39
CNOOC Energy Technology & Services Limited Sales & Service Branch (中海油能源發展股份有限公司銷售服務分公司)	3,721,814.00	3.74	186,090.70	5.00
Qinhuangdao COSCO Shipping Container Shipping Agency Co., Ltd. (秦皇島中遠海運集裝箱船務代理有限公司)	3,617,756.00	3.63	180,887.80	5.00
Total	69,570,971.36	69.84	3,569,566.05	5.13

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

4. Accounts Receivable Financing

RMB

Item	31 December 2024	31 December 2023
Bank acceptance notes	56,275,477.79	74,502,289.57

As at 31 December 2024, no bank acceptance notes of the Group was pledged.

As at 31 December 2024, the accounts receivable financing which was endorsed but undue as at the balance sheet date are as follows:

RMB

Item	Derecognized	Not derecognized
Bank acceptance notes	52,250,000.00	–

5. Other Receivables

5.1 Presentation of other receivables

RMB

Item	31 December 2024	31 December 2023
Dividend receivables	147,630,000.00	110,950,000.00
Other receivables	20,307,083.02	20,697,857.46
Total	167,937,083.02	131,647,857.46

5.2 Dividend receivables

RMB

Investee	31 December 2024	31 December 2023
Caofeidian Shiye	147,630,000.00	110,950,000.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

5. Other receivables (Continued)

5.3 Other receivables

(1) Disclosure by aging:

RMB

Aging	31 December 2024	31 December 2023
Within 1 year	13,573,936.74	12,995,573.09
1 to 2 years	5,038,285.84	4,129,751.51
2 to 3 years	4,110,603.35	6,166,051.46
3 to 4 years	6,116,059.01	6,717,849.26
4 to 5 years	1,453,926.21	38,615,810.13
Over 5 years	27,904,170.76	936.50
Total	58,196,981.91	68,625,971.95

(2) Classification by nature:

RMB

Nature	31 December 2024	31 December 2023
Assets transfer consideration receivable	30,015,839.00	27,816,839.00
Utilities receivable	23,058,424.28	22,494,380.47
Equity transfer consideration receivable	–	10,712,597.91
Others	5,122,718.63	7,602,154.57
Total	58,196,981.91	68,625,971.95

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

5. Other receivables (Continued)

5.3 Other receivables (Continued)

(3) Details of provision for bad debt

31 December 2024

RMB

Item	Balance	Percentage (%)	Provision for bad debt	Percentage of provision (%)	Carrying amount
Individual provision for bad debt	27,816,839.00	47.80	27,816,839.00	100.00	–
Provision for bad debt made by portfolio of credit risk characteristics	30,380,142.91	52.20	10,073,059.89	33.16	20,307,083.02
Total	58,196,981.91	100.00	37,889,898.89		20,307,083.02

31 December 2023

RMB

Item	Balance	Percentage (%)	Provision for bad debt	Percentage of provision (%)	Carrying amount
Individual provision for bad debt	27,816,839.00	41.00	27,816,839.00	100.00	–
Provision for bad debt made by portfolio of credit risk characteristics	40,809,132.95	59.00	20,111,275.49	49.00	20,697,857.46
Total	68,625,971.95	100.00	47,928,114.49		20,697,857.46

Individual provision for bad debt

RMB

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

5. Other receivables (Continued)

5.3 Other receivables (Continued)

(3) Details of provision for bad debt (Continued)

Provision for bad debt made by portfolio

RMB

Item	Balance	Provision for bad debt	Percentage of provision (%)
Within 1 year	13,573,936.74	672,839.55	4.96
1 to 2 years	5,038,285.84	503,828.58	10.00
2 to 3 years	4,110,603.35	1,239,074.78	30.14
Over 3 years	7,657,316.98	7,657,316.98	100.00
Total	30,380,142.91	10,073,059.89	

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

RMB

Item	Stage 1 next 12m ECL	Stage 2 Lifetime ECL (the credit impairment has not occurred)	Stage 3 Lifetime ECL (the credit impairment has occurred)	Total
31 December 2023	20,111,275.49	–	27,816,839.00	47,928,114.49
Provision for the year	2,855,755.23	–	–	2,855,755.23
Reversal for the year	(12,892,887.48)	–	–	(12,892,887.48)
Other decrease for the year	(1,083.35)	–	–	(1,083.35)
31 December 2024	10,073,059.89	–	27,816,839.00	37,889,898.89

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

5. Other receivables (Continued)

5.3 Other receivables (Continued)

(4) Provision for bad debt:

RMB

Item	31 December 2023	Provision for the year	Recovery for the year	Other decrease for the year	31 December 2024
Individual provision for bad debt	27,816,839.00	–	–	–	27,816,839.00
Provision for bad debt made by aging group	20,111,275.49	2,855,755.23	(12,892,887.48)	(1,083.35)	10,073,059.89
Total	47,928,114.49	2,855,755.23	(12,892,887.48)	(1,083.35)	37,889,898.89

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

31 December 2024

RMB

Item	Balance	Percentage of total balance of other receivables (%)	Aging	Provision for bad debt	Percentage of provision (%)
Bohai New Zone Sub-bureau of the Cangzhou Municipal Bureau of Land and Resources (沧州市国土资源局渤海新区分局)	23,222,539.00	39.90	Over 5 years	23,222,539.00	100.00
Jinji International Container Terminal Co., Ltd. (津冀国际集装箱码头有限公司)	20,725,734.16	35.61	Within 1 year and 1 to 5 years	7,826,486.25	37.76
Han Huang Railway Co., Ltd. (邯黄铁路有限责任公司)	4,612,013.50	7.92	Within 1 year and over 5 years	4,595,185.68	99.64
Hebei Port Group Port Engineering Limited	2,333,240.20	4.01	Within 1 year	116,662.01	5.00
Qinhuangdao branch of PICC Property and Casualty Company Limited (中国人民财产保险股份有限公司秦皇岛分公司)	1,844,724.76	3.17	Within 1 year and 3 to 4 years	1,605,510.57	87.03
Total	52,738,251.62	90.61		37,366,383.51	70.85

6. Inventories

RMB

Item	31 December 2024			31 December 2023		
	Balance	Provision for impairment	Carrying amount	Balance	Provision for impairment	Carrying amount
Materials	65,497,823.93	6,882,339.06	58,615,484.87	55,563,643.76	7,242,740.48	48,320,903.28
Fuels	408,865.08	–	408,865.08	1,916,204.65	–	1,916,204.65
Spare parts	94,546,028.32	14,599,734.89	79,946,293.43	106,886,995.23	14,667,218.88	92,219,776.35
Low-cost consumables	1,785,596.16	283,663.46	1,501,932.70	3,422,226.26	139,294.84	3,282,931.42
Total	162,238,313.49	21,765,737.41	140,472,576.08	167,789,069.90	22,049,254.20	145,739,815.70

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

6. Inventories (Continued)

Change in provision for impairment of inventories is as follows:

RMB

Item	31 December 2023	Provision for the year	Decrease during the year		31 December 2024
			Reversal	Write-off	
Materials	7,242,740.48	383,395.91	–	(743,797.33)	6,882,339.06
Spare parts	14,667,218.88	1,932,766.20	–	(2,000,250.19)	14,599,734.89
Low-cost consumables	139,294.84	144,928.40	–	(559.78)	283,663.46
Total	22,049,254.20	2,461,090.51	–	(2,744,607.30)	21,765,737.41

7. Other Current Assets

RMB

Item	31 December 2024	31 December 2023
Prepaid enterprise income tax	81,286,115.39	98,235,428.75
Outstanding VAT credit	74,377,705.40	62,214,750.80
Input VAT to be certified	13,084,396.24	17,973,090.59
Others	44,757.52	354,800.00
Total	168,792,974.55	178,778,070.14

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

8. Long-term Equity Investments

(1) Long-term equity investments

RMB

Equity method	Opening balance	Changes within the year							Including: Closing provision for impairment	
		Additional investment	Decrease in investment	Investment gain or loss under the equity method	Other comprehensive income	Other equity movements	Other changes	Declaration of cash dividend		Closing balance
I. Joint ventures										
Bohai Jin-Ji Port Investment and Development Company Limited (渤海津冀港口投資發展有限公司)	46,378,851.69	-	-	(37,390,406.37)	-	-	-	-	8,988,445.32	(81,850,806.99)
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	6,554,918.51	-	-	(6,554,918.51)	-	-	-	-	-	(18,119,045.54)
Cangzhou Bohai New Area Port Real Estate Development Co., Ltd. (滄州渤海新區港口房地產開發有限公司)	53,496,924.71	-	-	16,264.78	-	-	-	-	53,513,189.49	-
Sub-total	106,430,694.91	-	-	(43,929,060.10)	-	-	-	-	62,501,634.81	(99,969,852.53)
II. Associates										
Finance Company	715,530,249.20	-	-	30,720,253.43	2,199,227.60	-	-	(12,000,000.00)	736,449,730.23	-
Caofeidian Shiye	2,227,715,452.17	-	-	396,312,069.73	22,711,664.46	(1,563,804.39)	-	(147,630,000.00)	2,497,545,381.97	-
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇島興奧秦港能源儲運有限公司)	-	-	-	-	-	-	-	-	-	(20,800,000.00)
Handan International Land Port Co., Ltd. (邯鄲國際陸港有限公司)	191,590,874.67	-	-	(38,989,128.10)	-	(119.99)	-	-	152,601,626.58	-
Tangshan Jingtang Railway Co., Ltd. (唐山京唐鐵路有限公司) ("Jingtang Railway") (Note 2)	280,000,000.00	-	280,000,000.00	-	-	-	-	-	-	-
Cangzhou Bohai New Zone Gangxing Tugboat Co., Ltd. (滄州渤海新區港興拖輪有限公司)	170,287,158.98	-	-	11,389,535.67	-	(283,306.17)	-	-	181,393,388.48	-
Xin Licheng Tally Co., Ltd. of Tangshan Caofeidian Comprehensive Bonded Zone (唐山曹妃甸綜合保稅區鑫理程理貨有限責任公司)	1,865,989.82	-	-	46,640.08	-	10,360.63	-	-	1,922,990.53	-
Zhejiang Yuehua Energy Detection Co., Ltd. (浙江越華能源檢測有限公司)	12,369,833.54	4,500,000.00	-	919,703.52	-	6,829.29	-	-	17,796,366.35	-
Yihai Kerry (Qinhuangdao) Grain & Oil Industry Co., Ltd. (益海嘉里(秦皇島)糧油工業有限公司)	115,636,068.52	-	-	(2,643,099.09)	-	-	-	-	112,992,969.43	-
Cangzhou Huanghuagang Crude Oil Port Co., Ltd. (滄州黃驊港原油港務有限公司) ("Cangzhou Crude Oil") (Note 1)	-	18,130,000.00	-	(1,911,551.16)	-	-	17,970,456.00	-	34,188,904.84	-
Sub-total	3,714,995,626.90	22,630,000.00	280,000,000.00	395,844,424.08	24,910,892.06	(1,830,040.63)	17,970,456.00	(159,630,000.00)	3,734,891,358.41	(20,800,000.00)
Total	3,821,426,321.81	22,630,000.00	280,000,000.00	351,915,363.98	24,910,892.06	(1,830,040.63)	17,970,456.00	(159,630,000.00)	3,797,392,993.22	(120,769,852.53)

Note 1: At the end of April 2024, the Company transferred 16.00% equity interest in our subsidiary, Cangzhou Crude Oil to Cangzhou Port Group Development Co., Ltd.. As a result, the Company lost control over Cangzhou Crude Oil and converted its accounting of the financial statements to equity method.

Note 2: In September 2024, the Company transferred the entire 14.29% equity interests in Jingtang Railway, an associate held by the Company to Beijing Camumani Investment Co., Ltd.. The remaining unpaid capital contributions and repurchase obligations corresponding to those equity interests (see note V. 23, 27 for details) will be borne by Beijing Camumani Investment Co., Ltd. upon the completion of this transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

8. Long-term Equity Investments (Continued)

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

RMB

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

9. Other Equity Instruments Investments

(1) Other equity instruments investments

RMB

Item	Opening balance	Changes during the year			Closing balance	Dividend income recognized for the year	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Reasons for designated as at fair value through other comprehensive income
		Decrease in investment	Gains in other comprehensive income for the year	Losses in other comprehensive income for the year					
SDIC Caofeidian Port Co., Ltd. (國投曹妃甸港口有限公司)	790,933,937.65	–	–	196,320,188.55	594,613,749.10	61,918,200.00	96,613,749.10	–	Non-tradable equity instrument
Qinhuangdao Ruigang Coal Logistics Co., Ltd. (秦皇島曹妃甸港煤炭物流有限公司)	16,832,918.41	–	171,977.38	–	17,004,895.79	–	–	16,995,104.21	Non-tradable equity instrument
Cangzhou Huanghuagang Steel Logistics Co., Ltd. (滄州黃驊港鋼鐵物流有限公司)	36,944,606.14	–	–	42,481.84	36,902,124.30	–	6,149,766.35	–	Non-tradable equity instrument
China National Coal Exchange Co., Ltd. (全國煤炭交易中心有限公司)	17,746,601.72	–	–	1,777,351.41	15,969,250.31	–	–	8,030,749.69	Non-tradable equity instrument
Tangshan Caofeidian Coal Stacking and Blending Co., Ltd. (唐山曹妃甸動力煤儲配有限公司)	39,853,836.87	–	9,544,634.30	–	49,398,471.17	–	–	15,641,528.83	Non-tradable equity instrument
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司) (formerly known as Tangshan Caofeidian Tugboat Co., Ltd. (唐山曹妃甸拖船有限公司))	189,250,235.41	189,250,235.41	–	–	–	–	–	–	Non-tradable equity instrument
Total	1,091,562,136.20	189,250,235.41	9,716,611.68	198,140,021.80	713,888,490.67	61,918,200.00	102,763,515.45	40,667,382.73	/

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

9. Other Equity Instruments Investments (Continued)

(2) Investments derecognised during the year

RMB

Item	Accumulated gains transferred to retained profit due to derecognition	Accumulated losses transferred to retained profit due to derecognition	Reason for derecognition
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司) (formerly known as Tangshan Caofeidian Tugboat Co., Ltd. (唐山港曹妃甸拖船有限公司))	41,068,384.46	–	Equity transfer

Note: In May 2024, Caofeidian Coal, a subsidiary of the Company, entered into the Equity Transfer Agreement with Hebei Port Group to transfer 18.03% equity interests in Hebei Port Harbor & Navigation Development Co., Ltd. (former name: Tangshan Caofeidian Tugboat Co., Ltd.) held by Caofeidian Coal to Hebei Port Group. The parties have completed the equity transfer in June 2024.

10. Fixed Assets

10.1 Summary of fixed assets

RMB

Item	31 December 2024	31 December 2023
Fixed assets	11,457,754,846.46	12,930,781,373.11
Disposal of fixed assets	7,073,116.89	4,035,142.42
Total	11,464,827,963.35	12,934,816,515.53

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
RMB

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

10. Fixed Assets (Continued)

10.2 Fixed Assets

(1) Fixed assets

RMB

Item	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
I. Original book value						
31 December 2023	7,145,375,528.35	9,185,624,100.84	11,496,972,888.06	488,613,211.59	253,129,990.73	28,569,715,719.57
Increase in the year	35,653,666.25	18,943,589.81	377,060,797.33	7,818,987.20	13,470,458.37	452,947,498.96
(1) Purchase	-	-	745,100.00	284,752.21	44,911.50	1,074,763.71
(2) Transferred from construction in progress	35,653,666.25	18,943,589.81	376,315,697.33	7,534,234.99	13,425,546.87	451,872,735.25
Decrease in the year	(219,639,754.19)	(982,731,156.93)	(253,906,293.62)	(403,345,594.33)	(11,806,425.38)	(1,871,429,224.45)
(1) Decrease arising from disposal of subsidiaries	-	-	-	(780,316.01)	(357,638.89)	(1,137,954.90)
(2) Disposal or retirement	(10,990,472.62)	(171,566.76)	(253,906,293.62)	(402,565,278.32)	(11,448,786.49)	(679,082,397.81)
(3) Transferred to construction in progress	(208,649,281.57)	(982,559,590.17)	-	-	-	(1,191,208,871.74)
31 December 2024	6,961,389,440.41	8,221,836,533.72	11,620,127,391.77	93,086,604.46	254,794,023.72	27,151,233,994.08
II. Accumulated depreciation						
31 December 2023	2,944,219,031.52	3,702,856,735.38	8,277,034,225.07	393,936,918.00	192,601,477.73	15,510,648,387.70
Increase in the year	291,469,822.43	316,696,131.95	549,752,057.10	11,271,809.80	15,285,734.52	1,184,475,555.80
(1) Provision	291,469,822.43	316,696,131.95	549,752,057.10	11,271,809.80	15,285,734.52	1,184,475,555.80
Decrease in the year	(84,042,617.67)	(448,642,063.84)	(236,506,336.25)	(342,782,283.02)	(11,384,062.23)	(1,123,357,363.01)
(1) Decrease arising from disposal of subsidiaries	-	-	-	(754,337.79)	(341,631.00)	(1,095,968.79)
(2) Disposal or retirement	(8,109,286.66)	(160,083.51)	(236,506,336.25)	(342,027,945.23)	(11,042,431.23)	(597,846,082.88)
(3) Transferred to construction in progress	(75,933,331.01)	(448,481,980.33)	-	-	-	(524,415,311.34)
31 December 2024	3,151,646,236.28	3,570,910,803.49	8,590,279,945.92	62,426,444.78	196,503,150.02	15,571,766,580.49
III. Provision for impairment						
31 December 2023	20,552,470.15	34,402,929.19	72,468,466.99	18,091.61	844,000.82	128,285,958.76
(1) Disposal or retirement	-	-	(6,573,052.41)	-	(339.22)	(6,573,391.63)
31 December 2024	20,552,470.15	34,402,929.19	65,895,414.58	18,091.61	843,661.60	121,712,567.13
IV. Carrying amount						
31 December 2024	3,789,190,733.98	4,616,522,801.04	2,963,952,031.27	30,642,068.07	57,447,212.10	11,457,754,846.46
31 December 2023	4,180,604,026.68	5,448,364,436.27	3,147,470,196.00	94,658,201.98	59,684,512.18	12,930,781,373.11

(2) As at 31 December 2024, the Group had no fixed assets which were temporarily idle.

(3) Fixed assets leased out under operating leases

RMB

Item	31 December 2024
Properties and buildings	30,514,753.87
Machinery and equipment	554,119.05
Office and other equipment	1,113.00
Total	31,069,985.92

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

10. Fixed Assets (Continued)

10.2 Fixed Assets (Continued)

(4) As at 31 December 2024, fixed assets without title certificate are as follows:

RMB

Item	31 December 2024	Reason for not obtaining the title certificate
Properties and buildings	538,713,187.30	In progress

11. Construction in progress

(1) Construction in progress

RMB

Item	31 December 2024	31 December 2023
Construction in progress	2,222,928,377.48	815,220,131.65

RMB

Item	31 December 2024			31 December 2023		
	Balance	Provision for impairment	Carrying amount	Balance	Provision for impairment	Carrying amount
Upgrading and reconstruction of multi-functional Port 1 and 2# berth	1,500,799,498.67	-	1,500,799,498.67	388,078,829.63	-	388,078,829.63
Qinhuangdao Port East Harbor Area Grain Corridor Project	123,027,330.83	-	123,027,330.83	7,290,462.97	-	7,290,462.97
Upgrading of stacker for Phase Two coal project	92,115,274.71	-	92,115,274.71	631,000.00	-	631,000.00
Upgrading of S3 and S4 stacker for Phase Four coal project	68,580,507.71	-	68,580,507.71	20,888,614.47	-	20,888,614.47
Dredging works for harbor and berths	55,930,039.03	-	55,930,039.03	-	-	-
Phase 2 Coal Terminal 1# Loaders Renewal Project	48,386,400.04	-	48,386,400.04	227,783.02	-	227,783.02
Purchase of working vessels for transportation	45,300,884.96	-	45,300,884.96	94,339.62	-	94,339.62
Upgrading of S5 stacker for Phase Four coal project	33,895,548.85	-	33,895,548.85	10,346,433.17	-	10,346,433.17
40T Gantry Crane Project	25,001,932.54	-	25,001,932.54	18,586,865.21	-	18,586,865.21
Reconstruction project of centralized control of dispatching signals in the West Harbor Area of QHD Port	18,465,011.93	-	18,465,011.93	-	-	-
Others	235,842,414.46	24,416,466.25	211,425,948.21	393,492,269.81	24,416,466.25	369,075,803.56
Total	2,247,344,843.73	24,416,466.25	2,222,928,377.48	839,636,597.90	24,416,466.25	815,220,131.65

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

11. Construction in progress (Continued)

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

RMB

Item	Budget	Balance for 31 December 2023	Increase in the year	Transferred from fixed assets during the year	Transferred to fixed assets, long-term prepaid expenses and intangible assets during the year	Other decrease	31 December 2024	Source of funds	Accumulated amounts of capitalized interest	Including: Capitalized interest for the year	Ratio of capitalized interest for the year (%)	Percentage of accumulated project input to budget (%)
Upgrading and reconstruction of multi-functional Port 1 and 2# berth	2,075,099,718.76	388,078,829.63	453,471,650.28	659,249,018.76	-	-	1,500,799,498.67	Loans from financial institutes and self-owned capital	1,855,476.39	1,855,476.39	2.69	72.32

(3) Provision for impairment of construction in progress:

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024	Reason for provision
Basement Treatment Engineering	24,416,466.25	-	-	24,416,466.25	Recoverable amount lower than carrying amount

12. Right-of-use Assets

(1) Right-of-use assets

RMB

Item	Houses and buildings	Terminal facilities	Machinery and equipment	Total
I. Original book value				
31 December 2023	153,603,715.91	10,632,435.04	18,809,905.12	183,046,056.07
Decrease in the current year	(21,855,036.64)	(10,632,435.04)	(18,809,905.12)	(51,297,376.80)
31 December 2024	131,748,679.27	-	-	131,748,679.27
II. Accumulated depreciation				
31 December 2023	43,162,851.15	7,088,290.07	12,539,936.73	62,791,077.95
Provision	11,649,895.89	3,348,449.27	6,269,968.39	21,268,313.55
Decrease	(21,704,303.65)	(10,436,739.34)	(18,809,905.12)	(50,950,948.11)
31 December 2024	33,108,443.39	-	-	33,108,443.39
III. Book value				
31 December 2024	98,640,235.88	-	-	98,640,235.88
31 December 2023	110,440,864.76	3,544,144.97	6,269,968.39	120,254,978.12

(2) As at 31 December 2024, the management of the Group was of the opinion that no provision for impairment of right-of-use assets was necessary.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

13. Intangible Assets

(1) Intangible assets

RMB

Item	Land use rights	Software	Sea area use rights	Total
I. Original book value				
31 December 2023	2,581,243,473.98	239,266,673.37	729,579,486.95	3,550,089,634.30
Increase in the current year	–	13,238,419.05	–	13,238,419.05
(1) Purchase	–	696,778.46	–	696,778.46
(2) Transferred from construction in progress	–	12,541,640.59	–	12,541,640.59
Decrease in the current year	–	(1,418,179.43)	–	(1,418,179.43)
(1) Disposal or obsolescence	–	(1,418,179.43)	–	(1,418,179.43)
31 December 2024	2,581,243,473.98	251,086,912.99	729,579,486.95	3,561,909,873.92
II. Accumulated amortization				
31 December 2023	461,466,220.34	100,420,852.28	59,999,742.47	621,886,815.09
Increase in the current year	55,093,266.36	20,535,218.17	14,724,419.40	90,352,903.93
(1) Provision	55,093,266.36	20,535,218.17	14,724,419.40	90,352,903.93
Decrease in the current year	–	(1,089,877.51)	–	(1,089,877.51)
(1) Disposal or obsolescence	–	(1,089,877.51)	–	(1,089,877.51)
31 December 2024	516,559,486.70	119,866,192.94	74,724,161.87	711,149,841.51
III. Book value				
31 December 2024	2,064,683,987.28	131,220,720.05	654,855,325.08	2,850,760,032.41
31 December 2023	2,119,777,253.64	138,845,821.09	669,579,744.48	2,928,202,819.21

(2) As at 31 December 2024, the Group has no intangible assets which were from internal research and development.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

14. Long-term Prepaid Expenses

RMB

Item	31 December 2023	Increase in the year	Transferred from construction in progress	Amortisation in the year	31 December 2024
Renovation costs	4,374,374.16	4,839,841.64	3,602,711.67	1,147,870.53	11,669,056.94
Others	422,819.22	–	2,330,389.65	748,387.93	2,004,820.94
Total	4,797,193.38	4,839,841.64	5,933,101.32	1,896,258.46	13,673,877.88

15. Deferred Income Tax Assets/Liabilities

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

RMB

Item	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Government grants	104,819,401.87	26,204,850.47	107,566,461.07	26,891,615.27
Asset impairment provision	191,879,199.98	47,963,312.44	201,666,514.31	50,415,651.47
Employee bonus	259,047,000.00	64,761,750.00	308,640,000.00	77,160,000.00
Accrued early retirement schemes	458,928,674.55	114,556,895.80	498,440,941.08	124,463,719.71
Recoverable loss	169,019,001.91	42,254,750.48	269,742,217.62	67,435,554.40
Difference between tax base and accounting base of fixed assets	62,155,226.32	15,538,806.58	68,126,816.04	17,031,704.01
Temporary differences on lease liabilities	–	–	19,043,438.23	4,760,859.56
Unrealized profits from internal transactions	6,510,204.00	1,627,551.00	6,510,204.00	1,627,551.00
Changes in fair value of other equity instrument investments	40,667,382.73	10,166,845.69	48,606,643.00	12,151,660.75
Total	1,293,026,091.36	323,074,762.46	1,528,343,235.35	381,938,316.17

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

15. Deferred Income Tax Assets/Liabilities (Continued)

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

RMB

Item	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Difference between tax base and accounting base of right-of-use assets	–	–	17,099,125.68	4,274,781.41
Changes in fair value of other equity instrument investments	102,763,515.45	25,690,878.86	406,494,511.25	101,623,627.81
Total	102,763,515.45	25,690,878.86	423,593,636.93	105,898,409.22

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

RMB

Item	31 December 2024		31 December 2023	
	Eliminations	Remaining balance	Eliminations	Remaining balance
Deferred income tax assets	(10,166,845.69)	312,907,916.77	(16,426,442.16)	365,511,874.01
Deferred income tax liabilities	(10,166,845.69)	15,524,033.17	(16,426,442.16)	89,471,967.06

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

RMB

Item	31 December 2024	31 December 2023
Deductible temporary differences	96,218,409.61	161,491,508.00
Deductible losses	151,463,803.97	298,262,395.87
Total	247,682,213.58	459,753,903.87

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

15. Deferred Income Tax Assets/Liabilities (Continued)

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

RMB

Item	31 December 2024	31 December 2023
2024	–	115,898,340.25
2025	95,379,363.69	96,549,198.81
2026	6,070,282.62	10,448,815.67
2027	7,211,794.90	45,726,124.06
2028	19,638,447.95	29,639,917.08
2029	23,163,914.81	–
Total	151,463,803.97	298,262,395.87

16. Other Non-current Assets

RMB

Item	31 December 2024	31 December 2023
Time deposits with maturity over one year and interest	1,316,181,628.70	2,330,035,082.78
Prepayments for engineering equipment expenses	113,145,133.89	95,837,875.79
Outstanding VAT credit	236,198.05	1,406,993.04
Total	1,429,562,960.64	2,427,279,951.61

As at 31 December 2024, the interest rate of the above time deposits was 2.15% to 3.27% per annum, and the deposit terms range from one to three years.

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

RMB

Item	31 December 2024	31 December 2023
Cash and bank balances (Note 1)	500.00	500.00
Bills receivable (Note 2)	8,000,000.00	5,625,541.00
Total	8,000,500.00	5,626,041.00

Note 1: As at 31 December 2024, the Group's other deposits were RMB500.00.

Note 2: As at 31 December 2024, bills receivable represented commercial acceptance notes which were endorsed but undue with a carrying value of RMB8,000,000.00 in aggregate. Please refer to Note V. 2 for details.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

18. Short-term Borrowings

RMB

Item	31 December 2024	31 December 2023
Unsecured borrowings and interest payable	300,094,583.33	500,252,083.33
Total	300,094,583.33	500,252,083.33

As at 31 December 2024, the Group had no overdue borrowings, and the interest rate of the above borrowings was 2.27% (31 December 2023: 2.55% to 2.75%) per annum.

19. Accounts Payable

(1) Accounts payable

RMB

Item	31 December 2024	31 December 2023
Accounts payable	324,223,205.39	253,421,149.43

(2) Accounts payable by aging

RMB

Item	31 December 2024	31 December 2023
Within 1 year	285,432,658.94	210,450,324.92
1 to 2 years	23,146,846.44	22,746,375.74
2 to 3 years	14,414,563.65	19,405,919.47
Over 3 years	1,229,136.36	818,529.30
Total	324,223,205.39	253,421,149.43

As at 31 December 2024, the Group had no significant accounts payable aging more than 1 year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

20. Contract Liabilities

(1) Contract liabilities

RMB

Item	31 December 2024	31 December 2023
Port handling fees	679,862,379.03	562,413,448.07
Weighing fees	159,569.19	480,797.69
Others	1,973,548.48	1,585,816.81
Total	681,995,496.70	564,480,062.57

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

(2) Revenue recognized in the year that was included in the carrying amount of contract liabilities at the beginning of the year

In 2024, the Group recognized the revenue of RMB483,848,652.47 (2023: RMB515,154,192.01) that was included in the carrying amount of contract liabilities at the beginning of the year.

21. Employee Benefits Payable

(1) Presentation of employee benefits payable

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
1. Short-term employee benefits	324,370,706.08	1,595,101,274.59	1,643,992,771.23	275,479,209.44
2. Post-employment benefits – defined contribution plans	20,353,367.51	268,199,078.79	267,584,337.04	20,968,109.26
3. Early retirement schemes due within one year (Note V. 28)	238,556,454.02	156,947,210.97	230,810,584.19	164,693,080.80
Total	583,280,527.61	2,020,247,564.35	2,142,387,692.46	461,140,399.50

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

21. Employee Benefits Payable (Continued)

(2) Short-term employee benefits are as follows

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Salaries, bonuses, allowances and subsidies	308,640,000.00	1,173,272,291.72	1,222,865,291.72	259,047,000.00
Staff welfare	901,566.32	131,576,901.51	131,587,577.17	890,890.66
Social insurance	–	113,932,046.83	113,932,046.83	–
Including: Medical insurance	–	102,547,012.01	102,547,012.01	–
Work-related injury insurance	–	11,385,034.82	11,385,034.82	–
Housing funds	7,549,546.92	131,608,517.13	131,440,207.29	7,717,856.76
Union fund and employee education fund	7,279,592.84	31,684,460.42	31,140,591.24	7,823,462.02
Short-term paid leaves	–	8,788,827.51	8,788,827.51	–
Other short-term employee benefits	–	4,238,229.47	4,238,229.47	–
Total	324,370,706.08	1,595,101,274.59	1,643,992,771.23	275,479,209.44

(3) Defined contribution plans are as follows

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Basic pension	–	172,858,623.56	172,858,623.56	–
Unemployment insurance	–	7,547,710.95	7,547,710.95	–
Enterprise annuity contribution (Note 1)	20,353,367.51	87,792,744.28	87,178,002.53	20,968,109.26
Total	20,353,367.51	268,199,078.79	267,584,337.04	20,968,109.26

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

22. Taxes Payable

RMB

Item	31 December 2024	31 December 2023
Environmental protection tax	14,434,830.95	12,619,702.42
Enterprise income tax	2,298,400.05	5,236,686.50
Individual income tax	5,138,824.02	3,604,309.07
Stamp duty	263,248.00	212,256.47
VAT	323,355.53	84,409.49
Others	21,357.26	7,422.49
Total	22,480,015.81	21,764,786.44

23. Other Payables

23.1 Presentation of other payables

RMB

Item	31 December 2024	31 December 2023
Dividend payable	3,724.05	3,474.48
Other payables	500,945,576.02	603,773,012.28
Total	500,949,300.07	603,776,486.76

23.2 Dividend payable

RMB

Item	31 December 2024	31 December 2023
Dividends of ordinary shares	3,724.05	3,474.48

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

23. Other Payables (Continued)

23.3 Other payables

(1) Other payables by nature

RMB

Item	31 December 2024	31 December 2023
Engineering equipment expenses	472,579,400.66	339,250,670.95
Equity repurchase consideration	–	206,000,000.00
Others	28,366,175.36	58,522,341.33
Total	500,945,576.02	603,773,012.28

(2) As at 31 December 2024, the Group had no significant other payables aging more than 1 year or past due.

24. Non-current Liabilities Due Within One Year

RMB

Item	31 December 2024	31 December 2023
Long-term borrowings due within one year (Note V. 25)	684,673,557.52	612,520,215.15
Lease liabilities due within one year (Note V. 26)	–	19,198,313.42
Long-term payables due within one year (Note V. 27)	–	2,000,000.00
Total	684,673,557.52	633,718,528.57

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
RMB

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

25. Long-term Borrowings

RMB

Item	31 December 2024	31 December 2023
Unsecured borrowings	4,896,067,161.52	5,608,401,823.65
Less: Long-term borrowings due within one year	684,673,557.52	612,520,215.15
Total	4,211,393,604.00	4,995,881,608.50

As at 31 December 2024, the interest rate of the above borrowings ranged from 2.30% to 3.45% (31 December 2023: 2.65% to 3.55%) per annum.

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

RMB

Item	31 December 2024	31 December 2023
Within 1 year (including 1 year)	684,673,557.52	612,520,215.15
Within 2 years (including 2 years)	308,340,600.00	309,824,004.50
Within 2 to 5 years (including 5 years)	1,791,347,000.00	1,176,214,000.00
Over 5 years	2,111,706,004.00	3,509,843,604.00
Total	4,896,067,161.52	5,608,401,823.65

26. Lease Liabilities

RMB

Item	31 December 2024	31 December 2023
Lease Liabilities	–	19,205,532.95
Less: lease liabilities due within one year	–	19,198,313.42
Total	–	7,219.53

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

27. Long-term Payables

RMB

Item	31 December 2024	31 December 2023
Long-term payables	–	34,000,000.00
Less: amount due within one year	–	2,000,000.00
Total	–	32,000,000.00

Analysis of long-term payables maturity date:

RMB

Item	31 December 2024	31 December 2023
Within 1 year (including 1 year)	–	2,000,000.00
Within 2 years (including 2 years)	–	2,000,000.00
Within 2 to 5 years (including 5 years)	–	10,000,000.00
Over 5 years	–	20,000,000.00
Total	–	34,000,000.00

28. Long-term Employee Remuneration Payables

Other long-term employee benefits

RMB

Item	31 December 2024	31 December 2023
Early retirement schemes payable	465,736,535.45	506,400,977.47
Less: amount due within one year	164,693,080.80	238,556,454.02
Non-current portion	301,043,454.65	267,844,523.45

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

28. Long-term Employee Remuneration Payables (Continued)

Changes in early retirement schemes payable are as follows:

RMB

Item	31 December 2024	31 December 2023
Opening balance	506,400,977.47	710,587,236.30
Increase in the year	190,146,142.17	88,217,240.55
Decrease in the year	230,810,584.19	292,403,499.38
Closing balance	465,736,535.45	506,400,977.47

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

RMB

Item	31 December 2024	31 December 2023
Within 1 year	164,693,080.80	238,556,454.02
1 year to 2 years	110,675,483.76	125,161,961.97
2 years to 3 years	76,385,014.65	81,604,021.69
Over 3 years	150,165,006.11	97,963,618.42
Total undiscounted amount	501,918,585.32	543,286,056.10
Unrecognized financing cost	(36,182,049.87)	(36,885,078.63)
Total	465,736,535.45	506,400,977.47

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

29. Deferred Income

RMB

Item	31 December 2023	Increase in the year	Recognized in other revenue in the year	31 December 2024
Government grants (Note IX)	108,099,841.75	11,989,550.92	14,809,194.29	105,280,198.38

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

30. Share Capital

RMB

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

31. Capital Reserve

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Share premium	5,196,156,925.69	–	–	5,196,156,925.69
Other capital reserve (Note)	45,725,210.66	–	1,827,174.12	43,898,036.54
Total	5,241,882,136.35	–	1,827,174.12	5,240,054,962.23

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

32. Other Comprehensive Income

RMB

Item	Amount in the year							
	Opening balance	Amount before income tax during the period	Less: Income tax expense	Attributable to the parent company, net of tax	Attributable to minority interest, net of tax	Less: Other comprehensive income previously recognized to be transferred to current profit or loss	Less: Other comprehensive income previously recognized to be transferred to current retained profit	Closing balance
I. Other comprehensive income which will not be reclassified to profit and loss	639,746,054.27	(163,512,518.06)	(47,105,852.53)	(119,914,318.64)	3,507,653.11	–	41,068,384.46	478,763,351.17
Including: Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss	401,532,097.70	24,910,892.06	–	24,910,892.06	–	–	–	426,442,989.76
Changes in fair value of other equity instruments investment	238,213,956.57	(188,423,410.12)	(47,105,852.53)	(144,825,210.70)	3,507,653.11	–	41,068,384.46	52,320,361.41
II. Other comprehensive income which will be reclassified to profit and loss	5,324,135.03	1,039,287.56	–	1,039,287.56	–	6,363,422.59	–	–
Including: Exchange differences on foreign currency translation	5,324,135.03	1,039,287.56	–	1,039,287.56	–	6,363,422.59	–	–
Total other comprehensive income	645,070,189.30	(162,473,230.50)	(47,105,852.53)	(118,875,031.08)	3,507,653.11	6,363,422.59	41,068,384.46	478,763,351.17

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

33. Special Reserve

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Production safety expense	119,947,727.76	69,186,800.51	(129,514,648.89)	59,619,879.38

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

34. Surplus Reserve

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Statutory surplus reserve	1,754,087,442.20	120,684,806.01	(4,096,657.49)	1,870,675,590.72

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

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

35. Retained Profits

RMB

Item	2024	2023
Retained profits at the beginning of the year	5,075,119,932.68	4,060,508,205.81
Net profit attributable to shareholders of the parent	1,564,897,805.73	1,531,202,403.96
Add: Disposal of other equity instruments investments	33,065,516.89	–
Disposal of the equity interests of subsidiaries	4,096,657.49	–
Less: Appropriation to statutory surplus reserve	120,684,806.01	119,884,425.09
Cash dividend payable for common shares (Note 1)	463,755,196.00	396,706,252.00
Retained profits at the end of the year	6,092,739,910.78	5,075,119,932.68

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

36. Operating Revenue and Operating Cost

(1) Operating revenue and operating cost

RMB

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Principal operations	6,843,179,529.89	4,239,866,475.11	7,035,734,499.35	4,404,980,404.73
Other operations	22,196,051.50	10,191,705.84	19,149,335.01	8,579,005.80
Total	6,865,375,581.39	4,250,058,180.95	7,054,883,834.36	4,413,559,410.53

(2) Breakdown of revenue from contracts with customers and operating cost

RMB

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Types of service				
Service in relation to coal and relevant products	4,600,177,154.02	2,538,233,187.53	4,860,509,886.00	2,674,852,807.32
Service in relation to metal ore and relevant products	1,376,954,505.93	912,719,507.00	1,326,984,491.21	915,332,881.82
Service in relation to general and other cargos	623,845,239.56	577,000,329.52	631,446,404.93	597,228,407.69
Container service	109,674,516.97	95,159,470.61	93,324,303.09	98,610,695.95
Service in relation to liquefied cargos	35,596,796.04	46,109,070.86	43,608,962.15	57,027,111.25
Others	119,127,368.87	80,836,615.43	99,009,786.98	70,507,506.50
Total	6,865,375,581.39	4,250,058,180.95	7,054,883,834.36	4,413,559,410.53
Places of business				
Qinhuangdao	4,207,521,770.59	2,426,361,816.20	4,310,106,901.84	2,520,153,961.99
Others	2,657,853,810.80	1,823,696,364.75	2,744,776,932.52	1,893,405,448.54
Total	6,865,375,581.39	4,250,058,180.95	7,054,883,834.36	4,413,559,410.53

(3) Descriptions on allocation to remaining performance obligations

RMB

Item	31 December 2024	31 December 2023
Within 1 year	681,995,496.70	564,480,062.57
Total	681,995,496.70	564,480,062.57

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

37. Tax and Surcharges

RMB

Item	2024	2023
Environmental protection tax	54,180,964.71	53,293,923.44
Land use tax	48,464,104.24	49,456,408.94
Real estate tax	19,116,939.13	19,052,291.80
Urban maintenance and construction tax and education surcharge	13,266,803.20	12,154,704.08
Others	1,870,941.05	1,767,981.92
Total	136,899,752.33	135,725,310.18

38. Administrative Expenses

RMB

Item	2024	2023
Payroll and cost of outsourcing labor	462,219,380.75	446,806,862.46
Early retirement schemes	199,183,530.32	88,827,966.93
Depreciation and amortization	50,196,340.71	48,325,859.55
Rental expenses	31,678,550.17	21,110,095.29
Office charges	10,723,370.78	13,360,895.68
Repair and maintenance expenses	9,014,932.63	20,947,482.18
Management consulting fee	22,972,257.12	16,281,703.06
Epidemic prevention expenses	2,571,993.36	11,509,873.59
Auditors' remuneration	4,642,735.24	5,664,748.23
Others	81,195,090.01	73,577,325.13
Total	874,398,181.09	746,412,812.10

39. Research and Development Expenses

RMB

Item	2024	2023
Commissioned research and development expense	102,557,208.69	62,438,619.03
Staff labor costs	64,235,762.96	60,336,276.93
Direct investment	5,810,316.91	29,585,731.27
Depreciation and amortization	246,571.49	531,370.32
Others	821,768.23	1,153,518.28
Total	173,671,628.28	154,045,515.83

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

40. Financial Cost

RMB

Item	2024	2023
Interest expenses	174,193,290.19	237,332,426.74
Including interest expenses incurred on lease liabilities	528,934.06	1,369,515.48
Less: Interest income	116,304,013.05	130,974,478.65
Less: Capitalized interest	1,855,476.39	1,025,698.05
Foreign exchange gain or loss	404,594.17	140,312.65
Others	186,578.86	181,012.97
Total	56,624,973.78	105,653,575.66

41. Other Income

RMB

Item	2024	2023
Government subsidy related to daily activities	15,755,487.00	63,731,913.15
Refund of withholding personal income tax	499,278.19	372,706.57
Total	16,254,765.19	64,104,619.72

42. Investment Income

RMB

Item	2024	2023
Long-term equity investment income accounted for under the equity method	351,915,363.98	275,501,884.52
Dividend income on other equity instrument investments during the holding period	61,918,200.00	36,000,000.00
Investment income arising from the disposal of long-term equity investment	7,371,227.05	-
Total	421,204,791.03	311,501,884.52

43. Credit Impairment Gain

RMB

Item	2024	2023
Bad debts loss for accounts receivable	(620,208.34)	(1,125,066.84)
Bad debts reversal for other receivables	10,037,132.25	4,984,718.88
Total	9,416,923.91	3,859,652.04

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

44. Asset Impairment Loss

RMB

Item	2024	2023
Fixed assets impairment loss	–	(4,013,704.80)
Loss for inventory impairment	(2,461,090.51)	(361,849.08)
Total	(2,461,090.51)	(4,375,553.88)

45. Gains from the Disposal of Assets

RMB

Item	2024	2023
Gains from the disposal of intangible assets	–	6,510,203.74
Gains (losses) from the disposal of fixed assets	83,279,742.28	(2,153,166.45)
Total	83,279,742.28	4,357,037.29

46. Non-operating Income

RMB

Item	2024	2023	Included in non-recurring profit and loss in 2024
Payables waived	17,954.93	774,092.73	17,954.93
Gains from spoilage and obsolescence of non-current assets	11,124,410.67	6,746,621.67	11,124,410.67
Others	1,245,580.22	1,413,289.31	1,245,580.22
Total	12,387,945.82	8,934,003.71	12,387,945.82

47. Non-operating Expenses

RMB

Item	2024	2023	Including 2024 non-recurring gains and losses
Losses from spoilage and obsolescence of non-current assets	12,081,368.42	2,252,283.05	12,081,368.42
Penalty and overdue surcharge	39,373.07	1,234,415.29	39,373.07
Public welfare donation expenses	–	696,000.00	–
Others	1,428,284.00	544,116.24	1,428,284.00
Total	13,549,025.49	4,726,814.58	13,549,025.49

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

48. Income Tax Expense

(1) Table of income tax expense

RMB

Item	2024	2023
Current income tax expenses	281,185,994.86	244,591,715.40
Deferred income tax expenses	44,480,701.97	74,077,549.32
Total	325,666,696.83	318,669,264.72

(2) Reconciliation of accounting profit and income tax expense

RMB

Item	2024	2023
Total profit	1,900,256,917.19	1,883,142,038.88
Income tax expenses calculated at the statutory tax rate	475,064,229.30	470,785,509.72
Effect of different tax rates of subsidiaries	(46,875,938.05)	(52,209,115.61)
Effect of adjustments to income tax of previous periods	(8,941,245.45)	(1,740,198.29)
Effect of non-taxable income	(23,111,263.72)	(9,000,000.00)
Effect of share of profits and losses of joint ventures and associates	(86,886,913.42)	(68,875,471.13)
Effect of non-deductible costs, expenses and losses	12,735,772.48	12,383,782.20
Effect of utilization of deductible losses on deferred income tax assets not recognized in previous year	(1,911,266.68)	(4,690,737.78)
Effect of recognition of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the previous period	–	(15,396,625.10)
Effect of deductible temporary differences or deductible losses on deferred tax assets not recognized in the current year	23,231,645.70	5,251,885.94
Effect of additional deduction of research and development costs	–	(4,534,409.52)
Others	(17,638,323.33)	(13,305,355.71)
Income tax expenses	325,666,696.83	318,669,264.72

49. Earnings per share

(1) Basic earnings per share

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

RMB

Item	2024	2023
Net profit for the period attributable to ordinary shareholders of the Company	1,564,897,805.73	1,531,202,403.96
Weighted average number of ordinary shares in issue of the Company	5,587,412,000.00	5,587,412,000.00
Basic earnings per share (RMB/Share)	0.28	0.27

(2) The Company had no dilutive potential ordinary shares in issue for the year 2024 (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

50. The Statement of Cash Flows

(1) Cash relating to operating activities

Cash received relating to other operating activities

RMB

Item	2024	2023
Interest income from bank deposit	27,516,798.86	83,621,447.51
Lease income	22,196,051.50	14,236,128.94
Insurance claims	10,458.94	926,713.79
Others	14,803,446.51	12,490,118.84
Total	64,526,755.81	111,274,409.08

Cash paid relating to other operating activities

RMB

Item	2024	2023
Rental expenses	113,089,571.11	104,409,449.60
Sanitary charges, afforestation fee	65,789,509.06	78,678,182.92
Research and development expenses	102,557,208.69	62,438,619.03
Insurance	25,862,782.73	30,891,918.87
Professional service fee	28,275,442.58	26,660,609.35
Expenses on guard and firefighting services	11,558,714.81	14,343,437.37
Office charges, conference expenses	11,429,991.22	11,500,012.88
Travel expenses	7,964,619.20	7,604,926.48
Others	69,545,910.97	56,944,160.55
Total	436,073,750.37	393,471,317.05

(2) Cash relating to investing activities

Cash payments relating to major investing activities

RMB

Item	2024	2023
Purchase of term deposits	–	500,000,000.00
Total	–	500,000,000.00

Cash payments relating to other investing activities

RMB

Item	2024	2023
Net cash paid for disposal of subsidiaries and other business units	10,652,158.36	–
Payment of land appreciation tax	–	5,456,523.88
Total	10,652,158.36	5,456,523.88

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

50. The Statement of Cash Flows (Continued)

(3) Cash relating to financing activities

Cash payments relating to other financing activities

RMB

Item	2024	2023
Payment of lease fee of right-of-use assets	17,293,397.31	17,587,025.04
Total	17,293,397.31	17,587,025.04

Changes in liabilities arising from financing activities are as follows:

RMB

Item	Opening balance	Increase in the year		Decrease in the year		31 December 2024
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	500,252,083.33	300,000,000.00	11,115,625.04	511,273,125.04	-	300,094,583.33
Long-term borrowings (including those due within one year)	5,608,401,823.65	380,000,000.00	162,724,463.19	1,255,059,125.32	-	4,896,067,161.52
Lease liabilities (including those due within one year)	19,205,532.95	-	528,934.06	17,293,397.31	2,441,069.70	-
Total	6,127,859,439.93	680,000,000.00	174,369,022.29	1,783,625,647.67	2,441,069.70	5,196,161,744.85

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

RMB

Item	2024	2023
Payments for production and purchases by way of endorsed notes	20,090,624.00	55,787,893.52
Payments for engineering equipment expenses by way of endorsed notes	213,698,297.55	81,656,675.00
External capital contribution by way of land use rights	-	33,389,800.00
Total	233,788,921.55	170,834,368.52

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

51. Supplemental Information to Statement of Cash Flows

(1) Supplemental information to statement of cash flows

RMB

Item	2024	2023
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	1,574,590,220.36	1,564,472,774.16
Add: Credit impairment loss	(9,416,923.91)	(3,859,652.04)
Asset impairment provision	2,461,090.51	4,375,553.88
Fixed assets depreciation	1,184,475,555.80	1,233,919,039.34
Amortization of right-of-use assets	21,268,313.55	21,614,742.14
Amortization of intangible assets	90,352,903.93	88,606,784.65
Amortization of long-term deferred expenses	1,896,258.46	842,013.01
Amortization of deferred income	(14,809,194.29)	(35,839,287.75)
Gain on disposal of fixed assets, intangible assets and other long-term assets	(82,322,784.53)	(8,851,375.91)
Financial costs	83,955,193.78	215,492,645.34
Investment income	(421,204,791.03)	(311,501,884.52)
Decrease in deferred income tax assets	44,480,701.97	74,077,549.32
Decrease (increase) in inventories	300,497.51	(20,822,422.15)
Increase in operating receivables	(201,010,391.47)	(140,862,294.73)
Increase (decrease) in operating payables	199,460,345.82	(249,559,368.36)
Increase in special reserve	(59,330,023.52)	(38,305,709.13)
Net cash flows from operating activities	2,415,146,972.94	2,393,799,107.25
2. Balances of cash at end of the year	1,747,326,207.33	1,689,267,856.26
Less: Balances of cash at beginning of the year	1,689,267,856.26	3,446,027,714.85
Net increase (decrease) in cash and cash equivalents	58,058,351.07	(1,756,759,858.59)

(2) Net cash received for disposal of subsidiaries for the period

RMB

Item	2024
Cash or cash equivalents received during current period for disposal of subsidiaries during the current period	82,058,648.21
Including: Cangzhou Crude Oil	5,867,904.00
Tangshan Caofeidian Jigang Coal Port Co., Ltd. (唐山曹妃甸冀港煤炭港務有限公司)	24,875,747.76
Qinhuangdao Port GangSheng (Hong Kong) Co., Limited (秦皇島港港盛(香港)有限公司)	51,314,996.45
Less: cash and cash equivalents held by subsidiaries on the date of losing control	92,710,806.57
Including: Cangzhou Crude Oil	16,268,792.18
Tangshan Caofeidian Jigang Coal Port Co., Ltd. (唐山曹妃甸冀港煤炭港務有限公司)	25,127,017.94
Qinhuangdao Port GangSheng (Hong Kong) Co., Limited (秦皇島港港盛(香港)有限公司)	51,314,996.45
Net cash outflow on disposal of subsidiaries	10,652,158.36

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

51. Supplemental Information to Statement of Cash Flows (Continued)

(3) Composition of cash and cash equivalents

RMB

Item	31 December 2024	31 December 2023
Cash	1,747,326,207.33	1,689,267,856.26
Including: Cash on hand	1,046.82	11,334.47
Bank deposits on demand	1,747,325,160.51	1,689,256,521.79
Balance of cash and cash equivalents	1,747,326,207.33	1,689,267,856.26

(4) Monetary capital other than cash and cash equivalents

RMB

Item	31 December 2024	31 December 2023	Reason
Term deposits due over 3 months but within one year and interest	2,533,437,357.73	1,148,755,100.31	For the purpose of holding until maturity
Other deposits	500.00	500.00	The right of use is restricted
Total	2,533,437,857.73	1,148,755,600.31	

52. Foreign Currency Monetary Items

Item	31 December 2024		
	Original currency	Exchange rate	Translated RMB
Cash and bank balances			
HK\$	64,703,957.39	0.9260	59,918,452.70
Accounts payable			
HK\$	1,312,406.00	0.9260	1,215,340.45
Other payables			
HK\$	61,643.43	0.9260	57,084.29

53. Leases

(1) As lessee

RMB

Item	2024	2023
Interest expenses on lease liabilities	528,934.06	1,369,515.48
Short-term lease payments with simplified processing included in profit or loss for the period	112,725,635.34	104,368,747.86
Lease payments of low-value asset with simplified processing included in profit or loss for the period (other than short-term leases)	246,175.86	162,256.74
Total cash outflow relating to lease	140,561,029.82	121,996,474.64

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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

53. Leases (Continued)

(1) As lessee (Continued)

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

Leases committed but not yet commenced

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

RMB

Item	31 December 2024	31 December 2023
Within 1 year (including 1 year)	573,945.36	936,265.91
1 year to 2 years (inclusive)	207,388.00	193,818.00
2 years to 3 years (inclusive)	221,905.00	207,388.00
Over 3 years	237,439.00	459,344.00
Total	1,240,677.36	1,796,815.91

Other information on leases

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

(2) As lessor

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

Operating leases

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

RMB

Item	2024	2023
Lease income	11,794,863.32	13,887,095.85

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

RMB

Item	31 December 2024	31 December 2023
Within 1 year (including 1 year)	316,613.65	647,096.00
1 year to 2 years (inclusive)	–	233,950.00
Total	316,613.65	881,046.00

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

VI. RESEARCH AND DEVELOPMENT EXPENDITURES

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

VII. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Disposed of Subsidiaries

Loss of control over the subsidiary

RMB

Name of company	Time point of losing control	Disposal price at the time point of losing control	Proportion of disposal at the time point of losing control (%)	Disposal method at the time point of losing control	Basis for determining the time point of losing control	Difference between the disposal price and the share of the subsidiary's net assets at the level of the consolidated financial statement corresponding to the disposal of the investment	Percentage of remaining equity at the date of loss of control (%)	Carrying amount of remaining equity at the level of the consolidated financial statement at the date of loss of Control	Fair value of remaining equity at the level of the consolidated financial statement at the date of loss of Control	Gains or losses arising from remeasurement of remaining equity at the fair value	Method of determining the fair value of remaining equity at the level of the consolidated financial statement at the date of loss of control and key assumption	Amount of other consolidated revenue which is related to the original equity investment in subsidiary and stated as investment gains/losses or retained earnings
Cangzhou Crude Oil	30 April 2024	5,867,904.00	16.00	Sale	The parties involved in the transaction have completed delivery, and the Company has effectively lost control over Cangzhou Crude Oil.	248,074.95	49.00	17,210,726.49	17,970,456.00	759,729.51	Asset-based approach	-

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

2. Changes in the Scope of Consolidation for Other Reasons

Subsidiaries cancelled during the current year

Name	Cancellation date
Tangshan Caofeidian Jigang Coal Port Co., Ltd. (唐山曹妃甸冀港煤炭港務有限公司)	December 2024
Qinhuangdao Port GangSheng (Hong Kong) Co., Limited (秦皇島港港盛(香港)有限公司)	December 2024

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
RMB

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in Subsidiaries

(1) Composition of the corporate group

Item	Place of principal business and place of incorporation	Type of legal entity	Nature of business	Registered capital RMB'000	Percentage of shareholding (%)		Acquisition method
					Direct	Indirect	
Qinhuangdao Xin'gangwan Container Terminal Co., Ltd. (秦皇島港新港灣集裝箱碼頭有限公司)	Qinhuangdao city	Limited liability company	Loading and unloading services	40,000	55.00	–	Subsidiaries acquired through the equity contribution from HPG during the establishment of the Company
Caofeidian Coal	Tangshan city	Limited liability company	Loading and unloading services	180,000	51.00	–	Subsidiaries acquired through establishment or investment
Cangzhou Mineral	Cangzhou city	Limited liability company	Loading and unloading services	526,635	97.59	–	Subsidiaries acquired through establishment or investment
Cangzhou Ocean Shipping Tally Co., Ltd. (滄州中理外輪理貨有限公司)	Cangzhou city	Limited liability company	Cargo tallying services	500	33.00	23.00	Subsidiaries acquired through establishment or investment
Tangshan Port Investment & Development Co., Ltd. (唐山港口投資開發有限公司)	Tangshan city	Limited liability company	Port investment	200,000	56.00	–	Subsidiaries acquired through establishment or investment
Cangzhou Huanghua Port Bulk Cargo Port Co., Ltd. (滄州黃驊港散貨港務有限公司)	Cangzhou city	Limited liability company	Loading and unloading services	5,000	100.00	–	Subsidiaries acquired through establishment or investment
Tangshan Caofeidian Ocean Shipping Tally Co., Ltd. (唐山曹妃甸中理外輪理貨有限公司)	Tangshan city	Limited liability company	Cargo tallying services	928	100.00	–	Subsidiaries acquired through establishment or investment
Tangshan Caofeidian Jigang General Port Co., Ltd. (唐山曹妃甸冀港通用港務有限公司)	Tangshan city	Limited liability company	Loading and unloading services	5,000	100.00	–	Subsidiaries acquired through establishment or investment
Hebei Tangshan Caofeidian Jitong Port Co., Ltd. (河北唐山曹妃甸冀同港口有限公司)	Tangshan city	Limited liability company	Loading and unloading services	300,000	59.00	–	Subsidiaries acquired through establishment or investment
Qinhuangdao Port Xinyi Port Co., Ltd. (秦皇島港新益港務有限公司)	Qinhuangdao city	Limited liability company	Loading and unloading services	6,000	100.00	–	Subsidiaries acquired through establishment or investment
Qinhuangdao Ocean Shipping Tally Co., Ltd. (秦皇島中理外輪理貨有限責任公司)	Qinhuangdao city	Limited liability company	Cargo tallying services	1,274	84.00	–	Subsidiaries which are acquired by business merger under common control

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in Subsidiaries (Continued)

(2) Significant non-wholly-owned subsidiary

RMB

Name of subsidiary	Percentage of shareholding of minority shareholders	Profit or loss attributable to minority shareholders for the year	Dividends declared to minority shareholders for the year	Closing balance of minority interests
Caofeidian Coal	49.00%	924,622.80	–	608,314,525.47

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

RMB

Item	31 December 2024	31 December 2023
Current assets	238,687,543.22	330,677,045.73
Non-current assets	3,582,305,745.32	4,129,607,800.51
Total assets	3,820,993,288.54	4,460,284,846.24
Current liabilities	531,509,322.20	796,269,292.71
Non-current liabilities	2,048,025,751.10	2,418,192,473.11
Total liabilities	2,579,535,073.30	3,214,461,765.82

RMB

Item	2024	2023
Revenue	721,278,962.68	833,118,070.77
Net profit	1,886,985.31	68,893,326.80
Other comprehensive income	(73,367,768.32)	20,526,249.88
Total comprehensive income	(71,480,783.01)	89,419,576.68
Net cash flow from operating activities	437,985,399.89	551,828,158.19

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
RMB

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in Joint Ventures and Associates

(1) Joint ventures and associates

Name of joint ventures or associates	Place of principal business and place of incorporation	Nature of business	Registered capital RMB0'000	Percentage of shareholding (%)		Accounting treatment
				Direct	Indirect	
Joint ventures						
Bohai Jin-Ji Port Investment and Development Company Limited (渤海津冀港口投資發展有限公司)	Tianjin city	Investment and development	200,000	50.00	–	Equity method
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	Cangzhou city	Loading and unloading services	45,000	10.00	45.00	Equity method
Cangzhou Bohai New Zone Port Real Estate Development Co., Ltd. (滄州渤海新區港口房地產開發有限公司)	Cangzhou city	Property development business	12,000	–	50.00	Equity method
Associates						
Finance Company	Qinhuangdao city	Financial services	150,000	40.00	–	Equity method
Caofeidian Shiye	Tangshan city	Loading and unloading services	200,000	35.00	–	Equity method
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇島興奧秦港能源儲運有限公司)	Qinhuangdao city	Energy services	5,000	40.00	–	Equity method
Handan International Land Port Co., Ltd. (邯鄲國際陸港有限公司)	Handan city	Logistic services	107,000	–	21.13	Equity method
Xin Licheng Tally Co., Ltd. of Tangshan Caofeidian Comprehensive Bonded Zone (唐山曹妃甸綜合保稅區鑫理程理貨有限責任公司)	Tangshan city	Cargo tallying services	300	–	30.00	Equity method
Cangzhou Bohai New Zone Gangxing Tugboat Co., Ltd. (滄州渤海新區港興拖輪有限公司)	Cangzhou city	Tugging services	40,573	–	35.00	Equity method
Zhejiang Yuehua Energy Detection Co., Ltd. (浙江越華能源檢測有限公司)	Ningbo city	Retail business	1,379	15.00	–	Equity method
Yihai Kerry (Qinhuangdao) Grain & Oil Industry Co., Ltd. (益海嘉里(秦皇島)糧油工業有限公司)	Qinhuangdao city	Food manufacturing	111,765	15.00	–	Equity method
Cangzhou Crude Oil	Cangzhou city	Loading and unloading services	15,700	49.00	–	Equity method

The following table sets forth the financial information of Caofeidian Shiye and Finance Company, which are the significant associates of the Group. Located in Caofeidian Port Zone, Caofeidian Shiye was established in 2002, and it provides strong support to the Group for its development into one of the most important port operators in Bohai Rim. Finance Company was established in 2014, and it provides the Group with financial services including deposit taking, loan-offering and settlement services. The Group adopted equity method to measure as there is no significant difference between the financial policy of these companies and that of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in Joint Ventures and Associates (Continued)

(2) Key financial information of significant associates

RMB

Item	31 December 2024	
	Caofeidian Shiye	Finance Company
Current assets	2,494,237,605.84	14,847,525,934.82
Including: Cash and cash equivalents	1,561,476,312.68	5,670,636,140.51
Non-current assets	6,081,055,495.59	1,339,816,839.48
Total assets	8,575,293,101.43	16,187,342,774.30
Current liabilities	990,776,228.03	14,340,462,558.42
Non-current liabilities	409,421,022.60	5,755,890.31
Total liabilities	1,400,197,250.63	14,346,218,448.73
Minority interest	39,251,902.31	–
Equity attributable to shareholders of the parent company	7,135,843,948.49	1,841,124,325.57
Share of net assets in proportion to shareholding	2,497,545,381.97	736,449,730.23
Carrying amount of investment	2,497,545,381.97	736,449,730.23

RMB

Item	2024	
	Caofeidian Shiye	Finance Company
Revenue	2,212,144,546.16	360,190,067.44
Administrative expenses	158,664,588.85	19,691,672.92
Financial cost – interest income	25,914,227.37	–
Financial cost – interest expense	2,222,034.66	–
Income tax expense	311,103,862.04	24,586,926.79
Net profit	1,132,327,359.44	76,800,633.58
Including: Net profit attributable to the parent company	1,132,320,199.17	76,800,633.58
Other comprehensive income	64,890,469.92	5,498,069.01
Total comprehensive income	1,197,210,669.09	82,298,702.59
Dividend received	110,950,000.00	12,000,000.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in Joint Ventures and Associates (Continued)

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

RMB

Item	31 December 2023	
	Caofeidian Shiye	Finance Company
Current assets	2,709,823,040.50	11,693,597,537.89
Including: Cash and cash equivalents	1,452,283,768.30	3,954,939,400.73
Non-current assets	5,290,914,744.36	1,006,263,496.99
Total assets	8,000,737,784.86	12,699,861,034.88
Current liabilities	1,176,724,296.76	10,908,805,222.22
Non-current liabilities	419,867,454.13	2,230,189.68
Total liabilities	1,596,591,750.89	10,911,035,411.90
Minority interest	39,244,742.04	–
Equity attributable to shareholders of the parent company	6,364,901,291.93	1,788,825,622.98
Share of net assets in proportion to shareholding	2,227,715,452.17	715,530,249.20
Carrying amount of investment	2,227,715,452.17	715,530,249.20

RMB

Item	2023	
	Caofeidian Shiye	Finance Company
Revenue	1,922,404,576.86	245,241,602.65
Administrative expenses	154,747,151.14	21,402,497.05
Financial cost – interest income	11,421,952.38	–
Financial cost – interest expense	6,480,287.03	–
Income tax expense	259,566,679.14	14,495,522.12
Net profit	942,951,024.07	44,697,628.62
Including: Net profit attributable to the parent company	941,520,294.12	44,697,628.62
Other comprehensive income	139,243,448.20	–
Total comprehensive income	1,080,763,742.32	44,697,628.62
Dividend received	–	15,200,000.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in Joint Ventures and Associates (Continued)

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

RMB

Item	31 December 2024 and for the year of 2024	31 December 2023 and for the year of 2023
Joint ventures		
Total carrying amount of investment	62,501,634.81	106,430,694.91
Total amount of the following items calculated in the Group's equity proportion		
Net loss	(43,929,060.10)	(70,259,017.22)
Total comprehensive income	(43,929,060.10)	(70,259,017.22)
Associates		
Total carrying amount of investment	500,896,246.21	771,749,925.53
Total amount of the following items calculated in the Group's equity proportion		
Net loss	(31,187,899.08)	(8,160,456.65)
Total comprehensive income	(31,187,899.08)	(8,160,456.65)

IX. GOVERNMENT GRANTS

1. Liabilities Items Related to Government Grants

RMB

Items of Grants	31 December 2023	Accrued	Recognized in other revenue in the year	31 December 2024	Related to assets/income
Special environmental subsidy	97,263,758.98	–	11,816,378.52	85,447,380.46	Related to assets
Subsidy for retrofitting of contingency coal storage depot	2,025,000.00	–	1,350,000.00	675,000.00	Related to assets
Technology center project funds	2,527,978.75	–	341,803.84	2,186,174.91	Related to assets
Intelligent stacking yard operation transformation system	4,632,445.63	–	1,115,761.08	3,516,684.55	Related to assets
Diesel locomotive upgrade and renovation	–	11,860,000.00	–	11,860,000.00	Related to assets
Others	1,650,658.39	129,550.92	185,250.85	1,594,958.46	Related to assets
Total	108,099,841.75	11,989,550.92	14,809,194.29	105,280,198.38	

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

RMB

Items of Grants	2024	2023
Asset-related government grants		
Credited to other income	14,809,194.29	35,639,287.75
Government grants relating to income		
Credited to other income	946,292.71	28,092,625.40
Total	15,755,487.00	63,731,913.15

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

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

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

1. Risk Management Objectives and Policies

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

1.1 Market risk

(1) Interest rate risk

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

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

31 December 2024

RMB

Item	Increase/ (decrease) in basis points	(Decrease)/ increase in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Total (decrease)/ increase in shareholder's equity
Long-term borrowings	50	(18,345,103.50)	–	(18,345,103.50)
Long-term borrowings	(50)	18,345,103.50	–	18,345,103.50

31 December 2023

RMB

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

(2) Exchange rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk Management Objectives and Policies (Continued)

1.2 Credit risk

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

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

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

Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customers. As at 31 December 2024, there is a concentration of specific credit risk within the Group as 35% and 70% (31 December 2023: 38% and 58%) of the Group's accounts receivables were from the largest and five largest customers in terms of balances of accounts receivable. The Group did not hold any collateral or other credit enhancements over the balances of accounts receivables.

(1) Criteria for judging significant increases in credit risk

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

On 31 December 2024, credit risks of other receivables that were overdue for more than 30 days were not considered to increase significantly due to the fact that the probability of default in remaining lifetime at the reporting date has not increased by more than a certain proportion comparing with the initial recognition and no significant adverse change in debtor's operation or financial status, no watch-list, etc. The Group made provision for impairment based on the expected credit loss in the next 12 months.

(2) Definition of credit-impaired asset

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

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

(3) Credit risk exposures

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk Management Objectives and Policies (Continued)

1.3 Liquidity risk

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

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

31 December 2024

RMB

Item	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	306,854,138.89	–	–	306,854,138.89
Accounts payable	324,223,205.39	–	–	324,223,205.39
Other payables	500,949,300.07	–	–	500,949,300.07
Long-term borrowings (including those due within one year)	814,904,408.07	2,548,700,046.61	2,147,478,078.06	5,511,082,532.74
Total	1,946,931,052.42	2,548,700,046.61	2,147,478,078.06	6,643,109,177.09

31 December 2023

RMB

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

2. Capital Management

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

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

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

RMB

Item	31 December 2024	31 December 2023
Accounts payable	324,223,205.39	253,421,149.43
Other payables	500,949,300.07	603,776,486.76
Short-term borrowings	300,094,583.33	500,252,083.33
Non-current liabilities due within one year	684,673,557.52	633,718,528.57
Lease liabilities	–	7,219.53
Long-term borrowings	4,211,393,604.00	4,995,881,608.50
Long-term payables	–	32,000,000.00
Less: Cash and bank balances	4,280,764,065.06	2,838,023,456.57
Other non-current assets – term deposit and interest	1,316,181,628.70	2,330,035,082.78
Net debt	424,388,556.55	1,850,998,536.77
Equity attributable to shareholders of the parent company	19,329,265,694.28	18,423,519,428.29
Capital and net debt	19,753,654,250.83	20,274,517,965.06
Net debt to equity ratio	2%	9%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

3. Transfer of Financial Assets

(1) Classification of transfer method

RMB

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Basis for determining derecognition
Bill endorsement	Bills receivable	8,000,000.00	Not derecognized	Retain substantially all risks and rewards, including associated default risks
Bill endorsement	Financing receivables	52,250,000.00	Derecognized	Transfer substantially all risks and rewards
Total		60,250,000.00		

(2) The financial assets derecognized as a result of the transfer

RMB

Item	Method for transferring financial assets	Amount of derecognized financial assets	Profit or loss related to derecognition
Financing receivables	Bill endorsement	52,250,000.00	–

(3) The continuing involvement in transferred financial assets

RMB

Item	Method for transferring assets	Amount of continuing involvement in assets	Amount of continuing involvement in liabilities
Bills receivable	Bill endorsement	8,000,000.00	8,000,000.00

(4) Financial assets transferred but not derecognized generally

As at 31 December 2024, the Group has endorsed bank acceptance notes and commercial acceptance notes with a carrying amount of RMB8,000,000.00 (31 December 2023: RMB5,625,541.00) that have not yet matured to settle the amounts payable. The Group considered that the Group has retained substantially all risks and rewards, including associated default risks. Therefore, it continued to fully recognize its settled payables and those related to them. After endorsement, the Group will not reserve the right of use, including the right to sale, transfer and pledge to other third parties.

(5) Continuing involvement in transferred financial assets derecognized generally

As at 31 December 2024, the Group has endorsed bank acceptance notes with a carrying amount of RMB52,250,000.00 (31 December 2023: RMB28,766,419.52) that have not yet matured to settle the amounts payable. If acceptance banks dishonored the notes, the holder may exercise the right of recourse against any or several or all of the persons liable for the bill of exchange including the Group in disregard of the order of precedence ("Continuing Involvement") according to relevant provisions of the Law of Bill. The Group considered that these acceptance banks are reputable banks so that the potential risk of dishonoring the notes for recourse is small. Therefore, its settled payables and those related to them are fully derecognized. The maximum loss and the undiscounted cash flow of Continuing Involvement and repurchase equal to the carrying amounts. The Group considers that the fair value of Continuing Involvement is insignificant.

For the year 2024, the Group did not recognize any profit or loss at the date of transfer. The Group had no current or cumulative recognized income or expense related to Continuing Involvement of financial assets which had been derecognized. The bill endorsement occurred evenly for the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XI. DISCLOSURE OF FAIR VALUE

1. Closing Fair Value of Assets and Liabilities Measured at Fair Value

31 December 2024

RMB

Item	Fair value			Total
	Fair Value Measurement of Level 1	Fair Value Measurement of Level 2	Fair Value Measurement of Level 3	
Assets				
Continuous measurement of fair value				
Financing receivables	–	56,275,477.79	–	56,275,477.79
Other equity instruments investments	–	–	713,888,490.67	713,888,490.67
Total	–	56,275,477.79	713,888,490.67	770,163,968.46

31 December 2023

RMB

Item	Fair value			Total
	Fair Value Measurement of Level 1	Fair Value Measurement of Level 2	Fair Value Measurement of Level 3	
Assets				
Continuous measurement of fair value				
Financing receivables	–	74,502,289.57	–	74,502,289.57
Other equity instruments investments	–	–	1,091,562,136.20	1,091,562,136.20
Total	–	74,502,289.57	1,091,562,136.20	1,166,064,425.77

2. Fair Value Measurement of Level 2

The fair values of financing receivables are determined at the discount rate of market yields on other financial instruments with similar credit risk and remaining maturities using the discounted future cash flow method, and their fair values approximate their carrying amounts due to the remaining term is not long.

3. Fair Value Measurement of Level 3

The Group's finance team is led by the finance manager, and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial officer and the audit committee. At each balance sheet date, the finance team analyses movements in the value of financial instruments and determines the major inputs applicable to the valuation. The valuation must be reviewed and approved by the finance manager. For the purpose of preparing interim and annual financial statements, the finance team meets the audit committee twice a year to discuss the valuation procedures and results.

Certain investments in unlisted equity instruments are estimated at fair value using the market approach based on unobservable market prices or interest rate assumptions. The Group needs to determine comparable public companies based on industry, size, leverage and strategy, and calculates an appropriate market multiple, such as enterprise value multiplier, price to earnings ("P/E") multiplier and price to net assets ("P/B") multiplier, for each comparable public company identified. Adjustments are made based on company-specific facts and circumstances, taking into account factors such as liquidity and size differences between comparable public companies. The Group believes that the fair value and changes thereof estimated using valuation techniques are reasonable and also the most appropriate value as of the balance sheet date.

For the fair value of investment in other unlisted equity instrument, the Group estimated the potential impact of using other reasonable and probable assumptions as inputs to the valuation model.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XI. FAIR VALUE DISCLOSURE (CONTINUED)

3. Fair Value Measurement of Level 3 (Continued)

- (1) Below is a summary of the significant unobservable inputs to the fair value measurement of level 3

RMB

Item	End of the year	Fair value at the end of year	Valuation techniques	Unobservable inputs (weighted average)	Range
Equity instrument investments	31 December 2024	713,888,490.67	Listed company comparison method	Liquidity discount	20%-22%
Equity instrument investments	31 December 2023	1,091,562,136.20	Listed company comparison method	Liquidity discount	16%-22%

- (2) The reconciliation of the fair value measurement of level 3

31 December 2024

RMB

Item	1 January 2024	Total profit or loss for the current period		Settlement	31 December 2024	Changes in unrealized gains or losses of the current period of the assets held at the end of the year included in profit or loss
		Included in profit or loss	Included in other comprehensive income			
Other equity instruments investments	1,091,562,136.20	-	(188,423,410.12)	(189,250,235.41)	713,888,490.67	-

31 December 2023

RMB

Item	1 January 2023	Total profit or loss for the current period		Settlement	31 December 2023	Changes in unrealized gains or losses of the current period of the assets held at the end of the year included in profit or loss
		Included in profit or loss	Included in other comprehensive income			
Other equity instruments investments	1,136,892,279.11	-	(45,330,142.91)	-	1,091,562,136.20	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XI. FAIR VALUE DISCLOSURE (CONTINUED)

4. Financial Assets and Financial Liabilities Not Measured at Fair Value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost in the financial statements approximate to the fair values of such assets and liabilities.

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

1. Parent Company of the Company

Item	Place of registration	Nature of business	Registered capital	Percentage of shareholding (%)	Proportion of votes (%)
HPG	Tangshan city	Integrated port service	RMB20 billion	58.27	58.27

HPG is the ultimate holding company of the Company.

2. Subsidiaries

For details of the subsidiaries, please refer to Note VIII. 1.

3. Joint Ventures and Associates

For details of the joint ventures and associates, please refer to Note VIII. 2.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

4. Other Related Parties

Company name	Relationship with related parties
Hebei Port Group Port Engineering Limited	A subsidiary of the controlling shareholder
Hebei Port Group Port Machinery Limited	A subsidiary of the controlling shareholder
Hebei Port Group Testing Technology Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Kezheng Engineering Detection Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Fangyu Property Services Management Co., Ltd.	A subsidiary of the controlling shareholder
HPG Health Industry Development Company Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Ocean Shipping Coal Trading Market Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Gangyun Conference Services Co., Ltd. (秦皇島港韻會議服務有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Jingtang Port Area Imports & Exports the Low-tax Storage and Transportation Co., Ltd. (唐山港京唐港區進出口保稅儲運有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Group Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port Group Co., Ltd. (唐山港集團股份有限公司)	A subsidiary of the controlling shareholder
Hebei Port Group Shulian Technology (Xiong'an) Co., Ltd. (河北港口集團數聯科技(雄安)有限公司)	A subsidiary of the controlling shareholder
Tangshan Port (Shanxi) Logistics Co., Ltd. (唐山港(山西)物流有限公司)	A subsidiary of the controlling shareholder
Hebei Port Group International Logistics Co., Ltd.	A subsidiary of the controlling shareholder
HPG (Tianjin) Investment Management Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port Hede Shipping Co., Ltd. (唐山港合德海運有限公司)	A subsidiary of the controlling shareholder
HPG Real Estate Development Co., Ltd.	A subsidiary of the controlling shareholder
Hebei Port Group City Construction and Development Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port Group Tugboat Co., Ltd. (唐山港集團拖輪有限公司)	A subsidiary of the controlling shareholder
Tangshan Haigang Gangxing Construction Engineering Detection Co., Ltd. (唐山海港港興建設工程檢測有限公司)	A subsidiary of the controlling shareholder
Qinhuangdao Zhiyuan Shipping Company Limited (秦皇島智遠船舶有限公司)	A subsidiary of the controlling shareholder
Tangshan Port International Logistics Co., Ltd.	A subsidiary of the controlling shareholder
Waidai Logistics	A subsidiary of the controlling shareholder
China Ocean Shipping Agency Qinhuangdao Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Caofeidian Comprehensive Bonded Zone Port Co., Ltd. (唐山曹妃甸綜合保稅區港務有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Ore Storage and Transportation Co., Ltd. (唐山曹妃甸礦石儲運有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Shenggang Real Estate Development Co., Ltd.* (唐山曹妃甸盛港房地產開發有限公司)	A subsidiary of the controlling shareholder
Qinhuangdao Shenggang Real Estate Development Co., Ltd.* (秦皇島盛港房地產開發有限公司)	A subsidiary of the controlling shareholder
Qinhuangdao Port Fangda Real Estate Development Co., Ltd.* (秦皇島港方大房地產開發有限責任公司)	A subsidiary of the controlling shareholder
HEBEI PORT GROUP International (Hong Kong) Co., Ltd.	A subsidiary of the controlling shareholder
Hebei Port Group Shanghai Investment Company (河北港口集團上海投資有限公司)	A subsidiary of the controlling shareholder
Hebei Port Group Beijing Investment Management Co., Ltd.* (河北港口集團北京投資管理有限公司) (formerly known as Beijing Tanggang Investment Management Co., Ltd.* (北京唐港投資管理有限公司))	A subsidiary of the controlling shareholder
Tangshan Caofeidian Industrial Zone Sea Shipping Agency Co., Ltd.	A subsidiary of the controlling shareholder
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Ore Terminal Co., Ltd.	A subsidiary of the controlling shareholder

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

4. Other Related Parties (Continued)

Company name	Relationship with related parties
Tangshan Port Industrial Group Co., Ltd.	A subsidiary of the controlling shareholder
Tangshan Port SHIPPING Freight Agency Co., Ltd. (唐山港船舶貨運代理有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Industrial Zone Joint International Sea Shipping Agency Co., Ltd.	A subsidiary of the controlling shareholder
Qinhuangdao Ruigang Coal Logistics Co., Ltd. (秦皇島睿港煤炭物流有限公司)	A subsidiary of the controlling shareholder
Jigang Commercial Factoring (Tianjin) Co., Ltd.* (冀港商業保理(天津)有限公司)	A subsidiary of the controlling shareholder
Jigang Financial Leasing (Tianjin) Co., Ltd. (冀港融資租賃(天津)有限公司)	A subsidiary of the controlling shareholder
Hebei Land Port Bonded Logistics Co., Ltd.* (河北陸港保稅物流有限公司)	A subsidiary of the controlling shareholder
Wu'an Baitong Warehouse Services Co., Ltd.* (武安市百通倉儲服務有限公司)	A subsidiary of the controlling shareholder
Hegang (Shanghai) Supply Chain Co., Ltd.* (河港(上海)供應鏈有限公司)	A subsidiary of the controlling shareholder
Jingtang Port Liquid Chemical Terminal Co., Ltd.* (京唐港液體化工碼頭有限公司)	A subsidiary of the controlling shareholder
Jingtang Port Coal Harbor Co., Ltd.* (京唐港煤炭港埠有限責任公司)	A subsidiary of the controlling shareholder
Jingtang Port Shougang Terminal Co., Ltd.* (京唐港首鋼碼頭有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Group Railway Transportation Co., Ltd.* (唐山港集團鐵路運輸有限責任公司)	A subsidiary of the controlling shareholder
Tangshan Port Logistics Co., Ltd.* (唐山市港口物流有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Group Logistics Co., Ltd.* (唐山港集團物流有限公司)	A subsidiary of the controlling shareholder
Tangshan Ocean Shipping Supply Co., Ltd.* (唐山市外輪供應有限公司)	A subsidiary of the controlling shareholder
Tangshan Ocean Shipping Tally Co., Ltd.* (唐山外輪理貨有限公司)	A subsidiary of the controlling shareholder
Tangshan Gangxin Technology Development Co., Ltd.* (唐山港信科技發展有限公司)	A subsidiary of the controlling shareholder
Tangshan Gangtong New Energy Service Development Co., Ltd.* (唐山港通新能服務發展有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Group Information Technology Co., Ltd.* (唐山港集團信息技術有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Group Port Machinery and Ship Maintenance Co., Ltd.* (唐山港集團港機船舶維修有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Group Property Services Co., Ltd.* (唐山港集團物業服務有限公司)	A subsidiary of the controlling shareholder
Tangshan Port CCIC Inspection Co., Ltd.* (唐山港中檢檢測有限公司)	A subsidiary of the controlling shareholder
Jintang International Container Terminal Co., Ltd.* (津唐國際集裝箱碼頭有限公司)	A subsidiary of the controlling shareholder
Shanghai Hede International Logistics Co., Ltd.* (上海合德國際物流有限公司)	A subsidiary of the controlling shareholder
Tangshan Gangxing Engineering Management Co., Ltd.* (唐山港興工程管理有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Investment Management Co., Ltd.* (唐山港務投資管理有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Jiahe Supply Chain Management Co., Ltd.* (唐山港佳合供應鏈管理有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Group (Beijing) International Trade Co., Ltd.* (唐山港集團(北京)國際貿易有限公司)	A subsidiary of the controlling shareholder
Tangshan Port Group (Hong Kong) International Limited* (唐山港集團(香港)國際有限公司)	A subsidiary of the controlling shareholder
Tangshan Tangcao Railway Co., Ltd.* (唐山唐曹鐵路有限責任公司)	A subsidiary of the controlling shareholder
Tangshan Gangcheng Real Estate Development Co., Ltd.* (唐山港城房地產開發有限公司)	A subsidiary of the controlling shareholder
Hede (Hong Kong) International Shipping Limited	A subsidiary of the controlling shareholder
Tangshan Haomiao Water Co., Ltd.* (唐山浩淼水務有限公司)	A subsidiary of the controlling shareholder
Tangshan Tangcao Railway Xiaoju Logistics Co., Ltd.* (唐山唐曹鐵路小集物流有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Group Co., Ltd.	A subsidiary of the controlling shareholder
Caofeidian West Terminal Co., Ltd.	A subsidiary of the controlling shareholder
Caofeidian Port Container Terminal Co., Ltd.* (曹妃甸港集裝箱碼頭有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Baoheng Oil Terminal Co., Ltd.* (唐山曹妃甸寶恆油品碼頭有限公司)	A subsidiary of the controlling shareholder

NOTES TO THE FINANCIAL STATEMENTS

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

4. Other Related Parties (Continued)

Company name	Relationship with related parties
Tangshan Caofeidian Tianwu Logistics Co., Ltd.* (唐山曹妃甸天物物流有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Tiantai Ore Processing Co., Ltd.* (唐山曹妃甸天泰礦石加工有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Bonded Storage and Transportation Co., Ltd.* (曹妃甸港保稅儲運有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Intermodal Terminal Co., Ltd.* (曹妃甸港聯運碼頭有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Railway Logistics Co., Ltd.* (曹妃甸港港鐵物流有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Logistics Development Co., Ltd.* (曹妃甸港物流發展有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port (Inner Mongolia) Multimodal Transport Co., Ltd.* (曹妃甸港(內蒙古)多式聯運有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Imp/Exp Bonded Warehouse & Transportation Co., Ltd.* (唐山曹妃甸進出口保稅儲運有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Sinotrans Shipping Co., Ltd.	A subsidiary of the controlling shareholder
Caofeidian Port (Inner Mongolia) Baotou Inland Port Co., Ltd.* (曹妃甸港(內蒙古)包頭內陸港有限公司)	A subsidiary of the controlling shareholder
Caofeidian Port Intelligent Container Transport Capacity Co., Ltd.* (曹妃甸港智能集裝箱運力有限公司)	A subsidiary of the controlling shareholder
Hebei Meihe Real Estate Development Co., Ltd.* (河北美和房地產開發有限公司)	A subsidiary of the controlling shareholder
Tangshan Caofeidian Ganglian Logistics Co., Ltd.* (唐山曹妃甸港聯物流有限公司)	A subsidiary of the controlling shareholder
Jigang Insurance Brokerage (Tianjin) Co., Ltd.* (冀港保險經紀(天津)有限公司)	A subsidiary of the controlling shareholder
Qinhuangdao Hechuang Shipping Co., Ltd.* (秦皇島合創船務有限公司)	A subsidiary of the controlling shareholder
Qinhuangdao Qinren Shipping Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Hebei Dataport Technology Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Qinhuangdao Oriental Petroleum Co., Ltd. (秦皇島東方石油有限公司)	Other enterprises significantly affected by the controlling shareholder
Qinhuangdao Huibo Petroleum Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
SDIC Caofeidian Port Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Tanggong Railway Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Tangshan Caofeidian Steel Logistics Co., Ltd. (唐山曹妃甸鋼鐵物流有限公司)	Other enterprises significantly affected by the controlling shareholder
Huanghua Foreign Ships Agency Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Qinhuangdao Jinyuan Shipping Agency Co., Ltd. (秦皇島晉遠船務代理有限公司)	Other enterprises significantly affected by the controlling shareholder
Huaneng Caofeidian Port Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Huanghua Foreign Ships Agency International Freight Forwarding Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
China Marine Shipping Agency Tangshan Port Co., Ltd.* (唐山港中外運船務代理有限公司)	Other enterprises significantly affected by the controlling shareholder
SDIC Zhongmei Tongmei Jingtang Port Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Tangshan Cosco Shipping Lines Logistic Co., Ltd.* (唐山中遠海運集裝箱物流有限公司)	Other enterprises significantly affected by the controlling shareholder
Tangshan Jinhang Dredging Engineering Co., Ltd.* (唐山津航疏浚工程有限責任公司)	Other enterprises significantly affected by the controlling shareholder

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For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

4. Other Related Parties (Continued)

Company name	Relationship with related parties
Tangshan Belfang Coal Warehousing and Transportation Co., Ltd.* (唐山北方煤炭儲運有限公司)	Other enterprises significantly affected by the controlling shareholder
Huadian Lanke Technology Co., Ltd.* (華電藍科科技股份有限公司)	Other enterprises significantly affected by the controlling shareholder
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Tangshan Caofeidian Baoheng Oil Sales Co., Ltd.* (唐山曹妃甸寶恆石油銷售有限公司)	Other enterprises significantly affected by the controlling shareholder
Tangshan Zhonglian Tally Co., Ltd.* (唐山中聯理貨有限公司)	Other enterprises significantly affected by the controlling shareholder
Tangshan Caofeidian Wenfeng Port Co., Ltd.* (唐山曹妃甸文豐碼頭有限公司)	Other enterprises significantly affected by the controlling shareholder
Caofeidian Port Ore Trading Co., Ltd.* (曹妃甸港礦石交易有限公司)	Other enterprises significantly affected by the controlling shareholder
Minmetals (Tangshan) Ore Development Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Caofeidian Port Container logistics Co., Ltd.	Other enterprises significantly affected by the controlling shareholder
Yuanhai Mingsheng (Suzhou) Equity Investment Partnership (L.P.) * (遠海明晟(蘇州)股權投資合夥企業(有限合夥))	Other enterprises significantly affected by the controlling shareholder
Tangshan Port National Information Service Co., Ltd.* (唐山港國信息服務有限公司)	Other enterprises significantly affected by the controlling shareholder
Yuhua Key & Core Technology (Tangshan) Equity Investment Fund (Limited Partnership)	Other enterprises significantly affected by the controlling shareholder
Tangshan Caofeidian Bonded Warehousing Co., Ltd.* (唐山曹妃甸保稅倉儲有限公司)	Other enterprises significantly affected by the controlling shareholder
Yuhua Hangxin Beichen (Xiamen) Investment Partnership Enterprise (Limited Partnership)* (譽華航芯北辰(廈門)投資合夥企業(有限合夥))	Other enterprises significantly affected by the controlling shareholder
Tangshan Caofeidian Coal Stacking and Blending Co., Ltd. (唐山曹妃甸動力煤儲配有限公司)	Other enterprises significantly affected by the controlling shareholder
Qinhuangdao Qinshan Port Co., Ltd.* (秦皇島秦山港務有限責任公司)	Other enterprises significantly affected by the controlling shareholder
Bank of Qinhuangdao Co., Ltd. (秦皇島銀行股份有限公司)	Same key management personnel**
China National Coal Exchange Co., Ltd. (全國煤炭交易中心有限公司)	Same key management personnel****
Qinhuangdao State-owned Assets Management Holdings Limited* (秦皇島市國有資產經營控股有限公司)	Same key management personnel***
Qinhuangdao Yaohua Industrial Technology Co., Ltd.* (秦皇島耀華工業技術玻璃有限公司)	Same key management personnel***
Qinhuangdao Chemical Group Co., Ltd.* (秦皇島市化工集團有限責任公司)	Same key management personnel***
Hebei Transportation Investment Beijing-Zhangjiakou Expressway Co., Ltd. (河北交投京張高速公路有限責任公司)	Same key management personnel*
Beijing Shijiazhuang Railway Passenger Dedicated Line Co., Ltd.* (京石鐵路客運專線有限公司)	Same key management personnel*
Shiji Railway Passenger Dedicated Line Co., Ltd.* (石濟鐵路客運專線有限公司)	Same key management personnel*
Shijiazhuang-Taiyuan Passenger Railway Co., Ltd.	Same key management personnel*
Haikou Zhongshikang Equity Investment Center (Limited Partnership)* (海口眾事康股權投資中心(有限合夥))	Same key management personnel*
Wuhan Qirui Technology Development Co., Ltd.	Same key management personnel****
Beijing Shengyong Jiahua Investment Management Consulting Co., Ltd.* (北京盛永嘉華投資管理顧問有限公司)	Same key management personnel*
Guohe Xinli (Beijing) Fund Management Consulting Co., Ltd.* (國合新力(北京)基金管理有限公司)	Same key management personnel*

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

4. Other Related Parties (Continued)

Company name	Relationship with related parties
Yidus Information Technology (Xiamen) Co., Ltd.* (意度思信息科技(廈門)有限公司)	Same key management personnel*
Beijing Guangchuan Shihang Technology Consulting Co., Ltd.* (北京廣川世行科技諮詢有限公司)	Same key management personnel*
Xi'an Changqing Tongxin Petroleum Technology Co., Ltd.	Same key management personnel*
Hebei Construction & Investment Group Co., Ltd.	Same key management personnel*
Qinhuangdao State-owned Real Estate Development Co., Ltd.* (秦皇島市國有房地產開發有限公司)	Same key management personnel*
Qinhuangdao Port Industrial Development Group Co., Ltd.* (秦皇島市臨港產業發展集團有限公司)	Same key management personnel*
Qinhuangdao Construction Investment Co., Ltd.* (秦皇島市建設投資有限責任公司)	Same key management personnel*
Qinhuangdao Water Supply Co., Ltd.* (秦皇島市自來水有限公司)	Same key management personnel*
SACF	Same key management personnel*
Jinneng Holding Shanxi Coal Industry Co., Ltd.	Same key management personnel*
Han Huang Railway Co., Ltd.	Same key management personnel*
Cangzhou Huanghuagang Steel Logistics Co., Ltd.* (滄州黃驊港鋼鐵物流有限公司)	Same key management personnel**
Hebei Jiantou Transportation Investment Co., Ltd.	Same key management personnel****
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	Same key management personnel*****

* Director of the Company is also director of the company.

** Senior management of the Company is also director of the company.

*** Supervisor of the Company is also director of the company.

**** Director of the Company is also senior management of the company.

***** Senior management of the controlling shareholder is also director of the company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties

- (1) Related party transactions for purchase and sale of goods, rendering and receipt of services

Purchase of goods/receipt of services

RMB

Item	Related party transaction	2024	2023
Transactions with the parent company			
HPG	Integrated service	26,498,078.26	17,417,569.44
Transactions with joint ventures and associates			
Caofeidian Shiye	Logistics service	11,328.00	–
Transactions with other related parties			
Hebei Port Group Port Engineering Limited	Construction service	384,072,446.98	507,298,306.13
Hebei Port Group Port Machinery Limited	Repair and maintenance service	306,368,656.79	321,590,777.01
Hebei Port Group Shulian Technology (Xiong'an) Co., Ltd. (河北港口集團數聯科技(雄安)有限公司)	Construction service	120,707,819.35	–
Hebei Port Group Testing Technology Co., Ltd.	Examination and test services	53,759,599.01	75,728,213.97
Qinhuangdao Fangyu Property Services Management Co., Ltd.	Logistics service	37,167,215.56	43,703,297.67
Qinhuangdao Ocean Shipping Coal Trading Market Co., Ltd.	Logistics service	12,792,467.38	8,159,300.69
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	Supervisory service	10,184,809.74	15,230,745.19
Qinhuangdao Water Supply Co., Ltd.* (秦皇島市自來水有限公司)	Logistics service	6,654,681.61	7,177,754.65
Hebei Dataport Technology Co., Ltd.	Production service	4,873,207.54	802,415.09
Qinhuangdao Zhiyuan Shipping Company Limited (秦皇島智遠船舶有限公司)	Logistics service	4,339,435.71	–
Qinhuangdao Qinren Shipping Co., Ltd.	Production service	3,558,062.97	–
Qinhuangdao Qinshan Port Co., Ltd.* (秦皇島秦山港務有限責任公司)	Logistics service	2,338,512.00	–
Hebei Port Group City Construction and Development Co., Ltd.	Logistics service	1,965,408.81	–
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	Repair and maintenance service	843,544.35	–
Tangshan Port Group Port Machinery and Ship Maintenance Co., Ltd.* (唐山港集團港機船舶維修有限公司)	Repair and maintenance service	796,460.18	–
Caofeidian Port Group Co., Ltd.	Production service	526,395.89	513,912.29
Qinhuangdao Gangyun Conference Services Co., Ltd. (秦皇島港韻會議服務有限公司)	Logistics service	515,998.89	124,802.43
Caofeidian Port Group Co., Ltd.	Production service	403,330.29	456,180.34
Hebei Port Group International Logistics Co., Ltd.	Logistics service	314,169.22	–
Tangshan Port Jingtang Port Area Imports & Exports Low-tax Storage and Transportation Co., Ltd. (唐山港京唐港區進出口保稅儲運有限公司)	Logistics service	193,925.00	15,369.80
Jingtang Port Shougang Terminal Co., Ltd.* (京唐港首鋼碼頭有限公司)	Production service	81,194.93	–
Qinhuangdao Kezheng Engineering Detection Co., Ltd.	Testing services	53,274.51	232,394.87
HPG Health Industry Development Company Ltd.	Logistics service	52,939.12	52,642.61

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(1) Related party transactions for purchase and sale of goods, rendering and receipt of services (Continued)

Purchase of goods/receipt of services (Continued)

Item	Related party transaction	2024	2023
Tangshan Haigang Gangxing Construction Engineering Detection Co., Ltd. (唐山海港港興建設工程檢測有限公司)	Testing services	3,669.90	–
SDIC Caofeidian Port Co., Ltd.	Production service	94.34	8,009.43
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	Examination and test services	–	9,822.38
Huaneng Caofeidian Port Co., Ltd.	Production service	–	1,226.42
Sub-total		952,567,320.07	981,105,170.97
Total		979,076,726.33	998,522,740.41

Note 1: Purchase of goods and receipt of services from related parties by the Group are carried out according to the terms of the agreements entered into between the Group and related parties.

Note 2: Integrated service represents the General Services Agreement entered into by the Group and HPG to provide service to the Group. The scope of services includes office leasing, port engineering maintenance, supervising, maintenance and repair of equipment etc.

Note 3: On 16 December 2021, the Group held the first extraordinary general meeting of Qinhuangdao Port Co., Ltd. in 2021 to consider and approve the Resolution Regarding the Entering into of the General Services Agreement, and agreed the Group to enter into new General Services Agreement with HPG, and to the proposed caps for the related transactions under the General Services Agreement from 2022 to 2024. On 28 June 2023, the Group held 2022 annual general meeting of Qinhuangdao Port Co., Ltd. to consider and approve the Resolution Regarding the Adjustment of the Caps for Continuing Connected Transactions under the General Services Agreement from 2023 to 2024. The approved annual caps for the related transactions of the goods procured or the services received between the Group and HPG and its subsidiaries were RMB1,363,340,000.00 for the year 2024, and the related transactions between the Group and such companies for the current period were limited to the caps of the related transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(1) Related party transactions for purchase and sale of goods, rendering and receipt of services (Continued)

Sales of goods/rendering of services

RMB

Item	Related party transaction	2024	2023
Transactions with the parent company			
HPG	Electricity supply service etc.	11,592,580.79	4,978,602.82
Transactions with joint ventures and associates			
Caofeidian Shiye	Labor services	6,474,864.49	2,996,914.11
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	Electricity supply service	314,617.45	–
Xin Licheng Tally Co., Ltd. of Tangshan Caofeidian Comprehensive Bonded Zone (唐山曹妃甸綜合保稅區鑫理程理貨有限責任公司)	Inspection services	4,528.30	–
Zhejiang Yuehua Energy Detection Co., Ltd.	Electricity supply service	3,963.41	174,254.74
Sub-total		6,797,973.65	3,171,168.85
Transactions with other related parties			
Tangshan Port Hede Shipping Co., Ltd. (唐山港合德海運有限公司)	Tallying service etc.	25,215,666.92	9,546,149.38
Hebei Port Group International Logistics Co., Ltd.	Sales of goods	22,973,980.20	53,846,745.07
Qinhuangdao Qinren Shipping Co., Ltd.	Sales of goods and tallying service	20,323,640.15	17,446,581.23
Qinhuangdao Huibo Petroleum Co., Ltd.	Electricity supply service	3,574,995.96	8,749,103.68
SDIC Caofeidian Port Co., Ltd.	Labor services etc.	3,505,226.53	4,169,205.30
Tangshan Port Group Tugboat Co., Ltd. (唐山港集團拖輪有限公司)	Production service	2,830,188.66	2,059,741.50
Caofeidian Port Ore Terminal Co., Ltd.	Production service	2,670,706.53	228,990.57
Tanggang Railway Co., Ltd.	Electricity supply service	1,967,557.17	1,687,324.31
Hebei Port Group Port Machinery Limited	Labor services etc.	1,892,860.01	1,158,363.26
Qinhuangdao Oriental Petroleum Co., Ltd. (秦皇島東方石油有限公司)	Electricity supply service etc.	1,642,096.20	6,258,573.83
Hebei Port Group Port Engineering Limited	Electricity supply service etc.	1,627,113.58	430,832.24
SACF	Sales of goods	1,614,956.60	1,801,599.04
Qinhuangdao Qinshan Port Co., Ltd.* (秦皇島秦山港務有限責任公司)	Electricity supply service	1,000,000.00	16,205.31
Tangshan Port International Logistics Co., Ltd.	Production service	818,867.88	3,413,041.53
Jintang International Container Terminal Co., Ltd.* (津唐國際集裝箱碼頭有限公司)	Labor services	724,999.36	–
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	Labor services	522,669.27	–
Jingtang Port Shougang Terminal Co., Ltd.* (京唐港首鋼碼頭有限公司)	Production service	505,827.24	–
Tangshan Caofeidian Comprehensive Bonded Zone Port Co., Ltd. (唐山曹妃甸綜合保稅區港務有限公司)	Production service	463,008.85	–
SDIC Zhongmei Tongmei Jingtang Port Co., Ltd.	Production service	328,000.00	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(1) Related party transactions for purchase and sale of goods, rendering and receipt of services (Continued)

Sales of goods/rendering of services

Item	Related party transaction	2024	2023
Tangshan Port (Shanxi) Logistics Co., Ltd. (唐山港(山西)物流有限公司)	Sales of goods	317,823.58	–
Qinhuangdao Fangyu Property Services Management Co., Ltd.	Electricity supply service	203,144.71	239,372.48
Qinhuangdao Zhiyuan Shipping Company Limited (秦皇島智遠船舶有限公司)	Sales of goods	142,198.20	–
Qinhuangdao Water Supply Co., Ltd.* (秦皇島市自來水有限公司)	Water supply service	48,811.25	–
Hede (Hong Kong) International Shipping Limited	Labor services	48,126.23	–
Hebei Dataport Technology Co., Ltd.	Sales of goods	31,607.96	–
Hebei Port Group Testing Technology Co., Ltd.	Sales of goods	31,429.25	37,550.32
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司)	Labor services	30,408.86	2,911,042.22
HPG (Tianjin) Investment Management Co., Ltd.	Sales of goods	8,222.30	2,486.81
Tangshan Caofeidian Ganglian Logistics Co., Ltd.* (唐山曹妃甸港聯物流有限公司)	Labor services	377.36	–
HPG Real Estate Development Co., Ltd.	Production service	–	146,666.63
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	Labor services etc.	–	592,264.38
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	Electricity supply service	–	137,285.06
Caofeidian West Terminal Co., Ltd.	Production service	–	173,264.15
Tangshan Port Group Co., Ltd. (唐山港集團股份有限公司)	Production service	–	806,603.77
Sub-total		95,064,510.81	115,858,992.07
Total		113,455,065.25	124,008,763.74

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

- (1) Related party transactions for purchase and sale of goods, rendering and receipt of services (Continued)

Disposal of fixed assets

Item	Type of goods or services	2024	2023
Transactions with other related parties			
Qinhuangdao Zhiyuan Shipping Company Limited (秦皇島智遠船舶有限公司)	Disposal of fixed assets	171,312,892.89	–
Hebei Port Group Port Engineering Limited (河北港口集團港口工程有限公司)	Disposal of fixed assets	2,199,000.00	–
Total		173,511,892.89	–

Sale of goods and render of services to related parties by the Group are carried out according to the terms of the agreements entered into between the Group and related parties.

- (2) Related party entrusted management

31 December 2024

RMB

Entrusting Party	Entrusted Party	Type of entrusted assets	Beginning of the entrust	End of the entrust	Custody profits recognized
HPG	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	43.0257% equity of Qinhuangdao Qinshan Port Co., Ltd.	14 July 2023	14 July 2026	–
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	40% equity of Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	29 December 2023	29 December 2026	–
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	23% equity of Huaneng Caofeidian Port Co., Ltd.	29 December 2023	29 December 2026	–
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	21% equity of Caofeidian Coal Port Co., Ltd.	29 December 2023	29 December 2026	–
Tangshan Port Industrial Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	20% equity of SDIC Zhongmei Tongmei Jingtang Port Co., Ltd.	31 December 2022	31 December 2025	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(2) Related party entrusted management (Continued)

31 December 2023

RMB

Entrusting Party	Entrusted Party	Type of entrusted assets	Beginning of the entrust	End of the entrust	Custody profits recognized
HPG	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	43.0257% equity of Qinhuangdao Qinshan Port Co., Ltd.	14 July 2023	14 July 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	40% equity of Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	29 December 2023	29 December 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	23% equity of Huaneng Caofeidian Port Co., Ltd.	29 December 2023	29 December 2026	-
Caofeidian Port Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	21% equity of Caofeidian Coal Port Co., Ltd.	29 December 2023	29 December 2026	-
Tangshan Port Industrial Group Co., Ltd.	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司)	20% equity of SDIC Zhongmei Tongmei Jingtang Port Co., Ltd.	31 December 2022	31 December 2025	-

In 2023, the Company entered into Equity Custodian Agreement with HPG, pursuant to which 43.0257% equity of Qinhuangdao Qinshan Chemical Harbor Co., Ltd.* (秦皇島秦山港務有限責任公司) (formerly known as Qinhuangdao Qinshan Chemical Port Co., Ltd.) was entrusted by the Company on behalf of HPG. The parties acknowledged that this agreement is for the purpose of resolving and avoiding trade competition between the entrusted party and the controlling shareholder and its subsidiaries, and that the entrusted party will not charge any custody fees from the entrusting party.

In 2023, the Company entered into Equity Custodian Agreement with Caofeidian Port Group Co., Ltd., pursuant to which 40% equity of Hebei Huadian Caofeidian Storage and Transportation Co., Ltd., 23% equity of Huaneng Caofeidian Port Co., Ltd. and 21% equity of Caofeidian Coal were entrusted by the Company on behalf of Caofeidian Port Group Co., Ltd., respectively. The parties acknowledged that this agreement is for the purpose of resolving and avoiding trade competition, and that the entrusted party will not charge any custody fees from the entrusting party.

In 2022, the Company entered into Equity Custodian Agreement with Tangshan Port Industrial Group Co., Ltd. ("Tangshan Port Industrial"), pursuant to which 20% equity of SDIC Zhongmei Tongmei Jingtang Port Co., Ltd. was entrusted by the Company on behalf of Tangshan Port Industrial. The parties acknowledged that this agreement is for the purpose of resolving and avoiding trade competition between the entrusted party and the controlling shareholder and its subsidiaries, and that the entrusted party will not charge any custody fees from the entrusting party.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(3) Leases with related parties

The Group as lessor

RMB

Item	Category of leased assets	Rental income for 2024	Rental income for 2023
HPG	Machinery and equipment and building	291,586.23	196,476.36
Hebei Port Group Port Engineering Limited	Land use right	290,550.72	326,710.58
Qinhuangdao Oriental Petroleum Co., Ltd. (秦皇島東方石油有限公司)	Land use right	184,888.07	25,083.81
Hebei Port Group Port Machinery Limited	Machinery and equipment	152,334.16	164,667.49
Cangzhou Crude Oil	Building	126,984.13	–
Qinhuangdao Huibo Petroleum Co., Ltd.	Land use right	123,598.60	46,319.88
Cangzhou Bohai New Area Port Real Estate Development Co., Ltd. (滄州渤海新區港口房地產開發有限公司)	Building	104,052.29	–
Zhejiang Yuehua Energy Detection Co., Ltd.	Building	87,664.62	121,111.01
Jinneng Holding Shanxi Coal Industry Co., Ltd.	Building	56,598.69	86,589.99
Hebei Port Group International Logistics Co., Ltd.	Building	31,363.66	30,802.96
Qinhuangdao Qinshan Port Co., Ltd.* (秦皇島秦山港務有限責任公司)	Storage facilities	17,275.47	–
Qinhuangdao Qinren Shipping Co., Ltd.	Tangible asset	15,929.20	14,601.77
Jigang Financial Leasing (Tianjin) Co., Ltd. (冀港融資租賃(天津)有限公司)	Building	3,539.82	–
Qinhuangdao Hechuang Shipping Co., Ltd.* (秦皇島合創船務有限公司)	Building	1,484.18	–
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	Storage facilities	–	650,047.62
HPG Real Estate Development Co., Ltd.	Building	–	102,385.32
Huanghua Foreign Ships Agency Co., Ltd.	Tangible asset	–	18,321.57
Total		1,487,849.84	1,783,118.36

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(3) Leases with related parties (Continued)

The Group as lessee

2024

RMB

Item	Category of leased assets	Lease fees of short-term leasing and low-asset leasing with simplified processing	The variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expenses incurred on lease liabilities	Increased right-of-use assets
HPG	Machinery and equipment, terminal facilities and housing facilities	106,412,458.39	-	133,053,812.16	528,277.78	-
Hebei Port Group City Construction and Development Co., Ltd.	Building	807,350.46	-	880,012.00	-	-
Daqin Railway Co., Ltd. (大秦鐵路股份有限公司)	Land use right	118,402.57	-	129,058.80	-	-
Qinhuangdao Qinshan Port Co., Ltd.* (秦皇島秦山港務有限公司)	Land use right	885,982.87	-	936,671.00	-	-
Hebei Port Group Testing Technology Co., Ltd. (河北港口集團檢測技術有限公司)	Terminal facilities and housing facilities	108,868.15	-	123,021.01	-	-
Total		108,333,062.44	-	135,122,574.97	528,277.78	-

2023

RMB

Item	Category of leased assets	Lease fees of short-term leasing and low-asset leasing with simplified processing	The variable lease payments that are not included in the measurement of the lease liabilities	Rental paid	Interest expenses incurred on lease liabilities	Increased right-of-use assets
HPG	Machinery and equipment	55,699,505.06	-	67,746,176.75	499,091.43	-
HPG	Terminal facilities	41,993,380.99	-	49,846,329.84	282,115.04	-
HPG	Building facilities	4,760,502.79	-	13,651,476.35	579,889.22	-
Hebei Port Group Testing Technology Co., Ltd.	Terminal facilities	12,519.20	-	14,146.70	-	-
Hebei Port Group Testing Technology Co., Ltd.	Building facilities	48,994.69	-	55,364.00	-	-
Total		102,514,902.73	-	131,313,493.64	1,361,095.69	-

The Group and HPG entered into the lease contracts, respectively, pursuant to which the Group leased the land, buildings and port facilities and equipment from HPG for production and operation.

The rentals from the assets leased out to or leased from related parties by the Group are based on the terms of the agreements entered into between the Group and related parties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(4) Borrowings from related parties

Capital repayment

2024

RMB

Item	Borrowing amount	Commencement date	Maturity date
Finance Company	100,000,000.00	2024/12/16	2025/12/15
Finance Company	200,000,000.00	2024/12/30	2025/12/29
Finance Company	140,000,000.00	2024/2/4	2024/10/20
Finance Company	1,000,000.00	2024/2/4	2024/8/20
Finance Company	58,000,000.00	2024/2/4	2025/8/20
Finance Company	1,000,000.00	2024/2/4	2025/2/20
Finance Company	1,000,000.00	2024/5/28	2024/12/20
Finance Company	1,000,000.00	2024/5/28	2025/6/20
Finance Company	1,000,000.00	2024/5/28	2025/12/20
Finance Company	1,000,000.00	2024/5/28	2026/6/20
Finance Company	1,000,000.00	2024/5/28	2026/12/20
Finance Company	1,000,000.00	2024/5/28	2027/6/20
Finance Company	1,000,000.00	2024/5/28	2027/12/20
Finance Company	1,000,000.00	2024/5/28	2028/6/20
Finance Company	1,000,000.00	2024/5/28	2028/12/20
Finance Company	1,000,000.00	2024/5/28	2029/6/20
Finance Company	4,500,000.00	2024/5/28	2029/12/20
Finance Company	4,500,000.00	2024/5/28	2030/6/20
Finance Company	4,500,000.00	2024/5/28	2030/12/20
Finance Company	4,500,000.00	2024/5/28	2031/6/20
Finance Company	4,500,000.00	2024/5/28	2031/12/20
Finance Company	4,500,000.00	2024/5/28	2032/6/20
Finance Company	4,500,000.00	2024/5/28	2032/12/20
Finance Company	4,500,000.00	2024/5/28	2033/6/20
Finance Company	4,500,000.00	2024/5/28	2033/12/20
Finance Company	4,500,000.00	2024/5/28	2034/6/20
Finance Company	4,500,000.00	2024/5/28	2034/12/20
Finance Company	4,500,000.00	2024/5/28	2035/6/20
Finance Company	4,500,000.00	2024/5/28	2035/12/20
Finance Company	4,500,000.00	2024/5/28	2036/6/20
Finance Company	4,500,000.00	2024/5/28	2036/12/20
Finance Company	4,500,000.00	2024/5/28	2037/6/20
Finance Company	4,500,000.00	2024/5/28	2037/12/20
Finance Company	4,500,000.00	2024/5/28	2038/6/20
Finance Company	4,500,000.00	2024/5/28	2038/12/20
Finance Company	4,500,000.00	2024/5/28	2039/5/27

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(4) Borrowings from related parties (Continued)

Interest expenses paid

RMB

Item	2024	2023
Finance Company	41,898,633.76	19,521,373.08

Capital repayment

RMB

Item	2024	2023
Finance Company	689,700,000.00	333,200,000.00

The interest rate of loans on which the Group borrowed from the above-mentioned related parties shall be agreed by parties after negotiation with reference to the interest rate stipulated by People's Bank of China in respect of loans of such kind.

(5) Equity transaction

The details of equity transactions between the Group and related parties for the year see Note V. 9.

(6) Transactions with other related parties

Trademark use right

In December 2008, the Company entered into an agreement with HPG, pursuant to which, the Company had the exclusive right to use HPG's trademark for free with a term of ten years commencing on 31 March 2008. Upon expiry, it will unconditional automatically renew for ten years until maturity on 31 March 2028.

Centralized management of funds

As at 31 December 2024, the balance of the Group's deposits in Finance Company amounted to RMB4,789,831,891.79 (31 December 2023: RMB4,293,652,722.58) with the interest rate of 0.66%-3.27% per annum. The interest income received from the Finance Company amounted to RMB98,843,380.99 in 2024 (2023: RMB112,044,913.23).

Key management personnel

RMB

Item	2024	2023
Remuneration for key management personnel	9,151,018.98	7,453,999.38

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Major Transactions between the Group and Related Parties (Continued)

(6) Transactions with other related parties (Continued)

Agency business

Related agencies accept the port services provided by the Group on behalf of non-related third parties shipping companies, and pay port services fee on behalf of these shipping companies to the Group. Relevant agencies derive service income from non-related third parties they serve. Below is the amount settled between related agencies serving non-related third parties and the Group:

RMB

Item	2024	2023
Huanghua Foreign Ships Agency International Freight Forwarding Co., Ltd.	68,098,263.21	45,743,507.89
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	34,692,174.51	55,636,712.42
Huanghua Foreign Ships Agency Co., Ltd.	2,615,325.24	2,235,790.65
Tangshan Caofeidian Industrial Zone Joint International Sea Shipping Agency Co., Ltd.	7,480.19	5,392.46
Tangshan Port SHIPPING Freight Agency Co., Ltd. (唐山港船舶貨運代理有限公司)	–	3,314,777.28
Qinhuangdao Jinyuan Shipping Agency Co., Ltd. (秦皇島晉遠船務代理有限公司)	–	151,025.43
Total	105,413,243.15	107,087,206.13

6. Commitments Made between the Group and Related Parties

Capital commitments

RMB

Item	31 December 2024	31 December 2023
Contracted, but not provided for		
Hebei Port Group Port Engineering Limited	183,791,669.27	76,138,619.75
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	17,214,499.84	10,130,122.09
Hebei Port Group Testing Technology Co., Ltd.	83,113.58	284,073.58
Qinhuangdao Kezheng Engineering Detection Co., Ltd.	37,199.34	47,271.63
Tangshan Haigang Gangxing Construction Engineering Detection Co., Ltd. (唐山海港港興建設工程檢測有限公司)	17,460.00	–
Total	201,143,942.03	86,600,087.05

Investment commitments

RMB

Item	31 December 2024	31 December 2023
Contracted, but not provided for		
Bohai Jin-Ji Port Investment and Development Company Limited	519,000,000.00	519,000,000.00
Yihai Kerry (Qinhuangdao) Grain & Oil Industry Co., Ltd. (益海嘉裡(秦皇島)糧油工業有限公司)	52,914,300.00	52,914,300.00
Jingtang Railway	–	540,000,000.00
Total	571,914,300.00	1,111,914,300.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

7. Balances of Accounts Due from and to Related Parties

(1) Accounts receivable

RMB

Item	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Due from the parent company				
HPG	38,894.00	11,668.20	40,818.00	4,466.60
Due from joint ventures and associates				
Caofeidian Shiye	3,802,481.21	281,141.55	3,617,751.37	195,086.32
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	475,640.50	23,782.03	–	–
Sub-total	4,278,121.71	304,923.58	3,617,751.37	195,086.32
Due from other related parties				
Tangshan Port Hede Shipping Co., Ltd. (唐山港合德海運有限公司)	3,362,093.00	168,104.65	1,057,549.20	52,877.46
Waidai Logistics	2,503,839.00	2,503,839.00	3,190,904.00	3,190,904.00
Qinhuangdao Qinren Shipping Co., Ltd.	2,133,739.00	106,686.95	3,034,055.00	151,702.75
Caofeidian Port Ore Terminal Co., Ltd.	1,790,978.38	89,548.92	–	–
Hebei Port Group Port Machinery Limited	1,176,973.25	58,848.66	–	–
Qinhuangdao Qinshan Port Co., Ltd.* (秦皇島秦山港務有限責任公司)	1,148,312.00	57,415.60	–	–
SDIC Caofeidian Port Co., Ltd.	1,084,421.63	54,221.08	431,523.29	21,576.16
Tangshan Port International Logistics Co., Ltd.	868,000.00	43,400.00	3,617,824.00	180,891.20
Jintang International Container Terminal Co., Ltd.* (津唐國際集裝箱碼頭有限公司)	787,548.00	39,377.40	–	–
Jintang Port Shougang Terminal Co., Ltd.* (京唐港首鋼碼頭有限公司)	259,984.78	12,999.24	–	–
Tanggang Railway Co., Ltd.	228,015.28	11,400.76	237,344.55	11,867.23
Hebei Port Group Port Engineering Limited	145,418.00	7,270.90	–	–
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	124,716.92	6,235.85	143,536.12	7,176.81
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	116,927.00	5,846.35	4,900,354.00	245,017.70
China Ocean Shipping Agency Qinhuangdao Co., Ltd.	61,460.00	61,460.00	61,460.00	61,460.00
Hede (Hong Kong) International Shipping Limited	43,659.00	2,182.95	–	–
Tangshan Caofeidian Comprehensive Bonded Zone Port Co., Ltd. (唐山曹妃甸綜合保稅區港務有限公司)	26,160.00	1,308.00	–	–
SDIC Zhongmei Tongmei Jintang Port Co., Ltd.	18,532.00	926.60	–	–
Qinhuangdao Huibo Petroleum Co., Ltd.	15,559.71	777.99	–	–
Qinhuangdao Oriental Petroleum Co., Ltd. (秦皇島東方石油有限公司)	–	–	19,500.00	1,950.00
Sub-total	15,896,336.95	3,231,850.90	16,694,050.16	3,925,423.31
Total	20,213,352.66	3,548,442.68	20,352,619.53	4,124,976.23

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

7. Balances of Accounts Due from and to Related Parties (Continued)

(2) Other receivables

RMB

Item	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Due from the parent company				
HPG	115,361.27	5,768.06	–	–
Due from joint ventures and associates				
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	20,725,734.16	7,826,486.25	19,590,176.56	8,664,923.41
Bohai Jin-Ji Port Investment and Development Company Limited	–	–	10,712,597.91	10,712,597.91
Cangzhou Bohai New Zone Gangxing Tugboat Co., Ltd. (滄州渤海新區港興拖輪有限公司)	–	–	627,500.00	31,375.00
Sub-total	20,725,734.16	7,826,486.25	30,930,274.47	19,408,896.32
Due from other related parties				
Han Huang Railway Co., Ltd.	4,612,013.50	4,595,185.68	4,594,300.00	4,594,300.00
Hebei Port Group Port Engineering Limited	2,333,240.20	116,662.01	178,182.04	8,909.10
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	260,000.00	78,000.00	310,000.00	41,000.00
Hebei Port Group City Construction and Development Co., Ltd.	100,000.00	5,000.00	–	–
Jingtang Port Shougang Terminal Co., Ltd.* (京唐港首鋼碼頭有限公司)	85,294.93	4,264.75	–	–
Tangshan Port Group Co., Ltd. (唐山港集團股份有限公司)	50,000.00	5,000.00	50,000.00	2,500.00
Hebei Port Group Port Machinery Limited	40,979.75	2,048.99	54,620.11	2,731.01
Caofeidian Port Ore Terminal Co., Ltd.	30,000.00	1,500.00	–	–
SDIC Caofeidian Port Co., Ltd.	20,000.00	20,000.00	20,000.00	6,000.00
Cangzhou Huanghuagang Steel Logistics Co., Ltd.* (滄州黃驊港鋼鐵物流有限公司)	20,000.00	2,000.00	20,000.00	1,000.00
Qinhuangdao Fangyu Property Services Management Co., Ltd.	1,475.43	73.77	–	–
Tangshan Caofeidian Ore Storage and Transportation Co., Ltd. (唐山曹妃甸礦石儲運有限公司)	–	–	9,331.50	–
Sub-total	7,553,003.81	4,829,735.20	5,236,433.65	4,656,440.11
Total	28,394,099.24	12,661,989.51	36,166,708.12	24,065,336.43

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

7. Balances of Accounts Due from and to Related Parties (Continued)

(3) Prepayments

RMB

Item	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
<u>Advances to parent company</u>				
HPG	650,077.52	–	397,067.38	–
<u>Advances to other related parties</u>				
Hebei Port Group Port Engineering Limited	4,109,006.00	–	4,351,358.80	–
Hebei Port Group City Construction and Development Co., Ltd.	1,572,326.94	–	–	–
Qinhuangdao Qinren Shipping Co., Ltd.	1,000,000.00	–	–	–
Qinhuangdao Ocean Shipping Coal Trading Market Co., Ltd.	500,000.00	–	–	–
Sub-total	7,181,332.94	–	4,351,358.80	–
Total	7,831,410.46	–	4,748,426.18	–

(4) Dividend receivables

RMB

Item	31 December 2024	31 December 2023
Due from associates		
Caofeidian Shiye	147,630,000.00	110,950,000.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

7. Balances of Accounts Due from and to Related Parties (Continued)

(5) Accounts payable

RMB

Item	31 December 2024	31 December 2023
Due to the parent company		
HPG	363,060.00	4,442.00
Due to other related parties		
Hebei Port Group Port Engineering Limited	84,782,848.13	55,120,861.89
Hebei Port Group Port Machinery Limited	42,724,484.30	41,539,931.12
Hebei Port Group Shulian Technology (Xiong'an) Co., Ltd. (河北港口集團數聯科技(雄安)有限公司)	11,855,402.66	–
Hebei Port Group Testing Technology Co., Ltd.	9,962,729.14	9,110,824.17
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	2,482,643.74	1,503,792.27
Qinhuangdao Fangyu Property Services Management Co., Ltd.	546,881.00	409,900.26
Hebei Port Group International Logistics Co., Ltd.	333,019.37	–
Qinhuangdao Ocean Shipping Coal Trading Market Co., Ltd.	312,108.97	–
Qinhuangdao Qinren Shipping Co., Ltd.	222,217.09	–
Hebei Dataport Technology Co., Ltd.	39,600.00	–
Hebei Huadian Caofeidian Storage and Transportation Co., Ltd.	7,448.80	7,448.80
Sub-total	153,269,383.20	107,692,758.51
Total	153,632,443.20	107,697,200.51

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

7. Balances of Accounts Due from and to Related Parties (Continued)

(6) Contract liabilities

RMB

Item	31 December 2024	31 December 2023
Advance from associates		
Zhejiang Yuehua Energy Detection Co., Ltd.	20,000.00	50,862.47
Advance from other related parties		
Huanghua Foreign Ships Agency International Freight Forwarding Co., Ltd.	1,196,654.75	892,557.15
Qinhuangdao Oriental Petroleum Co., Ltd. (秦皇島東方石油有限公司)	270,870.00	167,155.00
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	90,281.00	75,072.00
Waidai Logistics	85,432.00	285,678.00
Huanghua Foreign Ships Agency Co., Ltd.	62,464.00	1.00
Qinhuangdao Huibo Petroleum Co., Ltd.	39,228.60	1,892.00
Jinneng Holding Shanxi Coal Industry Co., Ltd.	37,003.06	310,213.66
Qinhuangdao Qinren Shipping Co., Ltd.	31,383.00	778.00
SACF	30,000.00	30,059.00
Hebei Port Group International Logistics Co., Ltd.	19,623.09	12,048,121.77
Tangshan Port (Shanxi) Logistics Co., Ltd. (唐山港(山西)物流有限公司)	9,007.00	–
Hebei Port Harbor & Navigation Development Co., Ltd. (河北港口港航發展股份有限公司)	354.40	3,738.00
Tangshan Caofeidian Industrial Zone Sea Shipping Agency Co., Ltd.	–	2,827.00
Hebei Port Group Port Engineering Limited	–	1,605.50
Tangshan Caofeidian Industrial Zone Joint International Sea Shipping Agency Co., Ltd.	–	1,021.00
Sub-total	1,872,300.90	13,820,719.08
Total	1,892,300.90	13,871,581.55

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

7. Balances of Accounts Due from and to Related Parties (Continued)

(7) Other payables

RMB

Item	31 December 2024	31 December 2023
<u>Due to the parent company</u>		
HPG	7,000.00	–
<u>Due to associates</u>		
Zhejiang Yuehua Energy Detection Co., Ltd.	30,000.00	35,000.00
Xin Licheng Tally Co., Ltd. of Tangshan Caofeidian Comprehensive Bonded Zone (唐山曹妃甸綜合保稅區鑫理程理貨有限責任公司)	16,144.30	–
Cangzhou Bohai New Area Port Real Estate Development Co., Ltd. (滄州渤海新區港口房地產開發有限公司)	9,300.00	–
Jingtang Railway	–	6,000,000.00
Sub-total	55,444.30	6,035,000.00
<u>Due to other related parties</u>		
Hebei Port Group Port Engineering Limited	88,101,073.22	114,261,380.46
Hebei Port Group Shulian Technology (Xiong'an) Co., Ltd. (河北港口集團數聯科技(雄安)有限公司)	5,647,221.76	–
Qinhuangdao Fangyuan Port Project Supervision Co., Ltd.	2,976,216.74	4,253,083.15
Hebei Dataport Technology Co., Ltd.	283,520.00	–
Hebei Port Group Testing Technology Co., Ltd.	235,157.50	1,150,671.21
Qinhuangdao Kezheng Engineering Detection Co., Ltd.	111,422.62	174,060.37
Tangshan Caofeidian Steel Logistics Co., Ltd. (唐山曹妃甸鋼鐵物流有限公司)	67,332.80	67,332.80
Hebei Port Group Port Machinery Limited	20,100.00	136,950.00
Qinhuangdao Zhihai Shipping Agency Co., Ltd.	20,000.00	–
Jinneng Holding Shanxi Coal Industry Co., Ltd.	2,000.00	–
Hebei Port Group International Logistics Co., Ltd.	1,000.00	1,000.00
Qinhuangdao Fangyu Property Services Management Co., Ltd.	–	262,646.40
HPG Real Estate Development Co., Ltd.	–	9,300.00
Sub-total	97,465,044.64	120,316,424.39
Total	97,527,488.94	126,351,424.39

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

7. Balances of Accounts Due from and to Related Parties (Continued)

(8) Lease liabilities (including those due within one year)

RMB

Item	31 December 2024	31 December 2023
The parent company		
HPG	–	19,205,532.95

(9) Short-term borrowings

RMB

Item	31 December 2024	31 December 2023
Loans to associates		
Finance Company	300,000,000.00	400,000,000.00

(10) Long-term borrowings (including those due within one year)

RMB

Item	31 December 2024	31 December 2023
Loans to associates		
Finance Company	1,096,800,000.00	1,086,500,000.00

Accounts due from and to related parties are non-interest bearing and unsecured except for short-term borrowings and long-term borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XIII. COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

RMB

Item	31 December 2024	31 December 2023
Investment commitments	571,914,300.00	1,111,914,300.00
Capital commitments	545,218,252.14	1,151,111,197.55
Total	1,117,132,552.14	2,263,025,497.55

As the lease commitment of the lessee, please refer to Note V. 53.

2. Contingencies

Formation of Major Pending Litigations and Arbitrations of the Company

From August 2022 to December 2023, Shaanxi Blower (Group) Co., Ltd., China National Chemical Fiber Corp., Anhui Blazers Trade Co., Ltd., Jiangxi Copper International Trading Co., Ltd. and Ningbo ETDZ Holdings Ltd. have successively appealed to courts and designated the Company as co-defendants in respect of copper concentrate trade disputes ("copper concentrate case") with the related parties including Waidai Logistics for import and export agency contract dispute, admiralty and maritime dispute, contract dispute or maritime tortious dispute. For more details, please refer to the Announcement on Litigations Involving the Company (Ann No. 2022-045) published by the Company on 30 December 2022. As of the date of approval of the financial statements, the total amount of litigations related to the above-mentioned copper concentrate case by the Company is approximately RMB1.780 billion.

On 31 July 2024, Tianjin Maritime Court issued a ruling on the case of China National Chemical Fiber Corp., Anhui Blazers Trade Co., Ltd. and Jiangxi Copper International Trading Co., Ltd. as plaintiffs, the main content of which was as follows: As the basic facts of the case were the same as those of the criminal case of Huludao Ruisheng Trading Co., Ltd. and Ningbo Harsion International Trade Co., Ltd., which suspected of contract fraud being tried by the Qinhuangdao Intermediate People's Court. The plaintiffs also participated in the criminal trial proceedings as the victim, so the court dismissed the plaintiffs' lawsuit. If relevant parties do not appeal within the appeal period, the relevant materials will be transferred to the public security department or the procuratorial department. If the plaintiffs still suffer losses after the conclusion of the criminal case, they may lodge an appeal in accordance with the civil legal relations. For more details, please refer to the Announcement on Progress of the Litigations Involving the Company (Ann No. 2024-029) published by the Company on 8 August 2024.

In practical business, Waidai Logistics and the Company have entered into the Qinhuangdao Foreign Trade General Cargo Port Operation Contract and Qinhuangdao Domestic Trade General Cargo Port Operation Contract, the Company provides unloading and outbound services for the relevant cargoes based on the agreement in the aforesaid port operation contract and the instructions of Waidai Logistics, the operation trustor.

In light of the evidence collected by the Company and the professional opinions from the representing lawyer, the management of the Company considers that the Company has entered into port operation contract with Waidai Logistics only, and has no contractual relationship with any other parties. The Company carried out relevant port operation in strict accordance with the agreement in port operation contract with Waidai Logistics and carefully fulfilled contractual obligation without any violation. Based on contractual agreement and industry practice, the Company as the port operator has no obligation to verify the actual possession of the ownership of cargo nor has been committed to provide guarantee or assume any joint liability to the parties. As of 31 December 2024, the Company made no provision related to the aforesaid litigations.

Save for the aforesaid contingencies, the Company has no other significant guarantee or other contingencies required to be explained as at 31 December 2024.

XIV. EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

Pursuant to the Resolution on 2024 Profit Distribution deliberated at the twenty-eighth meeting of the fifth session of the Board of the Company held on 28 March 2025, the Company proposed to pay a cash dividend totaling RMB474,930,020.00 to all the shareholders, which is calculated based on 5,587,412,000 Shares in issue and RMB0.85 (tax inclusive) per 10 shares. Such proposal is pending approval at the general meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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XV. OTHER IMPORTANT ITEMS

1. Segment Reporting

Operating segments

The Group is primarily engaged in provision of integrated port services for customers. The Management manages the operating results of its business units as a whole for the purpose of making decisions on resources allocation and performance assessment.

Other Information

Information about products and services

For the revenue classified by services category, please refer to 36 of Note V.

Geographical information

100% of the Group's operations and customers are located in Mainland China; 100% of its revenue is generated from Mainland China; and all the non-current assets are located in Mainland China.

Information about major customers

Operating revenue (revenue generated that reached or exceeded 10% of the Group's revenue) of RMB1,051,240,421.87 (2023: RMB735,162,514.12) was attributed to the Group's revenue from a single customer.

2. Remunerations of Directors, Supervisors and Senior Management

RMB

Item	2024	2023
Fees	400,000.00	400,000.00
Other emoluments:		
Salaries and allowances	9,569,657.25	7,574,633.87
Pension scheme contributions	830,090.15	696,298.77
Sub-total	10,399,747.40	8,270,932.64
Total	10,799,747.40	8,670,932.64

(1) Independent non-executive Directors

RMB

Item	2024	2023
CHEN Ruihua*	50,000.00	100,000.00
XIAO Zuhe*	50,000.00	100,000.00
ZHAO Jinguang	100,000.00	100,000.00
ZHU Qingxiang	100,000.00	100,000.00
LIU Li	50,000.00	–
ZHOU Qing	50,000.00	–
Total	400,000.00	400,000.00

There were no other remunerations payable to the independent non-executive Directors during the year (2023: Nil).

* The term of office of CHEN Ruihua expired in June 2024, and the term of office of XIAO Zuhe expired in June 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XV. OTHER IMPORTANT ITEMS (CONTINUED)

2. Remunerations of Directors, Supervisors and Senior Management (Continued)

(2) Executive Directors, non-executive Directors and Supervisors

RMB

Item	2024	2023
Salaries and allowances		
Executive Directors		
NIE Yuzhong	1,447,408.50	998,114.64
ZHANG Xiaoqiang	1,505,087.16	993,989.82
GAO Feng	1,125,115.92	776,468.20
MA Xiping	–	84,275.51
Sub-total	4,077,611.58	2,852,848.17
Supervisors		
PEI Baowen	746,901.04	553,861.14
LI Yufeng	735,652.22	550,864.44
Sub-total	1,482,553.26	1,104,725.58
Total	5,560,164.84	3,957,573.75

RMB

Item	2024	2023
Pension scheme contributions		
Executive Directors		
NIE Yuzhong	97,876.03	88,183.04
ZHANG Xiaoqiang	97,876.03	80,861.57
GAO Feng	97,876.03	68,679.30
MA Xiping	–	7,118.75
Sub-total	293,628.09	244,842.66
Supervisors		
PEI Baowen	83,551.56	56,827.35
LI Yufeng	82,623.60	55,380.33
Sub-total	166,175.16	112,207.68
Total	459,803.25	357,050.34

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XV. OTHER IMPORTANT ITEMS (CONTINUED)

2. Remunerations of Directors, Supervisors and Senior Management (Continued)

(3) Senior Management

RMB

Item	2024	2023
Salaries and allowances		
XIA Zhixin*	44,993.01	985,056.00
YANG Xuejun**	222,575.54	942,285.78
BU Zhouqing	1,130,139.40	809,044.98
HU Zhaohui*	180,882.03	782,508.66
CAO Dong	–	64,023.78
CHEN Lixin	–	34,140.92
SUN Jinggang***	879,168.80	–
DING Xiaoping****	741,596.39	–
MAO Dewei*****	667,401.16	–
LI Sanglong*****	142,736.08	–
Total	4,009,492.41	3,617,060.12

RMB

Item	2024	2023
Pension scheme contributions		
XIA Zhixin*	7,897.92	88,183.04
YANG Xuejun**	31,628.53	88,183.04
BU Zhouqing	97,876.03	73,537.50
HU Zhaohui*	23,713.06	67,986.00
CAO Dong	–	14,240.10
CHEN Lixin	–	7,118.75
SUN Jinggang***	72,972.30	–
DING Xiaoping****	57,357.54	–
MAO Dewei*****	66,247.50	–
LI Sanglong*****	12,594.02	–
Total	370,286.90	339,248.43

* XIA Zhixin resigned as Vice President in February 2024, and HU Zhaohui resigned as Vice President in April 2024.

** YANG Xuejun resigned as Vice President in May 2024.

*** SUN Jinggang was appointed as Vice President in February 2024.

**** DING Xiaoping was appointed as Vice President in April 2024, and DING Xiaoping resigned as Vice President in December 2024.

***** MAO Dewei was appointed as Vice President in May 2024.

***** LI Sanglong was appointed as Vice President in December 2024.

There was no agreement under which a director, supervisor or senior management waived or agreed to waive any remuneration during the year (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XV. OTHER IMPORTANT ITEMS (CONTINUED)

3. Five Highest Paid Senior Management

The five highest paid employees during the year included three Director (2023: two), details of whose remuneration are set out in 2. Remunerations of Directors, Supervisors and Senior Management of Note XV. Details of remunerations of the remaining two (2023: three) non-directors and non-supervisor employees during the year are as follows:

RMB

Item	2024	2023
Salaries and allowances	2,053,431.18	2,736,386.76
Pension scheme contributions	182,177.47	249,903.58
Total	2,235,608.65	2,986,290.34

The number of non-directors and non-supervisor highest paid employees whose remunerations fell within the following bands is as follows:

Item	2024	2023
HK\$0 to HK\$1,000,000	–	2
HK\$1,000,000 to HK\$1,500,000	2	1

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Disclosure by aging

RMB

Item	31 December 2024	31 December 2023
Within one year	18,975,641.39	27,644,396.95
1 to 2 years	1,820,349.70	3,100,779.00
2 to 3 years	2,110,239.00	1,924.00
Over 3 years	893,306.48	913,672.63
Total	23,799,536.57	31,660,772.58

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Disclosure by bad debts provision method

31 December 2024

RMB

Item	Balance		Provision for bad debt		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Individual provision for bad debt	2,036,345.00	8.56	2,036,345.00	100.00	–
Provision for bad debt made by portfolio of credit risk characteristics	21,763,191.57	91.44	2,046,291.72	9.40	19,716,899.85
Total	23,799,536.57	100.00	4,082,636.72	--	19,716,899.85

31 December 2023

RMB

Item	Balance		Provision for bad debt		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)	
Individual provision for bad debt	2,723,410.00	9.00	2,723,410.00	100.00	–
Provision for bad debt made by portfolio of credit risk characteristics	28,937,362.58	91.00	2,334,206.58	8.00	26,603,156.00
Total	31,660,772.58	100.00	5,057,616.58	--	26,603,156.00

Accounts receivable which are subject to provision for bad debt on individual basis are as follows:

RMB

Item	31 December 2024				31 December 2023			
	Balance	Provision for bad debt	Percentage of provision (%)	Reason for provision	Balance	Provision for bad debt	Percentage of provision (%)	Reason for provision
China Ocean Shipping Agency Qinhuangdao Co., Ltd.	61,460.00	61,460.00	100.00	Debtor involved in litigation	61,460.00	61,460.00	100.00	Debtor involved in litigation
Waidai Logistics	1,974,885.00	1,974,885.00	100.00	Debtor involved in litigation	2,661,950.00	2,661,950.00	100.00	Debtor involved in litigation
Total	2,036,345.00	2,036,345.00	--		2,723,410.00	2,723,410.00	--	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Disclosure by bad debts provision method (Continued)

Accounts receivable which are subject to provision for bad debts made by credit risk characteristics group are as follows:

RMB

Item	Balance	Provision for bad debts	Percentage of provision (%)
Within one year	18,975,641.39	948,782.07	5.00
1 to 2 years	1,820,349.70	182,034.97	10.00
2 to 3 year	73,894.00	22,168.20	30.00
Over 3 years	893,306.48	893,306.48	100.00
Total	21,763,191.57	2,046,291.72	

Changes in bad debts provision for accounts receivable based on the expected credit loss in the entire lifetime were as follows respectively:

RMB

Item	Lifetime ECL (the credit impairment has not occurred)	Lifetime ECL (the credit impairment has occurred)	Total
31 December 2023	2,334,206.58	2,723,410.00	5,057,616.58
Provision for the year	—	—	—
Reversal for the year	(287,914.86)	(687,065.00)	(974,979.86)
31 December 2024	2,046,291.72	2,036,345.00	4,082,636.72

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
RMB

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(3) Provision for bad debts

RMB

Item	Balance at 31 December 2023	Provision for the year	Recover or reversal in the year	Write-off in the year	Balance at 31 December 2024
Individual provision for bad debts	2,723,410.00	–	(687,065.00)	–	2,036,345.00
Provision for bad debts made by aging group	2,334,206.58	–	(287,914.86)	–	2,046,291.72
Total	5,057,616.58	–	(974,979.86)	–	4,082,636.72

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

31 December 2024

RMB

Item	Balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Caofeidian Coal	10,590,349.39	44.50	529,517.47	5.00
Caofeidian Shiye	3,802,481.21	15.98	281,141.55	7.39
Waidai Logistics	1,974,885.00	8.30	1,974,885.00	100.00
Caofeidian Port Ore Terminal Co., Ltd.	1,790,978.38	7.52	89,548.92	5.00
Hebei Port Group Port Machinery Limited	1,176,973.25	4.94	58,848.66	5.00
Total	19,335,667.23	81.24	2,933,941.60	15.17

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Long-term equity investments

(1) Changes in long-term equity investments

Item	Change within the year							Including: Provision for impairment as at 31 December 2024			
	Opening balance	Additional investment	Decrease in investment	Investment gain or loss under the equity method	Other comprehensive income	Other equity movements	Other changes		Deduction of cash dividend	Provision for impairment	Closing balance
I. Subsidiaries											
Qinhuangdao Ocean Shipping Tally Co., Ltd. (秦皇島中理外輪理貨有限公司)	12,065,383.72	-	-	-	-	-	-	-	-	-	12,065,383.72 (840,000.00)
Qinhuangdao Xinqiangwan Container Terminal Co., Ltd. (秦皇島港新港聯業裝箱碼頭有限公司)	219,521,347.15	-	-	-	-	-	-	-	-	-	219,521,347.15 -
Caifedian Coal	918,000,000.00	-	-	-	-	-	-	-	-	-	918,000,000.00 -
Cangzhou Mineral	5,213,212,300.00	-	-	-	-	-	-	-	-	-	5,213,212,300.00 -
Cangzhou Crude Oil	78,000,000.00	-	-	78,000,000.00	-	-	-	-	-	-	-
Tangshan Caifedian Ulgang Coal Port Co., Ltd. (唐山曹妃甸港煤炭港務有限公司)	49,500,000.00	-	-	49,500,000.00	-	-	-	-	-	-	-
Tangshan Port Investment & Development Co., Ltd. (唐山港口投資發展有限公司)	56,000,000.00	-	-	-	-	-	-	-	-	-	56,000,000.00 -
Qinhuangdao Port GangSheng (Hong Kong Co., Limited) (秦皇島港盛港務有限公司)	40,115,000.00	-	-	40,115,000.00	-	-	-	-	-	-	-
Cangzhou Huanghua Port Bulk Cargo Port Co., Ltd. (湖州黃華港航貨港務有限公司)	50,000,000.00	-	-	-	-	-	-	-	-	-	50,000,000.00 -
Tangshan Caifedian Ulgang General Port Co., Ltd. (唐山曹妃甸港通用港務有限公司)	5,000,000.00	-	-	-	-	-	-	-	-	-	5,000,000.00 -
Hebei Tangshan Caifedian Ulgang Port Co., Ltd. (河北唐山曹妃甸港口有限公司)	118,000,000.00	-	-	-	-	-	-	-	-	-	118,000,000.00 -
Tangshan Caifedian Ocean Shipping Tally Co., Ltd. (唐山曹妃甸中理外輪理貨有限公司)	9,915,228.64	-	-	-	-	-	-	-	-	-	9,915,228.64 (1,300,000.00)
Qinhuangdao Port Xinyi Port Co., Ltd. (秦皇島港新益港務有限公司)	60,000,000.00	168,509,131.68	-	-	-	-	-	-	-	-	228,509,131.68 -
Sub-total	6,829,349,259.51	168,509,131.68	167,615,000.00	-	-	-	-	-	-	-	6,829,243,391.19 (2,140,000.00)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Long-term equity investments (Continued)

(1) Changes in long-term equity investments (Continued)

Item	Change within the year								Including: Provision for impairment as at 31 December 2024		
	Opening balance	Additional investment	Decrease in investment	Investment gain or loss under the equity method	Other comprehensive income	Other equity movements	Other changes	Declaration of cash dividend		Provision for impairment	Closing balance
II. Joint ventures											
Bohai Jinli Port Investment and Development Company Limited (渤海津南港口投資發展有限公司)	46,378,851.69	-	-	(37,390,406.37)	-	-	-	-	-	8,988,445.32	(8,850,886.99)
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	8,431,228.51	-	-	(8,431,228.51)	-	-	-	-	-	-	(18,119,045.54)
Sub-total	54,810,080.20	-	-	(45,821,634.88)	-	-	-	-	-	8,988,445.32	(99,969,932.53)
III. Associates											
Finance Company	715,530,249.20	-	-	30,720,253.43	2,199,227.60	-	-	(12,000,000.00)	-	736,449,730.23	-
Cardifan Shipye	2,227,715,452.17	-	-	396,312,069.73	22,711,664.46	(1,563,804.39)	-	(147,630,000.00)	-	2,497,545,381.97	-
Qinhuangdao Xingdao Oilrig Energy Storage & Transportation Co., Ltd. (秦皇島興島秦能油儲運有限公司)	-	-	-	-	-	-	-	-	-	-	(20,800,000.00)
Jingdang Railway	280,000,000.00	-	280,000,000.00	-	-	-	-	-	-	-	-
Cangzhou Ocean Shipping Tally Co., Ltd. (湖州中理外輪理貨有限公司)	3,988,482.85	-	-	2,241.74	-	20,758.27	-	(330,000.00)	-	3,681,482.86	-
Zhejiang Yuehua Energy Detection Co., Ltd. (浙江越華能源檢測有限公司)	12,369,833.54	4,500,000.00	-	919,703.52	-	6,829.29	-	-	-	17,796,966.35	-
Yinai Kerry (Qinhuangdao) Grain & Oil Industry Co., Ltd. (益中聯星(秦皇島)糧油工業有限公司)	115,636,088.52	-	-	(2,643,089.09)	-	-	-	-	-	112,992,999.43	-
Cangzhou Crude Oil	-	18,130,000.00	-	(1,911,551.16)	-	-	17,210,726.49	-	-	33,429,175.33	-
Sub-total	3,355,240,086.28	22,630,000.00	280,000,000.00	423,399,618.17	24,910,882.06	(1,536,216.89)	17,210,726.49	(159,960,000.00)	-	3,401,885,106.17	(20,800,000.00)
Total	10,239,389,425.99	191,130,131.68	447,615,000.00	377,577,993.29	24,910,882.06	(1,536,216.89)	17,210,726.49	(159,960,000.00)	-	10,241,126,942.88	(120,769,652.53)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Long-term Equity Investments (Continued)

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

RMB

Item	31 December 2023	Increase in the year	Decrease in the year	31 December 2024
Qinhuangdao Xing'ao Qin'gang Energy Storage & Transportation Co., Ltd. (秦皇島興奧秦港能源儲運有限公司)	20,800,000.00	–	–	20,800,000.00
Bohai Jin-Ji Port Investment and Development Company Limited	81,850,806.99	–	–	81,850,806.99
Jinji International Container Terminal Co., Ltd. (津冀國際集裝箱碼頭有限公司)	18,119,045.54	–	–	18,119,045.54
Total	120,769,852.53	–	–	120,769,852.53

3. Other Equity Instruments Investments

RMB

Item	31 December 2024	31 December 2023
SDIC Caofeidian Port Co., Ltd. (國投曹妃甸港口有限公司)	594,613,749.10	790,933,937.65
Qinhuangdao Ruigang Coal Logistics Co., Ltd. (秦皇島睿港煤炭物流有限公司)	17,004,895.79	16,832,918.41
Cangzhou Huanghuagang Steel Logistics Co., Ltd. (滄州黃驊港鋼鐵物流有限公司)	36,902,124.30	36,944,606.14
China National Coal Exchange Co., Ltd. (全國煤炭交易中心有限公司)	15,969,250.31	17,746,601.72
Total	664,490,019.50	862,458,063.92

4. Operating Revenue and Cost

(1) Operating revenue and cost

RMB

Item	2024	2023
Revenue from the principal operations	4,078,010,829.05	4,222,124,285.54
Cost of the principal operations	2,298,136,532.17	2,420,927,106.56

(2) Presentation of operating revenue

RMB

Item	2024	2023
Income from contracts with customers	4,073,316,081.19	4,217,060,732.40
Lease income	4,694,747.86	5,063,553.14
Total	4,078,010,829.05	4,222,124,285.54

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Operating Revenue and Cost (Continued)

(3) Breakdown of revenue from contracts with customers

RMB

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Service type				
Service in relation to coal and relevant products	3,810,476,498.90	1,957,466,336.07	3,945,539,669.04	2,038,018,910.13
Service in relation to general and other cargoes	163,519,682.01	270,741,521.88	157,851,353.70	271,339,484.06
Service in relation to liquefied cargoes	8,034,632.05	13,962,909.33	43,608,962.15	56,968,752.81
Service in relation to metal ore and relevant products	–	–	194,028.30	303,624.28
Others	95,980,016.09	55,965,764.89	74,930,272.35	54,296,335.28
Total	4,078,010,829.05	2,298,136,532.17	4,222,124,285.54	2,420,927,106.56
Places of business				
Qinhuangdao	4,078,010,829.05	2,298,136,532.17	4,222,124,285.54	2,420,927,106.56

(4) Descriptions on allocation to remaining performance obligations

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

RMB

Item	31 December 2024	31 December 2023
Within one year	389,551,439.50	365,429,232.20
Total	389,551,439.50	365,429,232.20

5. Investment Income

RMB

Item	2024	2023
Income from long-term equity investments under cost method	2,140,000.00	–
Income from long-term equity investments under equity method	377,577,983.29	285,446,360.46
Investment loss from disposal of long-term equity investments	(27,379,050.41)	–
Dividend income on other equity instrument investments during the holding period	61,918,200.00	36,000,000.00
Total	414,257,132.88	321,446,360.46

SUPPLEMENTARY INFORMATION

For the year ended 31 December 2024

RMB

1. SCHEDULE OF EXTRAORDINARY PROFIT AND LOSS

RMB

Item	2024
Gain on disposal of non-current assets	88,896,176.16
Government grants credited to profit or loss for the current period (Note)	2,756,864.38
Gain on disposal of subsidiary and associates	1,007,804.46
Write back of the provision for impairment of accounts receivable, that is individually tested for impairment	687,065.00
Other non-operating income or expenses other than the above items	(204,121.92)
Sub-total	93,143,788.08
Less: Impact of income tax	22,589,111.76
Less: Impact on minority interests (after tax)	1,614,384.23
Total	68,940,292.09

Note: Among the government grants credited to profit or loss for the current period, the special environmental subsidies amounted to RMB11,816,378.52, the Intelligent stacking yard operation transformation subsidies amounted to RMB1,115,761.08, the container subsidies amounted to RMB66,483.02 and the refund of withholding personal income tax amounted to RMB499,278.19 as they were closely related to the business and received in accordance with the uniform state's regulations and thus recognized as recurring gains and losses.

The Group recognizes non-recurring profit and loss according to Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Their Securities to the Public – Non-recurring Profit and Loss.

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

This calculation of return on net assets and earnings per share was prepared by QHD Port in accordance with the relevant requirements of the "Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 9) – Calculations and Disclosures for the Return on Net Assets and Earnings per Share" (as amended in 2010) issued by the China Securities Regulatory Commission.

RMB

Item	Weighted Average Return on Net Assets (%)	2024	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profit attributable to ordinary shareholders of the Company	8.29	0.28	0.28
Net profit attributable to the ordinary shareholders of the Company after deducting non-recurring gains and losses	7.92	0.27	0.27