



青岛港国际股份有限公司

QINGDAO PORT INTERNATIONAL CO., LTD.

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

Stock Code: 06198.HK 601298.SH

2024

ANNUAL REPORT



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DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings:

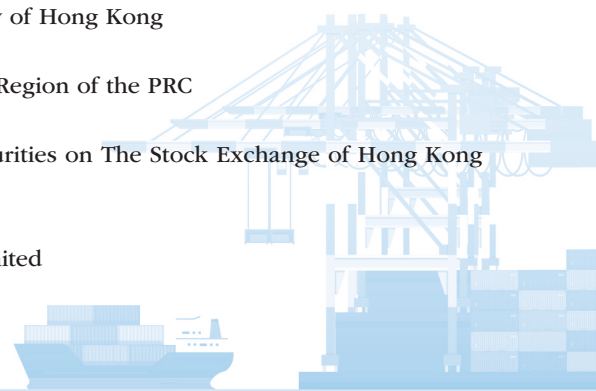
“2022 Worldex Logistics Comprehensive Service Framework Agreement”	the comprehensive service framework agreement dated 28 June 2022 entered into between the Company and Worldex Logistics in relation to the Group and Worldex Logistics and/or its subsidiaries and associates provide comprehensive logistics services to each other
“2024 AGM”	the 2024 annual general meeting of the Company to be held on 27 June 2025
“2024 COSCO SHIPPING Goods and Services Agreement”	the goods and services framework agreement dated 27 October 2023 entered into between the Company and COSCO SHIPPING Group in relation to (i) the sales of goods and services by the Group to COSCO SHIPPING Group and the relevant connected subsidiaries; (ii) the purchase of goods and services by the Group from COSCO SHIPPING Group and the relevant connected subsidiaries; and (iii) the provision of asset lease services by the Group to COSCO SHIPPING Group and the relevant connected subsidiaries
“2024 SDP Financial Services Agreement”	the financial services framework agreement dated 27 October 2023 entered into between the Company and Shandong Port Group in relation to the provision of financial services by Shandong Port Group to the Group
“2024 SDP Goods and Services Agreement”	the goods and services framework agreement dated 27 October 2023 entered into between the Company and Shandong Port Group in relation to (i) the purchase of goods and services by the Group from Shandong Port Group; (ii) the sales of goods and services by the Group to Shandong Port Group; (iii) the provision of asset lease services by the Group to Shandong Port Group; and (iv) the provision of asset lease services by Shandong Port Group to the Group
“A share(s)”	share(s) with a nominal value of RMB1.00 each issued by the Company which are listed on the main board of Shanghai Stock Exchange (stock code: 601298) and traded in RMB
“A Share Offering”	the Company’s public offering 454,376,000 A shares, which are listed on the main board of Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Asset Purchase Agreement I”	Agreement on the Acquisition of Equity Interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.* (日照實華原油碼頭有限公司) by Qingdao Port International Co., Ltd.* (青島港國際股份有限公司) from Shandong Port Rizhao Port Group Co., Ltd.* (山東港口日照港集團有限公司) by way of Issuance of Shares and Cash Payment and Agreement on the Acquisition of Equity Interests in Rizhao Port Oil Terminal Co., Ltd.* (日照港油品碼頭有限公司) by Qingdao Port International Co., Ltd. from Shandong Port Rizhao Port Group Co., Ltd. by way of Issuance of Shares and Cash Payment, entered between the Company and Rizhao Port Group, both dated 12 July 2024, in relation to the proposed acquisition of Target Asset I by cash payments by the Company

“Asset Purchase Agreement II”	Agreement on the Acquisition of Equity Interests in Shandong United Energy Pipeline Transportation Co., Ltd.* (山東聯合能源管道輸送有限公司) by Qingdao Port International Co., Ltd. from Shandong Port Yantai Port Group Co., Ltd.* (山東港口煙台港集團有限公司) by way of Issuance of Shares and Cash Payment and Agreement on the Acquisition of Equity Interests in Shandong Gangyuan Pipeline Logistics Co., Ltd.* (山東港源管道物流有限公司) by Qingdao Port International Co., Ltd. from Shandong Port Yantai Port Group Co., Ltd. by way of Issuance of Shares and Cash Payment, entered between the Company and Yantai Port Group, both dated 12 July 2024, in relation to the proposed acquisition of Target Asset II by issuance of Consideration Shares by the Company
“Audit Committee”	the board audit committee of the Company
“Board”	the board of directors of the Company
“CFS”	container freight station, of which, container freight station at loading ports refers to the location designated by carriers for the receiving of cargo to be loaded into containers by the carrier, while container freight station at discharge or destination ports refer to the location designated by carriers for devanning of containerized cargo
“Commonly Held Entities”	having the meaning ascribed to it in the Hong Kong Listing Rules
“Company” or “Qingdao Port”	Qingdao Port International Co., Ltd.* (青島港國際股份有限公司), a joint stock company established in the PRC with limited liability on 15 November 2013
“Compensation Agreement I”	Performance Undertakings Compensation Agreement between Qingdao Port International Co., Ltd. and Shandong Port Rizhao Port Group Co., Ltd., entered between the Company and Rizhao Port Group on 12 July 2024
“Compensation Agreement II”	Performance Undertakings Compensation Agreement between Qingdao Port International Co., Ltd. and Shandong Port Yantai Port Group Co., Ltd., entered between the Company and Yantai Port Group on 12 July 2024
“Consideration Shares”	new A shares to be issued by the Company to Yantai Port Group as a part of the consideration of the Target Assets pursuant to the Asset Purchase Agreement II and the Measures for the Administration of the Material Asset Restructurings of Listed Companies of CSRC and other relevant laws and regulations
“Consolidated Group Companies”	the subsidiaries of the Company (including its branches) which are consolidated into the consolidated financial statements of the Company
“Container Development Company”	Qingdao Port International Container Development Co., Ltd.* (青島港國際集裝箱發展有限公司), a company established in the PRC with limited liability on 21 January 2022 and a wholly-owned subsidiary of the Company, which is mainly engaged in the market development service and comprehensive customer service of container business

DEFINITIONS

“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“COSCO Container Lines”	COSCO SHIPPING Lines Co., Ltd.* (中遠海運集裝箱運輸有限公司, formerly known as COSCO Container Lines Co., Ltd.* (中遠集裝箱運輸有限公司)), a company established in the PRC with limited liability on 11 November 1997 and a wholly-owned subsidiary of COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司)
“COSCO SHIPPING Group”	China COSCO Shipping Corporation Limited* (中國遠洋海運集團有限公司), a company established in the PRC with limited liability on 5 February 2016 and the ultimate controlling shareholder of COSCO SHIPPING Ports and Shanghai China Shipping Terminal, indirectly holding approximately 21.54% equity interests in the Company as of 31 December 2024, which is a substantial shareholder and a connected person of the Company. When references are made to connected transactions, also including its subsidiaries and associates (if applicable)
“COSCO SHIPPING Ports”	COSCO SHIPPING Ports Limited* (中遠海運港口有限公司), a limited liability company established in Bermuda with its shares listed on the main board of the Hong Kong Stock Exchange (Stock Code: 01199), indirectly holding approximately 20% equity interests in the Company as of 31 December 2024, which is a substantial shareholder and a connected person of the Company
“CSRC”	China Securities Regulatory Commission* (中國證券監督管理委員會)
“Dagang Branch”	Dagang Branch of Qingdao Port International Co., Ltd.* (青島港國際股份有限公司大港分公司), a branch of the Company, which is mainly engaged in the business of domestic container, break bulk cargo, grains and other cargo handling and ancillary services
“Director(s)”	the director(s) of the Company
“Distributable Profit”	calculated by net profit attributable to shareholders of the Company in the scope of the consolidated financial statements prepared in the PRC Accounting Standards for Business Enterprise, deducting recovery of accumulated losses, appropriation to statutory surplus reserve and other necessary reserve by the parent company and subsidiaries as well as the impact of the appraisal value-added amount of the asset invested in the Company by Qingdao Port Group, the promoter at the establishment of the Company, on net profit for the year, etc.
“Dongjiakou Branch”	Dongjiakou Branch of Qingdao Port International Co., Ltd.* (青島港國際股份有限公司董家口分公司), a branch of the Company, which is mainly engaged in the business of break bulk cargo handling and ancillary services

“Dongjiakou General Terminal”	Qingdao Port Dongjiakou General Terminal Co., Ltd.* (青島港董家口通用碼頭有限公司), a company established in the PRC with limited liability on 8 December 2015 and a subsidiary in which the Company holds 80% equity interests, which is mainly engaged in the stevedoring of break bulk cargo and ancillary services business
“Dongjiakou Oil”	Qingdao Port Haiye Dongjiakou Oil Co., Ltd.* (青島港海業董家口油品有限公司), a company established in the PRC with limited liability on 23 May 2011 and a subsidiary in which the Company holds 70% equity interests, which is mainly engaged in the business of terminal stevedoring and warehousing services of liquid bulk
“Gangjian Branch”	Gangjian Branch of Qingdao Port International Co., Ltd.* (青島港國際股份有限公司港建分公司), a branch of the Company, which was mainly engaged in port engineering construction management and other businesses, was deregistered on 14 August 2023
“Global Offering”	the Hong Kong Public Offering and the International Offering (as defined in the Prospectus) conducted by the Company in May 2014 subject to and in accordance with the terms and conditions set out in the Prospectus and the related application forms
“Group”	the Company and its branches and subsidiaries, when references are made to operational data such as throughput, including joint ventures and associates of the Company
“H share(s)”	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange (stock code: 06198) and are traded in HKD
“H Share(s) Placing”	the Company issued the 243,000,000 H shares by way of placing and has been listed on the main board of the Hong Kong Stock Exchange
“Haiwan Liquid Chemical”	Qingdao Haiwan Liquid Chemical Port Operation Co., Ltd.* (青島海灣液體化工港務有限公司), a company established in the PRC with limited liability on 26 August 2011 and a joint venture in which the Company holds 35% equity interests, which is mainly engaged in the business of liquid bulk handling and ancillary services
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited



DEFINITIONS

“Hongxing Logistics”	Qingdao Hongxing Logistics Industry Co., Ltd.* (青島紅星物流實業有限責任公司), a company established in the PRC with limited liability on 10 March 2004 and a subsidiary in which the Company holds 90% equity interests, which is mainly engaged in the business of stevedoring and warehousing services of liquid chemicals
“Huaneng Qingdao”	Huaneng Qingdao Port Operation Co., Ltd.* (華能青島港務有限公司), a company established in the PRC with limited liability on 30 March 2006 and a joint venture in which the Company holds 49% equity interests, which is mainly engaged in the business of handling and ancillary services of dry bulk cargo and break bulk cargo
“Land-Sea Logistics Group”	Shandong Port Land-Sea International Logistics Group Co., Ltd.* (山東港口陸海國際物流集團有限公司), a company established in the PRC with limited liability on 27 December 2019 and a wholly-owned subsidiary of the Shandong Port Group, which is mainly engaged in domestic and international freight forwarding, road transportation, import and export agency, bonded logistics center operation and international shipping agency
“Mercuria Logistics”	Qingdao Haiye Mercuria Logistics Co., Ltd.* (青島海業摩科瑞物流有限公司), a company established in the PRC with limited liability on 23 May 2011 and a subsidiary in which the Company holds 62.07% equity interests, which is mainly engaged in the business of freight forwarding, importing and exporting cargo warehousing, transshipment and distribution, construction of warehousing and logistics facilities and other businesses
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“Nomination Committee”	the board nomination committee of the Company
“OBOR”	“the Silk Road Economic Belt” and “21st Century Maritime Silk Road”
“Ocean Bridge International”	Ocean Bridge International Ports Management Co., Ltd.* (海路國際港口運營管理有限公司), a joint stock company established in Hong Kong on 16 March 2018 and a joint venture in which the Company holds 49% equity interests, which is mainly engaged in investment and management of foreign projects and other businesses
“Oil Port Company”	Qingdao Port International Oil Port Co., Ltd.* (青島港國際油港有限公司), a company established in the PRC with limited liability on 28 June 2020 and a wholly-owned subsidiary of the Company, which is mainly engaged in crude oil warehousing, whole-process logistics of liquid bulk cargo and other businesses
“PRC” or “China”	the People’s Republic of China, and for the purpose of this report, excluding Hong Kong, Macau and Taiwan

“Prospectus”	the listing document of the Company in relation to the Global Offering dated 26 May 2014
“Proposed Restructuring”	the purchase of the Target Assets by the Company by way of issuance of Consideration Shares and cash payments under the Asset Purchase Agreement I and Asset Purchase Agreement II pursuant to the Measures for the Administration of the Material Asset Restructurings of Listed Companies of CSRC and other relevant laws and regulations
“QDOT”	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.* (青島港董家口礦石碼頭有限公司), a company established in the PRC with limited liability on 9 January 2014 and a joint venture in which the Company holds 30% equity interests, which is mainly engaged in the business of ore, coal and other cargo handling and ancillary services
“Qiangang Branch”	Qiangang Branch of Qingdao Port International Co., Ltd.* (青島港國際股份有限公司前港分公司), a branch of the Company, which is mainly engaged in the business of ore, coal and other cargo handling and ancillary services
“Qingdao Orient”	Qingdao Orient International Container Storage & Transportation Co., Ltd.* (青島東港國際集裝箱儲運有限公司), a company established in the PRC with limited liability on 18 November 1997 and a joint venture in which the Company holds 45% equity interests, which is mainly engaged in the business of warehousing, transshipment, transportation of the container and other businesses
“Qingdao OST”	Qingdao Ocean Shipping Tally Co., Ltd.* (青島外輪理貨有限公司), a company established in the PRC with limited liability on 13 September 2008 and a subsidiary in which the Company holds 84% equity interests, which is mainly engaged in the business of tallying services, when references are made to connected transactions, also including its subsidiaries, joint ventures with 30% and more equity interests held by Qingdao OST and the Commonly Held Entities of Qingdao OST (if applicable)
“Qingdao Port Engineering”	Qingdao Port (Group) Engineering Co., Ltd.* (青島港(集團)港務工程有限公司), a company established in the PRC with limited liability on 13 May 1992 and an associate in which the Company holds 49% equity interests, which is mainly engaged in the business of construction engineering, architectural decoration and engineering design services, and other business
“Qingdao Port Equipment”	Qingdao Port Equipment Manufacturing Co., Ltd.* (青島港口裝備製造有限公司, now known as Shandong Land and Sea Equipment Group Co., Ltd.* (山東陸海裝備集團青島有限公司)), a company established in PRC with limited liability on 16 November 2020 and an associate in which the Company holds 49% equity interests, which is mainly engaged in the business of port equipment manufacturing, engineering construction, maintenance and repair and other business

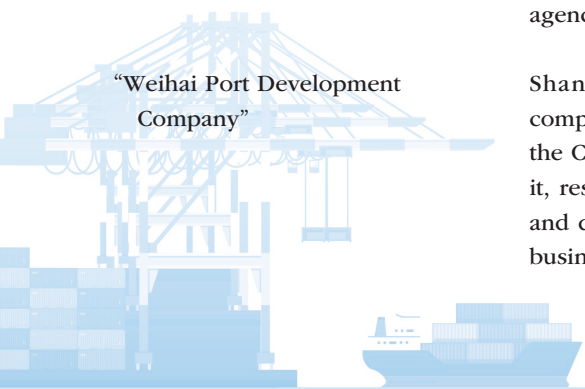
DEFINITIONS

“Qingdao Port Group”	Shandong Port Qingdao Port Group Co., Ltd.* (山東港口青島港集團有限公司), a company established in the PRC with limited liability on 12 August 1988 and the controlling shareholder of the Company, holding approximately 55.77% equity interests in the Company as of 31 December 2024. When references are made to connected transactions, also including its subsidiaries, joint ventures with 30% and more equity interests held by Qingdao Port Group and the Commonly Held Entities of Qingdao Port Group (if applicable)
“Qingdao Port Logistics”	Qingdao Port International Logistics Co., Ltd.* (青島港國際物流有限公司), a company established in the PRC with limited liability on 2 February 2004 and a wholly-owned subsidiary of the Company, which is mainly engaged in the business of logistics and port value-added services, such as business of transportation, agency and warehousing services
“Qingdao Shihua”	Qingdao Shihua Crude Oil Terminal Co., Ltd.* (青島實華原油碼頭有限公司), a company established in the PRC with limited liability on 23 February 2006 and a joint venture in which the Company holds 50% equity interests, which is mainly engaged in the business of liquid bulk handling and ancillary services
“QQCT”	Qingdao Qianwan Container Terminal Co., Ltd.* (青島前灣集裝箱碼頭有限責任公司), a company established in the PRC with limited liability on 17 May 2000 and a joint venture in which the Company holds 51% equity interests, which is mainly engaged in the business of container handling and ancillary services
“QQCTN”	Qingdao Qianwan New Container Terminal Co., Ltd.* (青島新前灣集裝箱碼頭有限責任公司), a company established in the PRC with limited liability on 6 February 2009 and a subsidiary in which QQCT holds 95.32% equity interests, which is mainly engaged in the business of container handling and ancillary services at the fully automated container terminals
“QQCTU”	Qingdao Qianwan United Container Terminal Co., Ltd.* (青島前灣聯合集裝箱碼頭有限責任公司), a company established in the PRC with limited liability on 28 December 2009 and a joint venture in which QQCTN holds 50% equity interests, which is mainly engaged in the business of container handling and ancillary services
“RCEP”	Regional Comprehensive Economic Partnership
“Remuneration Committee”	the board remuneration committee of the Company
“Rizhao Port Group”	Shandong Port Rizhao Port Group Co., Ltd.* (山東港口日照港集團有限公司), a company established in the PRC with limited liability on 24 February 2004 and a wholly-owned subsidiary of Shandong Port Group, which is mainly engaged in the business of port operation, port industry investment, port infrastructure construction, port and shipping ancillary services, logistics services and other businesses

“RMB”	Renminbi, the lawful currency of the PRC
“RZP”	Rizhao Port Co., Ltd.* (日照港股份有限公司), a joint stock company established in the PRC with limited liability on 15 July 2002, A shares of which are listed on the main board of the Shanghai Stock Exchange (Stock Code: 600017), which is mainly engaged in bulk cargo handling, storage and transshipment business
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Free Trade Zone”	China (Shandong) Pilot Free Trade Zone
“Shandong Port Finance Company”	Shandong Port Group Finance Co., Ltd.* (山東港口集團財務有限責任公司), a company established in the PRC with limited liability on 22 July 2014 and an associate in which the Company holds 34.63% equity interests, which is mainly engaged in the business of the depository services, credit granting services, financial and financing advisory services, credit assurance services and relevant consulting and agency services, trade receivables collection and payment services; internal fund transfer and settlement services formulation of proposals for the corresponding settlement and clearing services and other financial services
“Shandong Port Group”	Shandong Port Group Co., Ltd.* (山東省港口集團有限公司), a company with limited liability established on 2 August 2019 in the PRC, holding 100% equity interests in Qingdao Port Group, and an indirect controlling shareholder of the Company, with Shandong SASAC as the actual controller. When references are made to connected transactions, also including its subsidiaries and associates (if applicable)
“Shandong Port Lianhua”	Shandong Port Lianhua Pipeline Petroleum Transportation Co., Ltd.* (山東港聯化管道石油輸送有限公司), a company established in the PRC with limited liability on 9 December 2015 and a subsidiary in which the Company holds 51% equity interests, which is mainly engaged in the business of liquid bulk handling and ancillary services
“Shandong SASAC”	State-owned Assets Supervision and Administration Commission of the People’s Government of Shandong Province* (山東省人民政府國有資產監督管理委員會), the actual controller of the Company
“Shanghai China Shipping Terminal”	Shanghai China Shipping Terminal Development Co., Ltd.* (上海中海碼頭發展有限公司), a company established in the PRC with limited liability on 18 February 2008 and a wholly-owned subsidiary of China Shipping Terminal Development Co., Ltd.* (中海碼頭發展有限公司), holding approximately 15.64% equity interests in the Company as of 31 December 2024
“Shanghai Cooperation Demonstration Zone”	China-Shanghai Cooperation Organization Local Economic and Trade Cooperation Demonstration Zone

DEFINITIONS

“Shanghai Panasia”	Shanghai Panasia Shipping Co., Ltd.* (上海泛亞航運有限公司), a company established in the PRC with limited liability on 28 April 1993 and a subsidiary that COSCO Container Lines holds 62% equity interests
“Shipping Group”	Shandong Port Shipping Group Co., Ltd.* (山東港口航運集團有限公司, now known as SHANDONG MARINE CORPORATION* (山東遠洋海運集團股份有限公司)), a joint stock company established in PRC with limited liability on 27 March 2020, which is mainly engaged in the transportation business of container, oil, dry bulk cargo and passenger roll-on (container) liner
“Strategy and Development Committee”	the board strategy and development committee of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Target Assets”	Target Asset I and Target Asset II
“Target Asset I”	100% equity interests in Rizhao Port Oil Terminal Co., Ltd.* (日照港油品碼頭有限公司) and 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.* (日照實華原油碼頭有限公司) held by Rizhao Port Group
“Target Asset II”	53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd.* (山東聯合能源管道輸送有限公司) and 51.00% equity interests in Shandong Gangyuan Pipeline Logistics Co., Ltd.* (山東港源管道物流有限公司) held by Yantai Port Group
“TEU”	an abbreviation of Twenty-Foot Equivalent Unit, an international measuring unit with the standard a container with a length of twenty feet, a width of eight feet and a height of eight feet and six inches, also known as the international unit of standard container
“Weihai Port”	Shandong Port Weihai Port Co., Ltd.* (山東港口威海港有限公司), a company established in the PRC with limited liability on 7 November 1997 and a wholly-owned subsidiary of Qingdao Port Group, which is mainly engaged in the handling of international express, passenger and vehicle, warehousing, transportation, agency services and other businesses
“Weihai Port Development Company”	Shandong Weihai Port Development Co., Ltd.* (山東威海港發展有限公司), a company established in the PRC with limited liability on 19 December 2001 and the Company and Weihai Port hold 51% equity interests and 49% equity interests of it, respectively, which is mainly engaged in the business of handling of containers and dry bulk cargo warehousing, road transportation, freight forwarding and other businesses



“Weihai Qingwei”	Weihai Qingwei Container Terminal Co., Ltd.* (威海青威集裝箱碼頭有限公司), a company established in the PRC with limited liability on 31 December 2005, which is owned as to 49% equity interests by the Company and 51% equity interests by Weihai Port Development Company, respectively, which is mainly engaged in the business of container handling and ancillary services
“West United”	Qingdao Qianwan West Port United Terminal Co., Ltd.* (青島前灣西港聯合碼頭有限責任公司), a company established in the PRC with limited liability on 9 June 2010 and a joint venture in which the Company holds 51% equity interests, and which is mainly engaged in the business of dry bulk cargo and break bulk cargo handling and ancillary services
“Worldex Logistics”	Worldex Logistics Co., Ltd.* (全球捷運物流有限公司), a company established in the PRC with limited liability on 5 February 2016, which is mainly engaged in the freight forwarding, storage and other logistics businesses. When references are made to connected transactions, also including its subsidiaries and associates (if applicable)
“Yantai Port Group”	Shandong Port Yantai Port Group Co., Ltd.* (山東港口煙台港集團有限公司), a company established in PRC with limited liability on 27 November 1984 and a wholly-owned subsidiary of Shandong Port Group, which is mainly engaged in the business of handling of containers, liquid bulk, dry bulk, logistics services and other businesses

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

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



CORPORATE INFORMATION

CHINESE NAME OF THE COMPANY

青島港國際股份有限公司

ENGLISH NAME OF THE COMPANY

Qingdao Port International Co., Ltd.

LEGAL REPRESENTATIVE

Mr. SU Jianguang

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

DATES OF LISTING

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

PLACES OF LISTING

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

ABBREVIATED CHINESE STOCK NAME

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

ABBREVIATED ENGLISH STOCK NAME

Qingdao Port (only applied to H shares)

STOCK CODES

06198 (H shares)
601298 (A shares)

TELEPHONE

86-532-82982011

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86-532-82822878

EMAIL

qggj@qdport.com

WEBSITE

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

BOARD OF DIRECTORS

(1) Executive Directors

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

(2) Non-executive Directors

Mr. LI Wucheng (*Vice Chairman*)
Mr. ZHU Tao
Mr. CUI Liang
Ms. WANG Fuling

(3) Independent Non-executive Directors

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



SUPERVISORY COMMITTEE

Mr. YUAN Qing (*Chairman*)
Mr. WANG Yaping
Mr. YANG Qiulin
Mr. LOU Gang
Ms. YAO Junjun
Mr. WANG Tao

COMPANY SECRETARY

Ms. SUN Hongmei

AUTHORISED REPRESENTATIVES

Mr. SU Jianguang
Ms. SUN Hongmei

SPECIAL COMMITTEES OF THE BOARD

(1) Strategy and Development Committee

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

(2) Nomination Committee

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

(3) Remuneration Committee

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

(4) Audit Committee

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

H SHARE REGISTRAR

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Beijing, PRC

AUDITOR

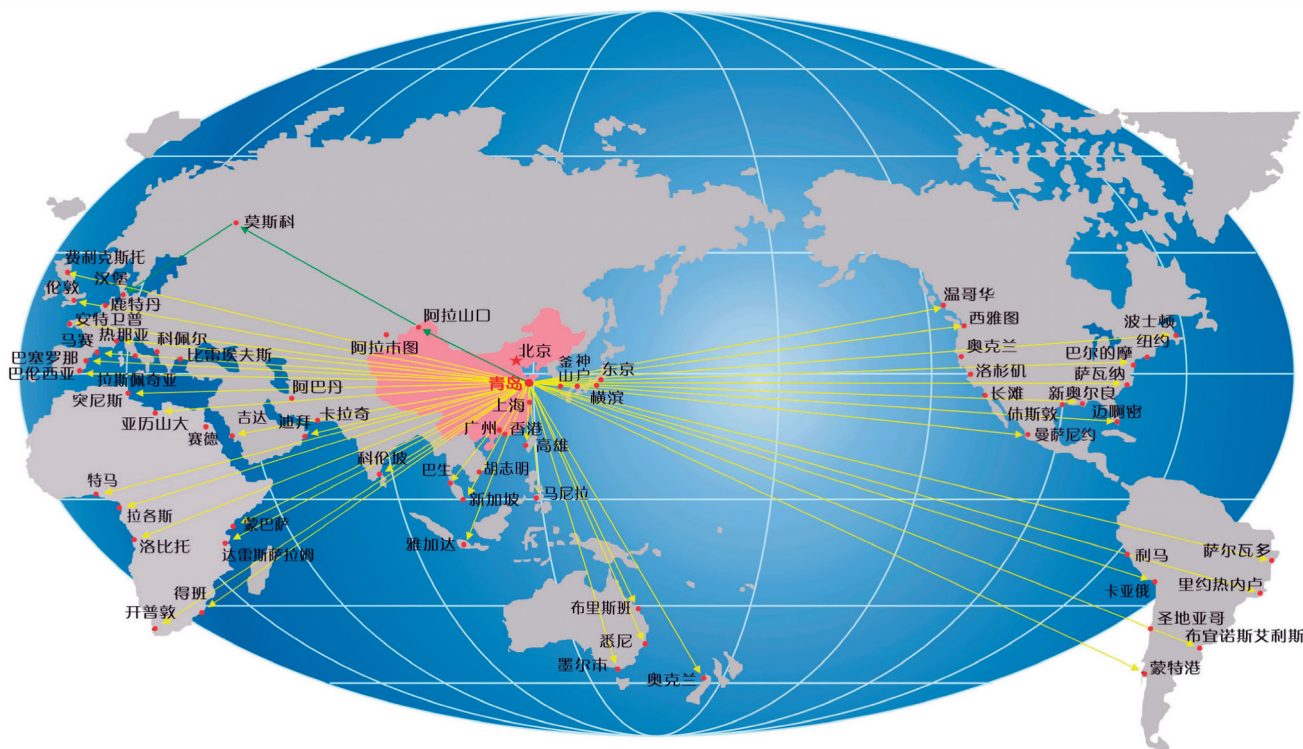
ShineWing Certified Public Accountants (Special general partnership)
8/F, Block A, Fu Hua Mansion
No. 8, Chaoyangmen Beidajie
Dongcheng District, Beijing, PRC

PRINCIPAL BANKERS

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



COMPANY PROFILE



The Port of Qingdao commenced its operation in 1892. It occupies the central position among ports in Northeast Asia and is an important hub of international trade in the West Pacific.

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

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

As of 31 December 2024, the Group operated 114 berths and increased by 2 berths as compared to the same period in the prior year, which included 72 special berths dedicated to handling a single type of cargo and 42 general berths capable of handling metal ore, coal and other general cargo.

Leveraging on the natural deep-water capacity and industry-leading facilities and equipment, services and management, the Group can accommodate the world's largest container vessels, iron ore vessels and oil tankers. The Group possesses world-leading stevedoring efficiency, the fully automatic container terminal made the world record of 60.6 TEUs per hour as the single-machine average operating rate, for the eleventh time to set a new world record for handling efficiency.

DISTRIBUTION OF PORT AREAS

Qianwan Port Area

Principal operating companies

QQCT, QQCTN, QQCTU, Qiangang Branch, West United and Qingdao Port Logistics

Principal cargo types

container, dry bulk and break bulk

Number of berths

42

Maximum water depth

-21 meters



Huangdao Oil Port Area

Principal operating companies

Qingdao Shihua and Hongxing Logistics

Principal cargo type

liquid bulk

Number of berths

13

Maximum water depth

-24 meters



COMPANY PROFILE



Dongjiakou Port Area

Principal operating companies

Dongjiakou Branch, QDOT, Qingdao Shihua, Dongjiakou Oil, Mercuria Logistics, Dongjiakou General Terminal, Qingdao Port General Terminal Co., Ltd. and Huaneng Qingdao

Principal cargo types

dry bulk, liquid bulk and break bulk

Number of berths

27

Maximum water depth

-25 meters



Dagang Port Area

Principal operating company

Dagang Branch

Principal cargo types

container, break bulk and liquid bulk

Number of berths

18

Maximum water depth

-15 meters

Weihai Port Area

Principal operating companies

Weihai Port Development Company and Weihai Qingwei

Principal cargo types

container, dry bulk and break bulk

Number of berths

14

Maximum water depth

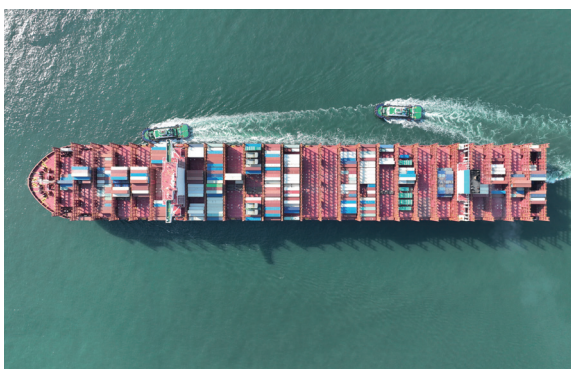
-16.5 meters



2024 MAJOR EVENTS



On 15 January, Qingdao Port Dongjiakou Port Area Qilu Fuhai Crude Oil Tank Project passed the acceptance check, adding the capacity of 600,000 cubic meters, with an annual turnover of 8.50 million tons.



On 21 February, the vessel Xin Xianghe, carrying 5,450 tons of pulp, departed for South Korea, marking the first time that Qingdao Port has successfully implemented a new operational model of direct ship-to-ship transfer for international transit pulp business.



On 11 March and 13 March, Qingdao Port has entered into sister port agreements with Saigon Port and Haiphong Port in Vietnam, respectively, aiming to reinforce its pivotal role as a strategic hub at the crossroads of OBOR.





Evergreen Marine Corp released the latest global berth efficiency rank of ports of call, QQCT stood on top of the list.



On 15 May, the “Dual Five-star” port (intelligent and green port) development practices of Qingdao Port’s fully automated container terminal have been selected as exemplary green and low-carbon case by the Ministry of Ecology and Environment of PRC.



On 7 June, QQCTU broke the global efficiency record for the Ocean Alliance’s WAX (middle east route) with a berth productivity of 207.5 TEUs per hour.



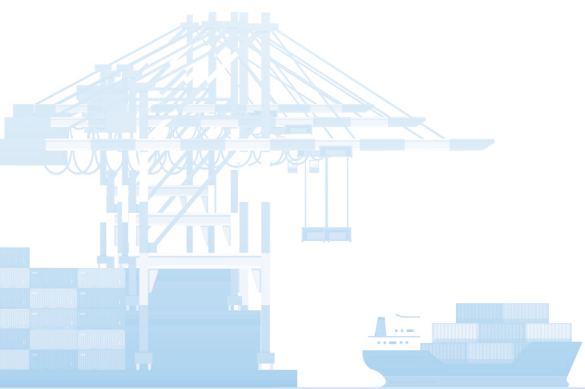
2024 MAJOR EVENTS



On 16 July, according to the “World Class Port Comprehensive Evaluation Report (2024)”, jointly released by China Economic Information Service and the Institute of Water Transportation Science of the Ministry of Transport of PRC, Qingdao Port has risen to fourth place in the global top port rankings, marking its second consecutive year of upward momentum.



On 22 August, Qingdao Port’s fully automated container terminal has issued China’s first container carbon footprint accounting service report, cementing its status as the country’s first port capable of providing online carbon footprint calculation services.





On 5 September, the *Qingdao Port Master Plan (2035)* has been jointly approved by the Ministry of Transport of PRC and the Government of Shandong Province.

On 30 September, the Grain Silo Phase III Project in Dongjiakou Port Area of Qingdao Port has been completed, featuring 16 concrete grain silos with a total storage capacity of 160,000 tons and an additional annual throughput capacity of 7.5 million tons, further solidifying Qingdao Port's status as China's premier bulk grain handling hub.



On 26 October, Qingdao Port has launched a new breakbulk cargo shipping route connecting Dongjiakou to the Mediterranean, further strengthening trade connectivity with Mediterranean countries.

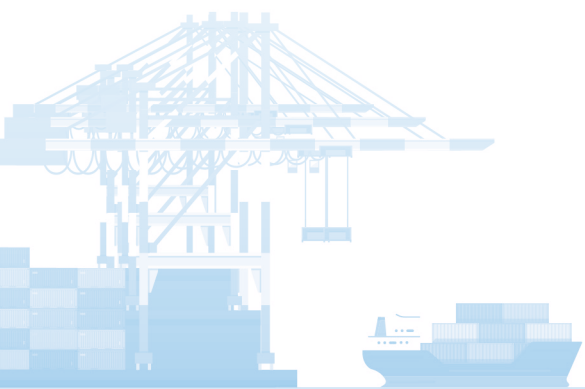


2024 MAJOR EVENTS



On 28 November, the 120,000-ton oil terminal project at Qingdao Port's Dongjiakou Port Area has passed final acceptance, with 2 new berths constructed to add an annual designed throughput capacity of 9.95 million tons.

On 2 December, the fully automatic container terminal of Qingdao Port made the world record of 60.6 TEUs per hour as the single-machine average operating rate, for the eleventh time to set a new world record for handling efficiency.



FINANCIAL HIGHLIGHTS

I. REVENUE

Unit: RMB'000

	2024	2023	2022 (restated)	2021	2020
Gross profit	6,713,948	6,471,580	6,056,947	5,328,949	4,731,817
Period expenses	1,297,328	1,326,790	986,486	955,637	684,707
Investment income	1,693,245	1,570,334	1,434,016	1,435,043	1,550,902
Earnings before interest, tax, depreciation and amortization	8,641,936	8,428,721	8,040,107	7,177,173	6,666,134
Total Profit	7,067,786	6,789,744	6,555,653	5,835,399	5,525,197
Net profit	5,732,264	5,517,664	5,250,137	4,666,203	4,420,360
Including: amounts attributable to shareholders of the Company	<u>5,234,897</u>	<u>4,923,322</u>	<u>4,528,240</u>	<u>3,982,212</u>	<u>3,841,863</u>

II. ASSETS

Unit: RMB'000

	2024	2023	2022 (restated)	2021	2020
Total assets	62,749,753	60,245,861	57,475,893	62,219,585	57,177,365
Total liabilities	15,957,667	15,707,198	16,198,992	22,202,450	20,436,633
Including:					
borrowings and bonds payable	2,520,842	2,098,296	1,811,616	1,957,392	2,615,015
Total equity	46,792,086	44,538,663	41,276,900	40,017,135	36,740,732
Including: share capital	6,491,100	6,491,100	6,491,100	6,491,100	6,491,100
Equity attributable to the shareholders of the Company	42,487,932	40,277,057	37,399,537	35,550,885	32,996,392
Equity per share attributable to the shareholders of the Company (RMB/share)	6.55	6.20	5.76	5.48	5.08
Asset-liability ratio	<u>25.43%</u>	<u>26.1%</u>	<u>28.2%</u>	<u>35.7%</u>	<u>35.7%</u>

Note: Asset-liability ratio is calculated as the total liabilities at the end of the year (including the payables not incurred in the ordinary course of business) divided by the total assets.



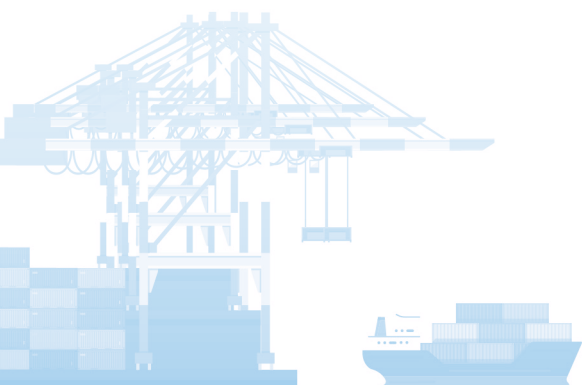
FINANCIAL HIGHLIGHTS

III. FINANCIAL INDICATORS

Unit: RMB

	2024	2023	2022 (restated)	2021	2020
Earnings per share	0.81	0.76	0.70	0.61	0.59
Dividend payments per 1,000 shares	314.1^{Note}	292.70	269.30	256.40	262.20
Return on total assets	9.32%	9.37%	8.77%	7.82%	8.04%
Weighted average return on net assets	12.65%	12.70%	12.43%	11.51%	12.17%

Note: The Board recommends distributing a total dividend of RMB2,038.8545 million (distribution of dividend at RMB3.141 per 10 shares, tax inclusive) to all shareholders for the year of 2024, among which, the Company has distributed an interim dividend of RMB736.0907 million (distribution of dividend at RMB1.134 per 10 shares, tax inclusive) to all shareholders on 30 December 2024. Subject to approval at the 2024 AGM, the remaining dividend of RMB1,302.7638 million (distribution of dividend at RMB2.007 per 10 shares, tax inclusive) will be paid.





TO SHAREHOLDERS:

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

In 2024, the Company was firmly committed to its operational objective of “pioneering in all aspects and striving for the first”, achieving a significant improvement in production and operation, intelligence and green, corporate governance and other aspects, and showing a satisfactory answer to the shareholders and other stakeholders of the Company.



CHAIRMAN'S STATEMENT

We focused on the performance-first and achieved improvements in both quality and efficiency of production and operations. In 2024, the Group achieved cargo throughput of 694 million tons, representing an increase of 4.5% year-on-year, of which the container throughput of 32.17 million TEUs, representing an increase of 7.2% year-on-year. In 2024, the Company achieved operating revenue with RMB18,941 million, representing an increase of 4.2% year-on-year, and net profit attributable to shareholders of the Company with RMB5,235 million, representing an increase of 6.3% year-on-year.

We concentrated efforts on market expansion and achieved an energy level leap of the hub. In the container segment, the Company launched 18 new shipping routes throughout the year, maintaining the first among the ports in northern China in terms of total number and density of the shipping lines and the first in Northeast Asia in terms of international shipping hub competitiveness index, and handled 2.55 million TEUs of sea-rail intermodal throughput, representing an increase of 15.3% year-on-year, maintaining the top position in the country for 10 consecutive years. In the dry bulk and break cargoes segment, the Company expanded service offerings and hinterland coverage, developed new business models like blending and screening services, maintaining the top position in the country in terms of market share for import pulp business volume. In the liquid bulk segment, the Company smoothed “fast-track of sea-rail intermodal whole-process logistics of oil products”, maintaining the leading level in the country in terms of traded oil.

We accelerated transformation and development and achieved fruitful achievements in intelligent and green development. Port technology has taken the lead with the world's first large-scale port model, the country's first cloud-edge collaborative digital intelligence internet platform of “Yuheng” system, and the first 5G millimeter wave authorized private network, leading the global wave of technological advancement. Intelligent terminals have accumulated strength, and achieved internationally leading in intelligent operations of all cargo types, including the container, dry bulk, general cargo, and liquid bulk. Green and low-carbon has taken the lead in building the world's first full-scenario “hydrogen energy port” and became the country's first port to provide carbon footprint accounting services. The practical case of building an intelligent and green “Double Five-star” port was selected as a typical case of green and low-carbon development by the Ministry of Ecology and Environment of PRC.

We strengthened corporate governance and achieved steady improvement in fundamental management. The Company leveraged the guarantee role of “three meetings and one management” governance system, which included shareholders' general meeting, board of directors, supervisory committee and senior management, implemented a new round of state-owned enterprise reform deepening initiative, fortified cost reduction and expenditure control, enhanced asset management, and comprehensively elevated enterprise management standards. In the “Comprehensive Evaluation Report on World-Class Ports”, Qingdao Port successively surpassed Antwerp Port and Shenzhen Port, ranking among the world's leading ports.

Looking forward to 2025, we will spare no effort to build a world-class maritime port cluster and accelerate the establishment of an international logistics corridor under the scientific decision-making and strategic guidance of the Board, making new contributions to the development of the regional economy and society, and creating greater value for our shareholders.

Finally, on behalf of the Board, I would like to thank all employees for their hard work in the past year and express my heartfelt thanks to shareholders of the Company and business partners for their strong support and loyal cooperation.

SU Jianguang
Chairman

28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS



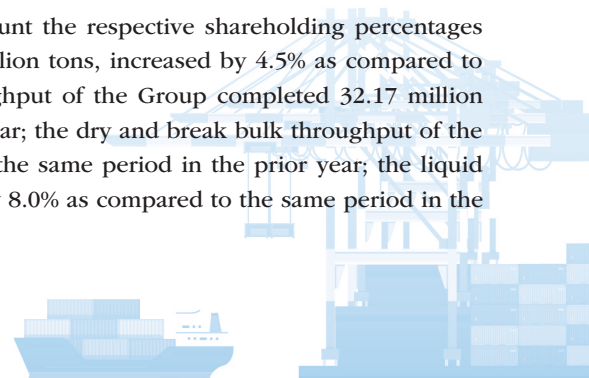
I. MACRO SITUATION AND INDUSTRY OVERVIEW

In 2024, China's economy has maintained overall stability with steady progress, continuing to serve as the “stabilizing anchor” and “driving force” for the global economy (source: Xinhua News Agency). In 2024, the gross domestic product (GDP) of China increased by 5% as compared to the same period in the prior year; the total value of imports and exports of cargo trade increased by 5% as compared to the same period in the prior year, of which exports increased by 7.1% as compared to the same period in the prior year, and imports decreased by 2.3% as compared to the same period in the prior year (source: National Bureau of Statistics, General Administration of Customs).

II. REVIEW OF BUSINESS AND FINANCIAL CONDITION

In 2024, relying on the advantages of integration reform of Shandong port, the Company has seized strategic opportunities such as OBOR, RCEP, Shandong Free Trade Zone and Shanghai Cooperation Demonstration Zone, vigorously expanded overseas shipping lines, continuously increased inland trains, continuously cemented its position as an international hub port, further improved the network of trade shipping lines, and further magnified the roles of strategic hub and core node.

In 2024, the cargo throughput of the Group (without taking into account the respective shareholding percentages of the Company in its joint ventures and associates) completed 694 million tons, increased by 4.5% as compared to the same period in the prior year, among which, the container throughput of the Group completed 32.17 million TEUs, increased by 7.2% as compared to the same period in the prior year; the dry and break bulk throughput of the Group completed 252 million tons, increased by 3.5% as compared to the same period in the prior year; the liquid bulk throughput of the Group completed 102 million tons, decreased by 8.0% as compared to the same period in the prior year.



MANAGEMENT DISCUSSION AND ANALYSIS

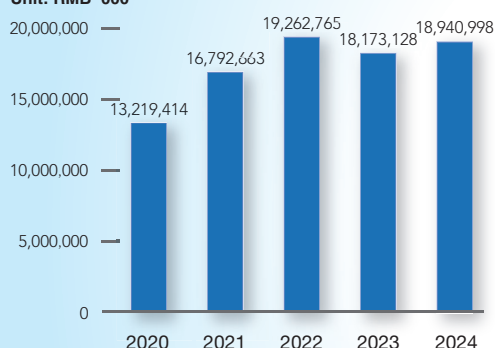
1. Review of Overall Business and Results

The Group is the primary operator of the port of Qingdao, and mainly engaged in container handling and ancillary services, metal ore, coal and other cargo handling and ancillary services, liquid bulk handling and ancillary services, logistics and port value-added services, port ancillary services and other services.

Comparison of Major Operating Indicators

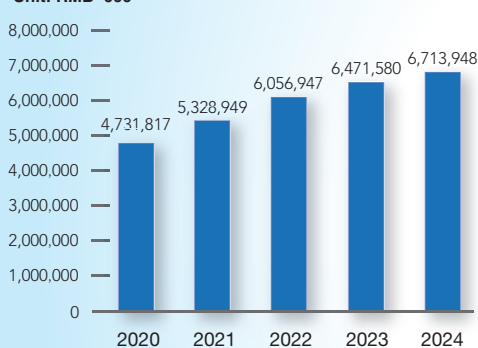
Revenue

Unit: RMB '000



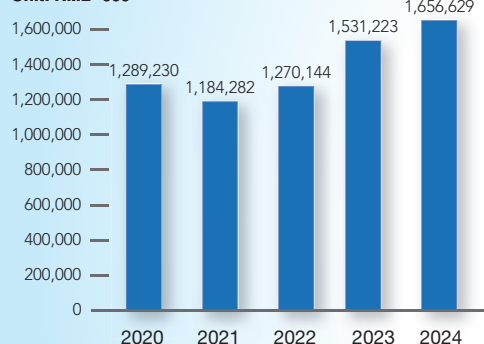
Gross profit

Unit: RMB '000



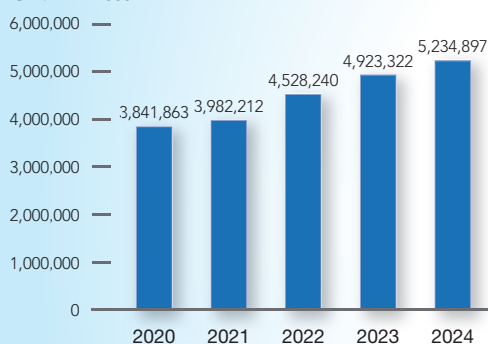
Investment income from associates and joint ventures

Unit: RMB '000



Net profit attributable to shareholders of the Company

Unit: RMB '000



For the year ended 31 December 2024, the Group recorded a revenue of RMB18,941 million, representing an increase of RMB768 million, or 4.2%, as compared to the same period in the prior year, mainly because the container handling and ancillary services segment achieved revenue growth due to the increased volume of export loaded-containers, the logistics and port value-added services segment achieved revenue growth benefiting from the expansion in CFS business driven by the increased container volumes, and the liquid bulk segment experienced the decreased revenue resulting from reduced business volumes influenced by the international situations and market competition as well as the low operating rates of capacity of refineries.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2024, the Group recorded a gross profit of RMB6,714 million, representing an increase of RMB242 million, or 3.7%, as compared to the same period in the prior year, mainly due to the increase in the gross profit from the container handling and ancillary services segment.

For the year ended 31 December 2024, the financial expenses of the Group amounted to RMB60 million, representing a decrease of RMB49 million, or 44.7%, as compared to the same period in the prior year, mainly due to the decrease in interest expense arising from lowering borrowing interest rates and cutting the scale of interest-bearing debt.

For the year ended 31 December 2024, the Group's investment income from associates and joint ventures amounted to RMB1,657 million, representing an increase of RMB125 million, or 8.2%, as compared to the same period in the prior year, mainly due to the increase of investment income in QQCT.

For the year ended 31 December 2024, the Group's total profit amounted to RMB7,068 million, representing an increase of RMB278 million, or 4.1%, as compared to the same period in the prior year, mainly due to the increase in profit from the container handling and ancillary services segment.

For the year ended 31 December 2024, the Group's net profits attributable to shareholders of the Company amounted to RMB5,235 million, representing an increase of RMB312 million, or 6.3%, as compared to the same period in the prior year, mainly due to the increase in profit from the container handling and ancillary services segment.

2. Segment Review and Business Review

Segment Results

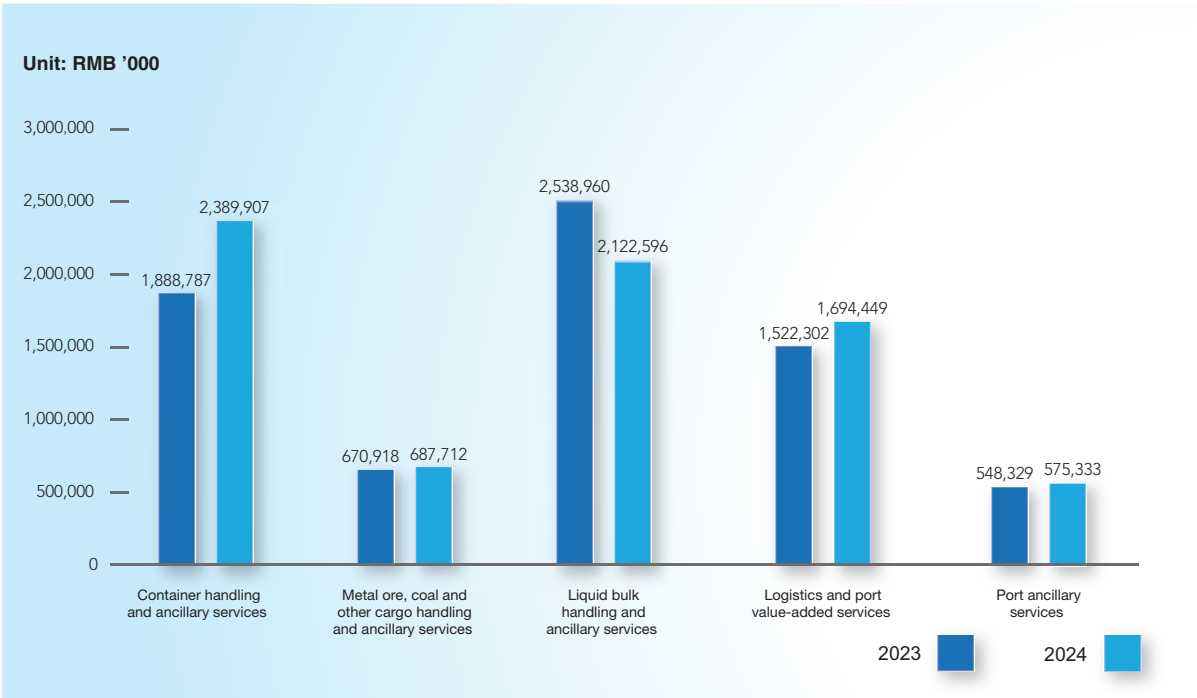
Unit: RMB'000

Business Segments	2024		2023		Percentage of Change
	Results	Percentage of the total	Results	Percentage of the total	
Container handling and ancillary services	2,389,907	32.0%	1,888,787	26.4%	26.5%
Metal ore, coal and other cargo handling and ancillary services	687,712	9.2%	670,918	9.4%	2.5%
Liquid bulk handling and ancillary services	2,122,596	28.4%	2,538,960	35.4%	-16.4%
Logistics and port value-added services	1,694,449	22.7%	1,522,302	21.2%	11.3%
Port ancillary services	575,333	7.7%	548,329	7.6%	4.9%
Total results before inter-segment elimination	<u>7,469,997</u>	<u>100.0%</u>	<u>7,169,296</u>	<u>100.0%</u>	<u>4.2%</u>

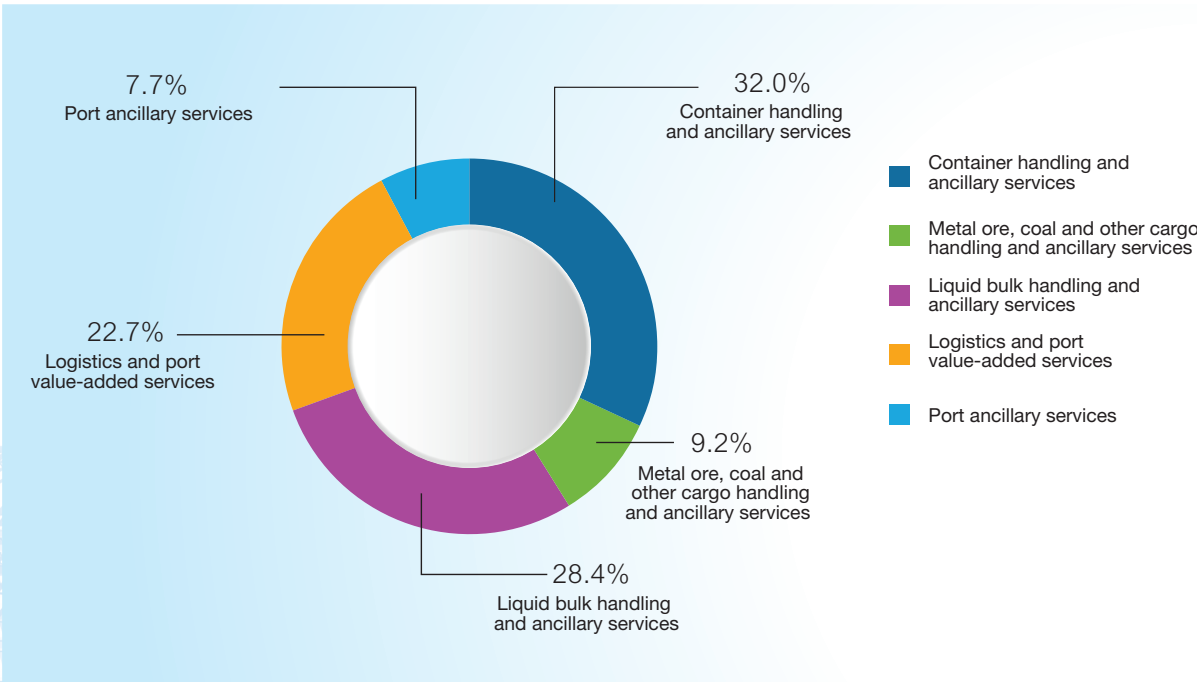


MANAGEMENT DISCUSSION AND ANALYSIS

Comparison of Each Segment Results



Breakdown of Each Segment Business Proportion for the Year Ended 31 December 2024



The details of each segment results are set out as below:

1 Container handling and ancillary services



Unit: RMB'000

Item	2024	2023	Amount of Change	Percentage of Change
Consolidated Group Companies				
Revenue	1,677,904	1,199,466	478,438	39.9%
Cost of sales	384,710	238,268	146,442	61.5%
Gross profit	1,293,194	961,198	331,996	34.5%
Profit of Consolidated Group Companies	1,204,243	924,181	280,062	30.3%
A joint venture and an associate				
Revenue	6,191,199	5,294,677	896,522	16.9%
Cost of sales	2,256,837	2,077,039	179,798	8.7%
Investment income from a joint venture and an associate	1,185,664	964,606	221,058	22.9%
Segment results	2,389,907	1,888,787	501,120	26.5%

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

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, the Group strengthened cooperation with shipping companies, dug deep into the hinterland market, expanded business increment, and made full efforts to speed up the construction of “International Shipping Hub in Northeast Asia”. The main breakthroughs achieved were as follows:

- a. the Group cooperated with shipping companies to expand the network of shipping lines and improve the layout of the main and feeder shipping networks, newly added 18 container lines, and continued to rank first among the ports in northern China in terms of total number and density of the shipping lines, significantly enhancing the status of “International Shipping Hub in Northeast Asia”; and
- b. the Group leveraged on the advantages of land-sea linkage, vigorously developed hinterland cargo sources, added up 10 inland ports, opened 6 sea-rail intermodal trains, and accomplished sea-rail intermodal containers of 2.55 million TEUs, with an increase of 15.3% year-on-year in 2024, ranking first among the coastal ports of China for ten consecutive years, which enhanced the capability to continually serve the inland market.

For the year ended 31 December 2024, the revenue of the container handling and ancillary services amounted to RMB1,678 million, representing an increase of RMB478 million, or 39.9%, as compared to the same period in the prior year; the profit of Consolidated Group Companies amounted to RMB1,204 million, representing an increase of RMB280 million, or 30.3%, as compared to the same period in the prior year; the investment income from the joint venture and the associate amounted to RMB1,186 million, representing an increase of RMB221 million, or 22.9%, as compared to the same period in the prior year; the segment results amounted to RMB2,390 million, representing an increase of RMB501 million, or 26.5%, as compared to the same period in the prior year, mainly due to the increase in revenue and profit resulting from the increased volume of export loaded-containers.

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

Unit: RMB'000

Item	2024	2023	QQCT	
			Amount of Change	Percentage of Change
Revenue	6,116,278	5,238,416	877,862	16.8%
Cost of sales	2,192,304	2,030,501	161,803	8.0%
Investment income	146,478	131,118	15,360	11.7%
Total profit	3,054,279	2,503,792	550,487	22.0%
Income tax expenses	677,212	558,023	119,189	21.4%
Net profit attributable to shareholders of the joint venture	2,337,855	1,915,296	422,559	22.1%
Shareholding percentage held by the Company	51%	51%	—	—
Investment income of the Group	<u>1,191,443</u>	<u>967,390</u>	<u>224,053</u>	<u>23.2%</u>

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



Unit: RMB'000

Item	2024	2023	Amount of Change	Percentage of Change
Consolidated Group Companies				
Revenue	4,481,814	4,307,175	174,639	4.1%
Cost of sales	3,509,078	3,374,765	134,313	4.0%
Gross profit	972,736	932,410	40,326	4.3%
Profit of Consolidated Group Companies				
	680,067	644,107	35,960	5.6%
Joint ventures				
Revenue	2,248,360	2,115,419	132,941	6.3%
Cost of sales	1,958,764	1,789,391	169,373	9.5%
Investment income from joint ventures				
	7,645	26,811	-19,166	-71.5%
Segment results	687,712	670,918	16,794	2.5%

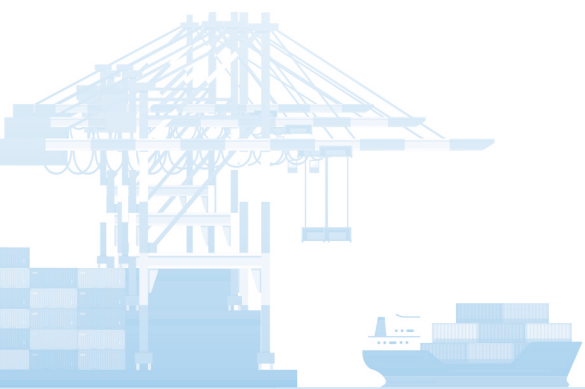
Note: Amounts of revenue and cost of sales of joint ventures represent the total amount of revenue and cost of sales in the financial information of joint ventures of the Company such as QDOT and West United, without taking into account the respective shareholding percentages held by the Company in those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

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, the Group adhered to high-level marketing by senior management, deepened strategic cooperation with key customers, extended whole-process logistic and value-added services, and vigorously expanded hinterland markets. The main breakthroughs achieved were as follows:

- a. the Group leveraged on joint marketing with the railway department to fully develop dry and break bulk cargo market, and developed 21 new customers, achieving an increase of approximately over 3 million tons of cargo sources;
- b. the Group deeply cultivated the hinterland market and focused on developing four incremental channels, including expanding market of the Yangtze River area southward, transshipment business northward, river-sea multi-modal transportation and international transshipment. Iron ore transshipment volume increased by 9% year-on-year; the import volume of pulp retained first place among coastal ports in China; and
- c. the Group vigorously developed value-added services such as ore blending and screening operations in virtue of large-scale terminals and large-area storage yards, enhancing customer stickiness and broadening revenue streams.

For the year ended 31 December 2024, the revenue of metal ore, coal and other cargo handling and ancillary services amounted to RMB4,482 million, representing an increase of RMB175 million, or 4.1%, as compared to the same period in the prior year; the profit of Consolidated Group Companies amounted to RMB680 million, representing an increase of RMB36 million, or 5.6%, as compared to the same period in the prior year; the segment results amounted to RMB688 million, representing an increase of RMB17 million, or 2.5%, as compared to the same period in the prior year, mainly due to the increase in the business volumes of grain and other cargoes resulting from newly-added capacity of stevedoring berths and ancillary yards in Dongjiakou port area. The investment income from joint ventures amounted to RMB7.645 million, representing a decrease of RMB19.166 million, or 71.5%, as compared to the same period in the prior year, mainly due to the decreased profit resulting from the reduced volumes of alumina of the joint ventures affected by the international situations.



3 Liquid bulk handling and ancillary services



Unit: RMB'000

Item	2024	2023	Amount of Change	Percentage of Change
Consolidated Group Companies				
Revenue	3,669,732	4,242,030	-572,298	-13.5%
Cost of sales	1,511,588	1,779,362	-267,774	-15.0%
Gross profit	2,158,144	2,462,668	-304,524	-12.4%
Profit of Consolidated Group Companies	1,959,430	2,243,613	-284,183	-12.7%
A joint venture and an associate				
Revenue	1,090,177	1,565,336	-475,159	-30.4%
Cost of sales	590,957	651,739	-60,782	-9.3%
Investment income from a joint venture and an associate	163,166	295,347	-132,181	-44.8%
Segment results	2,122,596	2,538,960	-416,364	-16.4%

Note: Amounts of revenue and cost of sales of a joint venture and an associate represent the total amount of revenue and cost of sales in the financial statements of a joint venture and an associate of the Company such as Qingdao Shihua and Haiwan Liquid Chemical, without taking into account the shareholding percentages held by the Company in a joint venture and an associate.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, the Group relied on newly-constructed facilities to increase production capacity, leveraged on the cluster advantage of trade and improved customer service capabilities, continuously enhancing customer stickiness and expanding scope of business in hinterlands. The new breakthroughs achieved were as follows:

- the Group developed 7 new clients and added more than 1 million tons of cargo source in virtue of three logistics channels, including the mode of transshipment, pipeline and railway; launched bulk commodity storage business and operated 1.40 million cubic meters of warehousing business; and developed new businesses such as bonded crude oil blending, international transshipment, etc., achieving a cumulative volume increase of 940,000 tons; and
- the Group vigorously expanded futures business, pioneering the implementation of the “spot registration transitioning to futures contracts” mechanism, and successfully obtained qualification of futures delivery warehouse with 800,000 cubic meters, bringing its cumulative total certified storage capacity to 2.20 million cubic meters.

For the year ended 31 December 2024, the revenue of liquid bulk handling and ancillary services amounted to RMB3,670 million, representing a decrease of RMB572 million, or 13.5%, as compared to the same period in the prior year; the cost of sales amounted to RMB1,512 million, representing a decrease of RMB268 million, or 15.0%, as compared to the same period in the prior year; the profit of Consolidated Group Companies amounted to RMB1,959 million, representing a decrease of RMB284 million, or 12.7%, as compared to the same period in the prior year; the segment results amounted to RMB2,123 million, representing a decrease of RMB416 million, or 16.4%, as compared to the same period in the prior year, mainly due to the reduced business volumes influenced by the international situations and market competition as well as the low operating rates of capacity of refineries.

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

Unit: RMB'000

Item	Qingdao Shihua			Dongjiakou Oil			Shandong Port Lianhua		
	2024	2023	Percentage of Change	2024	2023	Percentage of Change	2024	2023	Percentage of Change
Revenue	971,358	1,403,976	-30.8%	549,941	792,052	-30.6%	1,149,471	1,415,948	-18.8%
Cost of sales	494,872	550,769	-10.1%	228,247	259,622	-12.1%	455,321	553,256	-17.7%
Net profit	324,980	561,939	-42.2%	220,508	402,157	-45.2%	491,157	604,436	-18.7%
Shareholding percentage held by the Company	50%	50%	-	70%	70%	-	51%	51%	-
Investment income of the Group	166,174	280,969	-40.9%	-	-	-	-	-	-



4 Logistics and port value-added services

Unit: RMB'000

Item	2024	2023	Amount of Change	Percentage of Change
Consolidated Group Companies				
Revenue	7,571,462	6,949,379	622,083	9.0%
Cost of sales	5,750,688	5,308,107	442,581	8.3%
Gross profit	1,820,774	1,641,272	179,502	10.9%
Profit of Consolidated Group Companies				
	1,564,264	1,423,417	140,847	9.9%
Joint ventures and associates				
Revenue	3,964,203	1,293,305	2,670,898	206.5%
Cost of sales	3,312,795	816,411	2,496,384	305.8%
Investment income from joint ventures and associates				
	130,185	98,885	31,300	31.7%
Segment results	1,694,449	1,522,302	172,147	11.3%

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

In 2024, the Group focused on building first-class port-relying supply chain comprehensive service system, forming a comprehensive whole-process logistics service system, further building a logistics network featuring “based on Shandong province, covering the Yellow River Basin, radiating across the nation, and connecting to the world”. The main breakthroughs achieved were as follows:

- the Group continued to promote the integrated and collaborative development of CFS business and completed 4.39 million TEUs in the operation volume of the CFS business, with an increase of 7.7% year-on-year; and
- the Group vigorously expanded agency services, achieving freight forwarding volume of 47.86 million tons, with an increase of 6.6% year-on-year; achieving vehicle agency volume of 2.24 million cubic meters, with an increase of 20.0% year-on-year; achieving shipping agency volume of 5,475 voyages, with an increase of 6.6% year-on-year.

For the year ended 31 December 2024, the revenue of logistics and port value-added services amounted to RMB7,571 million, representing an increase of RMB622 million, or 9.0%, as compared to the same period in the prior year; the cost of sales amounted to RMB5,751 million, representing an increase of RMB443 million, or 8.3%, as compared to the same period in the prior year. The segment results amounted to RMB1,694 million, representing an increase of RMB172 million, or 11.3%, as compared to the same period in the prior year, mainly due to the increase in revenue and profit resulting from the expansion of CFS business, tally business and other businesses driven by the increased volume in container business. The investment income from joint ventures and associates amounted to RMB130 million, representing an increase of RMB31 million, or 31.7%, as compared to the same period in the prior year, mainly due to the increased profit resulting from the increased volumes of agency business and equity disposals by an associate.

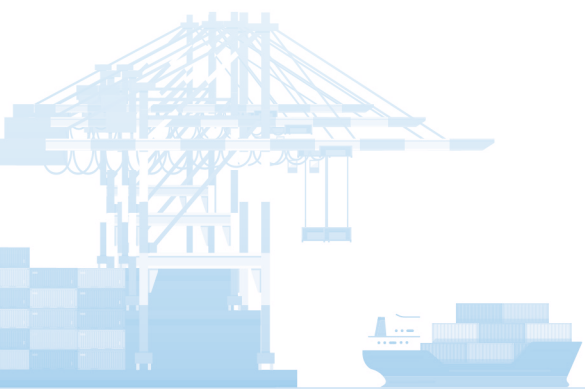
5 Port ancillary services

Unit: RMB'000

Item	2024	2023	Amount of Change	Percentage of Change
Consolidated Group Companies				
Revenue	1,540,087	1,475,078	65,009	4.4%
Cost of sales	1,070,986	1,001,046	69,940	7.0%
Gross profit	469,101	474,032	-4,931	-1.0%
Profit of Consolidated Group Companies	418,052	393,900	24,152	6.1%
Joint ventures and associates				
Revenue	4,703,633	4,970,361	-266,728	-5.4%
Cost of sales	3,203,234	3,456,326	-253,092	-7.3%
Investment income from joint ventures and associates	157,281	154,429	2,852	1.8%
Segment results	575,333	548,329	27,004	4.9%

Note: Amounts of revenue and cost of sales of the joint ventures and associates represent the amount of revenue and cost of sales in the financial statement of Qingdao Port Equipment, Qingdao Port Engineering, Shandong Port Finance Company, Ocean Bridge International Ports Management Co., Ltd.* (海路國際港口運營管理有限公司) and other joint ventures and associates of the Company, without taking into account of the respective shareholding percentages held by the Company in these joint ventures and associates.

For the year ended 31 December 2024, the revenue of port ancillary services amounted to RMB1,540 million, representing an increase of RMB65 million, or 4.4%, as compared with the same period in the prior year. The cost of sales amounted to RMB1,071 million, representing an increase of RMB70 million, or 7.0%, as compared with the same period in the prior year, the segment results amounted to RMB575 million, representing an increase of RMB27 million, or 4.9%, as compared to the same period in the prior year, mainly due to the increased revenue and profit resulting from the increased power supply engineering construction and business volumes of oil supply.



3. Financial Position Analysis

Unit: RMB'000

Item	As at 31 December 2024	As at 31 December 2023	Amount of Change	Percentage of Change
Financial assets held for trading	8,051	284,562	-276,511	-97.17%
Financing receivables	212,131	314,538	-102,407	-32.56%
Contract assets	209,407	89,441	119,966	134.13%
Other current assets	320,559	197,410	123,149	62.38%
Notes payable	485,891	917,624	-431,733	-47.05%
Long-term payables	284,423	205,376	79,047	38.49%

As at 31 December 2024, the Group's financial assets held for trading decreased by RMB277 million, or 97.17%, as compared to the beginning of the year, mainly due to the redemption of structured deposit upon maturity.

As at 31 December 2024, the Group's financing receivables decreased by RMB102 million, or 32.56%, as compared to the beginning of the year, mainly due to the settlements of bankers' acceptances upon maturity.

As at 31 December 2024, the Group's contract assets increased by RMB120 million, or 134.13%, as compared to the beginning of the year, mainly due to the increase in accounts receivable from the construction of power-supply engineering that have not yet met the collection conditions.

As at 31 December 2024, the Group's other current assets increased by RMB123 million, or 62.38%, as compared to the beginning of the year, mainly due to the increase in input tax to be deducted from value-added tax in this period.

As at 31 December 2024, the Group's notes payable decreased by RMB432 million, or 47.05%, as compared to the beginning of the year, mainly due to the payments of notes upon maturity.

As at 31 December 2024, the Group's long-term payables increased by RMB79 million, or 38.49%, as compared to the beginning of the year, mainly due to the newly-added sale-and-leaseback payables upon maturity.



MANAGEMENT DISCUSSION AND ANALYSIS

4. Cash Flow Analysis

For the year ended 31 December 2024, the net cash inflow of the Group amounted to RMB2,076 million, among which:

- (1) the net cash inflow from operation activities amounted to RMB5,153 million, mainly deriving from the net cash inflow from operation activities of Consolidated Group Companies;
- (2) the net cash outflow from investment activities amounted to RMB39 million, mainly due to the dividend income of RMB1,295 million from the investment and wealth management, the net inflow of RMB279 million from the purchase of the structured deposit, the net inflow of RMB308 million from the recovery of the fixed deposit with more than three months, the payment of RMB2,086 million for purchase and construction of fixed assets and construction in progress, the net inflow of RMB128 million from the disposal of fixed assets and other long-term assets, and the recovery of RMB37 million for equity interests investment; and
- (3) the net cash outflow from financing activities amounted to RMB3,033 million, mainly due to the received borrowings and sale-and-leaseback proceeds of RMB1,084 million, absorbing investment from minority shareholders of RMB97 million, the payment of RMB3,207 million from subsidiaries' distribution of dividends, the repayment of borrowings of RMB720 million, the repayment of leases liabilities of RMB183 million, and the repayment of debt interests of RMB100 million.

5. Liquidity and Financial Resources

As at 31 December 2024, the cash at bank and on hand of the Group amounted to RMB12,673 million with the main currency of RMB. The Group's total interest-bearing liabilities amounted to RMB2,775 million, among which, the liabilities bearing interests at the floating interests rate amounted to RMB1,962 million.

As at 31 December 2024, the cash at bank on hand of the Group exceeded its interest-bearing liabilities.

6. Capital Structure

As at 31 December 2024, the shareholders' equity interests of the Group amounted to RMB46,792 million, representing an increase of RMB2,253 million as compared to the beginning of the year, among which, the increase of equity interest attributable to the shareholders of the Company was RMB2,211 million, mainly due to the increase of RMB5,235 million from the operating profit, the decrease of RMB2,636 million from distributed dividends, the decrease of RMB386 million from other comprehensive incomes and the decrease of RMB9 million from capital reserves; the equity interests of minority shareholders increased by RMB43 million, mainly due to the increase of RMB483 million from operating profits, the increase of RMB95 million from the investments by minority shareholders and the decrease of RMB537 million from distributed dividends.

As at 31 December 2024, the Company had 6,491,100,000 issued shares, comprising of 5,392,075,000 A shares and 1,099,025,000 H shares. The total market capitalization and H share market capitalization of the Company was approximately RMB55,636 million and RMB6,514 million, respectively, which were calculated based on the closing price of RMB9.11 per share on the Shanghai Stock Exchange and the closing price of HKD6.40 per share on the Hong Kong Stock Exchange as at 31 December 2024.



7. Gearing Ratio

As at 31 December 2024, the Group's cash at bank and on hand exceeded interest bearing liabilities.

8. Interest Rate and Exchange Rate Risks

As at 31 December 2024, the Group didn't have cash at bank and on hand and receivables at floating interests rate, and payables at floating interests rate amounted to RMB1,962 million. The Group assessed the interest rate risk and anticipated that changes in interest rate would have no material impact on the Group.

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

The Group will continue to closely monitor risks in interest and exchange rate. The Group did not enter into any hedging arrangements with respect to interest rate and exchange rate risks in 2024.

9. Major Financial Indicators

Indicators	2024	2023	Change
Weighted average return on net assets	12.65%	12.70%	Decreased by 0.05 percentage point
Return on total assets	9.32%	9.37%	Decreased by 0.05 percentage point
Interest coverage ratio	54.28 times	42.34 times	Increased by 11.94 times
Current ratio	1.98 times	1.73 times	Increased by 0.25 time

For the year ended 31 December 2024, the weighted average return on net assets was 12.65%, representing a decrease of 0.05 percentage point as compared to the same period in the prior year. The return on total assets was 9.32%, representing a decrease of 0.05 percentage point as compared to the same period in the prior year. The interest coverage ratio was 54.28 times, representing an increase of 11.94 times as compared to the same period in the prior year, mainly due to an increase of earnings before interest and taxes and a decrease in interest expenses. The current ratio was 1.98 times, representing an increase of 0.25 time as compared to the same period in the prior year, mainly due to the significant increase in current assets including cash at bank and on hand.

10. Significant Capital Investment

For the year ended 31 December 2024, the Group's significant capital investment was RMB1,545 million, mainly investing in Dongjiakou port area grain silo phase III project, liquid chemical terminal tank area project, crude oil tank project and other projects.

11. Significant Entrusted Wealth Management

For the year ended 31 December 2024, the Group had no significant entrusted wealth management.



MANAGEMENT DISCUSSION AND ANALYSIS

12. Significant Acquisition and Disposal of Subsidiaries, Joint Ventures and Associates

The details of significant acquisition and disposal of subsidiaries, joint ventures and associates set out on the section of “Connected Transactions” on page 78 of the report.

Save as disclosed in the report, for the year ended 31 December 2024, there was no other significant acquisition and disposal regarding the Group, joint ventures and associates.

13. Mortgages or Pledges of Assets

As at 31 December 2024, the Group had no asset mortgages or pledges.

14. Contingent Liabilities

As at 31 December 2024, the Group had no significant contingent liabilities.

15. Employees

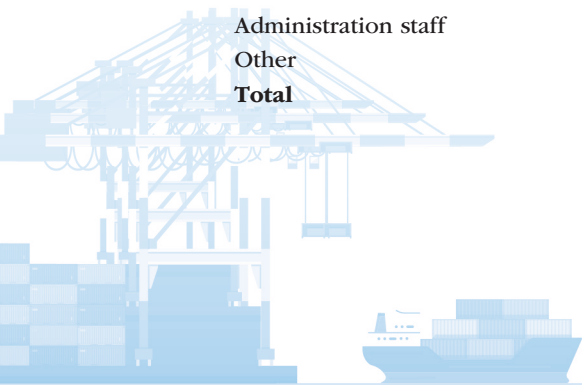
As at 31 December 2024, the Company engaged 3,071 employees, and the Company and its subsidiaries engaged 9,552 employees in total, and the female employees accounted for approximately 14.7% in the employees of the Company and its subsidiaries. Due to the nature of the port industry to which the Group belongs, there is a greater demand for male employees. The Group has been committed to gender diversity of employees, implemented a fair employment policy and continued to increase the proportion of female employees to achieve an appropriate balance of gender diversity.

The details of employees are set out as below:

Unit: per person

Number of in-service employees of the Company	3,071
Number of in-service employees of the subsidiaries	6,481
In-service employees in total	9,552
Number of retirees for whom the Company and its subsidiaries bear expenses	7,663

Expertise composition category	Number	Education level category	Number
Production staff	6,144	Master's degree and above	464
Sales staff	184	Undergraduate degree	3,041
Technicians	1,593	Junior college and academy	3,935
Financial staff	310	Below junior college	2,112
Administration staff	1,194	Total	9,552
Other	127		
Total	9,552		



The employees' remunerations of the Group include basic salaries and performance incentives. The growth of employees' remunerations is determined by their working performance, economic environment, and supply and demand conditions of human resource market, under the "two matches" principle matching the employees' income growth with the growth of the Company's operating results and the increase of production rate. Meanwhile, the Group's remuneration policy is reviewed on a regular basis as well. The Group adhered to focusing on people, safeguarded the legitimate rights and interests of employees, paid the social insurances, enterprise annuity and supplementary medical insurance as required by the relevant regulations of the PRC and provided extra welfare schemes for employees.

16. Description of Other Business Operations

As the Dagang port area is planned to be transformed and upgraded into an international home port for cruise liners, the business of the Dagang port area will be gradually relocated to the Dongjiakou port area and the Qianwan port area. In March 2020, Qingdao international home port for cruise liners started construction and the construction was gradually carried on as planned. As of 31 December 2024, the construction of international home port for cruise liners had no effect on the main business of the Dagang port area.

The government of Qingdao Economic and Technological Development Zone proposed to adopt a new urban planning scheme that may relocate the port operations in the Huangdao oil port area and operations of certain clients around the Huangdao oil port area to the Dongjiakou port area. As at 31 December 2024, the Group did not receive any relocation plan or relevant notice, and did not obtain any information in relation to such relocation of clients and businesses to the Dongjiakou port area, and the operation of the Huangdao oil port area was not affected.

17. Outlook for the year 2025

Looking ahead to 2025, the complexity, severity and uncertainty of the external environment are on the rise, meanwhile, a new round of technological revolution and industrial changes are reshaping the world economy, and global economy remains fraught with both challenges and opportunities.

In 2025, the Company will speed up the construction of a world-class marine port as its overall objective, deepen reforms to overcome critical challenges and accelerate port transformation and upgrading, adhere to the performance-first. In virtue of the new opportunities of integration reform of Shandong port and the construction of Qingdao International Shipping Center, the Company will make efforts to build a world-class maritime port cluster and establish international logistics corridors, so as to contribute to the development of the regional economy and society, and create greater value for the shareholders of the Company.



MANAGEMENT DISCUSSION AND ANALYSIS

(1) Focus on performance-first to elevate port hub competitiveness to a new level

In terms of container segment, the Company will cement the position of Northeast Asia international container hub port, add no fewer than 10 new shipping routes, and continue to rank first among the ports in northern China in terms of total number and density of the shipping lines and continue to rank first among the ports in China in sea-rail intermodal containers volumes. In terms of dry and break bulk cargo segment, the Company will take advantage of the mega-vessel homeport to strengthen market development and client retention, stabilize the position of iron ore reserve base, establish most comprehensive “ore supermarket” in coastal ports of China, expand global pulp transshipment business, and build a Northeast Asia pulp distribution hub. In terms of liquid bulk cargo segment, the Company will enhance operational synergies, expand domestic markets beyond Shandong Province, scale transshipment operations, and make full efforts to cement the status of foreign trade port in north China.

(2) Focus on intelligent and green to forge the port’s transformation development to a new level

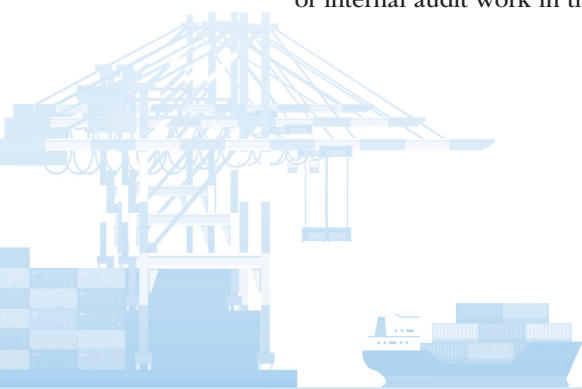
The Company will aim “Fifth-Generation Port Development” as the target, accelerate the cultivation of new productive forces of the port, speed up the transportation of intelligent and green port, build an “AI+Port” benchmark with globally leading digital scenarios for core cargo categories. The Company will build a port model of “Zero-Carbon”, vigorously promote the application of clean energy, establish China’s first comprehensive hydrogen-powered port with shore power usage ranking first among northern ports of China, striving to become one of the nation’s first batch of “Five-Star Green Port Zone”.

(3) Focus on investment construction to boost sustainable growth momentum of the port to a new level

The Company will focus on the main business, enhance production capacity, build the second 400,000-ton ore terminal and other key projects, accelerate the port-related industrial projects, and make full efforts to build a demonstration zone for the Dagang Window Demonstration Zone, Qianwan Pilot Demonstration Zone, Dongjiakou Vitality Demonstration Zone, and Weihai Port Linkage Demonstration Zone.

(4) Focus on corporate governance to enhance operational excellence of the port to a new level

The Company will emphasize strategic planning, formulating the framework for the “15th Five-Year Plan”, conducting in-depth studies on major strategic initiatives, transformative reforms, and major projects by sub-topics. The Company will emphasize “value creation”, fully leveraging market financing policies, innovating investment performance analytics, and refine post-investment tracking processes to improve asset investment return. The Company will emphasize risk control, focusing on key areas and critical links, promoting the construction and optimization of legal information systems, deepening the improvement of internal control audit performance, and promoting the standardization and normalization of internal audit work in the Company, driving sustainable high-quality growth of the Company.



III. CHANGES AND TERMINATION OF USE OF PROCEEDS

1. Changes and termination of use of proceeds for investment projects of A Share Offering

The Company completed its initial public offering of RMB denominated ordinary shares (A shares) of 454,376,000 shares with a nominal value RMB1.00 per share and was listed on the Shanghai Stock Exchange on 21 January 2019, with the net amount of proceeds of approximately RMB1,978.93 million.

Details of the use of proceeds were as follows:

		Unit: RMB'000
Investment Projects of Proceeds	Amount of Net Proceeds	
Dongjiakou Port Area Crude Oil Commercial Reserve Tanks Project	–	
Multi-purpose berths and North Jetty II rear ancillary stacking yards in Dongjiakou Port Area Project	1,000,000	
Dongjiakou Integrated Logistics Stacking Yard Phase I Project	180,000	
Qingdao Port Intelligent Port Area Upgrading Project	200,000	
Qingdao Port Area Equipment Procurement Project	302,100	
Supplementing working capital	296,830	
Total	1,978,930	

According to the needs of business development of the Group, upon the consideration and approval by the Board on 26 March 2020 and by the 2019 annual general meeting of the Company held on 10 June 2020, the Company resolved to terminate Dongjiakou Integrated Logistics Stacking Yard Phase I Project and put the proceeds of RMB180 million, which was originally proposed to be used for this project, into Qingdao Port Area Equipment Procurement Project and to remove Dongjiakou Port Area Crude Oil Commercial Reserve Tanks Project from one of the investment projects for use of proceeds, continuing to build this project by self-raised funds or by means of joint ventures. Upon the approval by the Board on 24 May 2021 and by the 2020 annual general meeting of the Company held on 28 June 2021, the Company resolved to invest the estimated remaining proceeds of RMB687.17 million, which were originally proposed to be used for the Multi-purpose berths and North Jetty II rear ancillary stacking yards in Dongjiakou Port Area Project, into the Dongjiakou Port Area Datang Terminal Phase II Project.



MANAGEMENT DISCUSSION AND ANALYSIS

After the aforesaid change and termination of investment projects for use of proceeds from A Share Offering have been completed, the details of the use of proceeds of A Share Offering were as follows:

Unit: RMB'000

Investment Projects of Proceeds	Amount of Net Proceeds
The Dongjiakou Port Area Datang Terminal Phase II Project	687,170
Multi-purpose berths and North Jetty II rear ancillary stacking yards in Dongjiakou Port Area Project	312,830
Qingdao Port Intelligent Port Area Upgrading Project	200,000
Qingdao Port Area Equipment Procurement Project	482,100
Supplementing working capital	296,830
Total	1,978,930

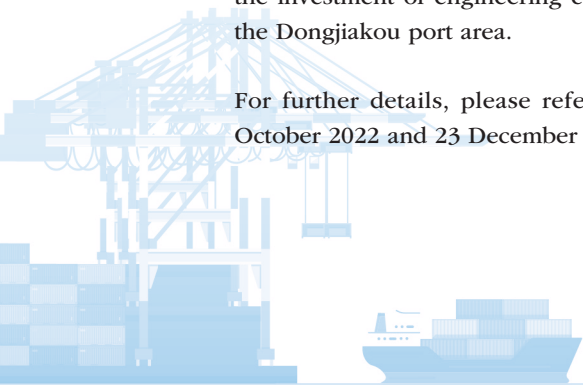
For further details, please refer to the Company's announcements dated 26 March 2020, 10 June 2020, 24 May 2021, 28 June 2021, and the Company's circulars dated 26 May 2020 and 27 May 2021.

2. Changes of use of proceeds for investment projects of H Share Placing

As at 18 May 2017, the Company issued 243 million H shares by way of H Share Placing, and received net proceeds of approximately HKD1,035 million, equivalent to approximately RMB912 million (based on the exchange rate on 18 May 2017), which were mainly used for the reserved funds for the Company's overseas terminal acquisition and investment and the operation fund for the terminal projects management company established by the Company and COSCO SHIPPING Ports to operate and manage overseas terminal projects.

Based on the actual situation of the investment projects for the use of proceeds from H Share Placing, after the voting by the Board meeting on 24 May 2021 and the consideration and approval by 2020 annual general meeting of the Company held on 28 June 2021, the Company decided to change the investment use of the remaining proceeds from the H Share Placing of approximately HKD634.91 million (including accumulated interests income), into the acquisition of 51% equity interests in Qingdao Haiye Oil Terminal Co., Ltd.* (青島海業油碼頭有限公司). To improve the efficiency for the use of proceeds, after the consideration and approval by the Board meeting on 28 October 2022 and the 2022 second extraordinary general meeting of the Company held on 23 December 2022, the Company decided to change the investment use of the remaining proceeds from the H Share Placing of approximately RMB558.68 million (including accumulated interests income), into the investment of engineering construction, including terminals, oil storage and other construction projects at the Dongjiakou port area.

For further details, please refer to the Company's announcements dated 24 May 2021, 28 June 2021, 28 October 2022 and 23 December 2022, and the Company's circulars dated 27 May 2021 and 18 November 2022.



IV. USE OF PROCEEDS

The net proceeds from the H Shares Placing of the Company in 2017 were approximately HKD1,035 million, equivalent to approximately RMB912 million. As at 31 December 2023, approximately HKD508 million (which was calculated based on the exchange rate of 29 December 2023, including accumulated interest income) was carried over to this year. For the year ended 31 December 2024, the Company had invested the fundraising of approximately HKD460.45 million in the investment projects in the way as disclosed in the announcement of the Company dated 20 January 2017, which was mainly used to pay for the equity acquisition of COSCO SHIPPING Ports (Abu Dhabi) Limited, and had invested the fundraising of approximately HKD612.7728 million (among which, the used amount for the year of 2023 was calculated based on the exchange rate of 29 December 2023, the used amount for the year of 2024 was calculated based on the exchange rate of 31 December 2024) in the investment projects in the way as disclosed in the announcements of the Company dated 28 October 2022 and 23 December 2022 and the circular of the Company dated 18 November 2022, which was mainly used to pay for Dongjiakou port area oil storage construction project and Dongjiakou port area terminal construction project. As of 31 December 2024, the net proceeds from the H Shares Placing had been used up.

As at 31 December 2024, the use of proceeds from the Company's H Shares Placing is set out below:

Unit: HKD0'000

	Payment for equity acquisition of COSCO SHIPPING Ports (Abu Dhabi) Limited	Engineering construction investment	Among which, (a) Dongjiakou port area terminal construction project	(b) Dongjiakou port area oil storage construction project	(c) other construction projects
Intended investment amount	46,045.00	61,649.50	18,649.50	38,000.00	5,000.00
Used amount during the years of 2017-2019	-	-	-	-	-
Used amount during the year of 2020	46,045.00	-	-	-	-
Used amount during the years of 2021-2022	-	-	-	-	-
Used amount during the year of 2023	-	10,875.57	4,556.18	2,843.29	3,476.10
Used amount during the year of 2024	-	50,401.71	14,720.10	34,541.39	1,140.22
Unused amount as at 31 December 2024	-	-	-	-	-

Note 1: the used amount for the year of 2023 was calculated based on the exchange rate of 29 December 2023, and the used amount for the year of 2024 was calculated based on the exchange rate of 31 December 2024.

Note 2: the data from above form including interest income.

Note 3: according to the actual settlement progress of the projects, the originally planned investments of HKD6 million for (b) the Dongjiakou port area oil storage construction project and HKD4 million for (c) other construction projects will be reallocated to (a) the Dongjiakou port area terminal construction project.

MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds from the initial public offering of A shares of the Company were approximately RMB1,979 million. As at 31 December 2023, approximately RMB353 million (including accumulated interest income) was carried over to this year. For the year ended 31 December 2024, approximately RMB358 million of the proceeds had been used in the investment projects in the way as disclosed in the Company's initial public offering of A shares prospectus and the Company's announcements dated 26 March 2020, 10 June 2020, 24 May 2021 and 28 June 2021 and circulars dated 26 May 2020 and 27 May 2021, which were mainly used for Multi-purpose Berths and North Jetty II Rear Ancillary Stacking Yards in Dongjiakou Port Area, Qingdao Port Area Equipment Procurement Project, Datang Terminal Phase II Project in Dongjiakou Port Area. On 30 September 2024, the investment projects funded by proceeds from the A Share Offering were all finished, remaining proceeds from the A Share Offering of RMB142.6135 million (net amount including interest income and excluding processing fees as of 30 September 2024, and the actual amount is subject to the balance in the special account for proceeds from the A Share Offering on the date of transfer of the proceeds) had permanently supplemented working capital for daily operations. For further details, please refer to the announcement of the Company dated 1 November 2024. The final actual surplus funds amounted to RMB142,613,480. As of 31 December 2024, the net proceeds from the A Shares Offering had been used up.

As at 31 December 2024, the use of proceeds from the Company's A shares is set out below:

Unit: RMB0'000

	Multi-purpose berths and North Jetty II rear ancillary stacking yards in Dongjiakou Port Area	Qingdao Port Intelligent Port Area Upgrading Project	Qingdao Port Area Equipment Procurement Project	Dongjiakou Port Area Datang Terminal Phase II Project	Supplementing working capital
Intended investment amount	31,283.00	20,000.00	48,210.00	68,717.00	29,682.98
Used amount during the year of 2019	19,358.43	8,308.62	18,569.02	–	29,682.98
Used amount during the year of 2020	3,429.46	4,193.94	1,661.26	–	–
Used amount during the year of 2021	1,065.30	8,223.67	8,203.30	9,474.34	–
Used amount during the year of 2022	5,832.07	436.07	18,985.80	22,993.50	–
Used amount during the year of 2023	246.29	–	3,575.44	13,757.34	–
Used amount during the year of 2024	6,448.73	–	–	15,072.79	–
Interest income	8,963.37	1,162.30	2,784.82	2,976.22	–
Remaining proceeds from the A Share Offering (permanently supplemented working capital)	3,866.10	–	–	10,395.25	–
Unused amount as at 31 December 2024	–	–	–	–	–



V. PROPOSED DISTRIBUTION OF FINAL DIVIDEND, WITHHOLDING OF INCOME TAX AND CLOSURE OF REGISTER

The Company proposes to distribute 45% of Distributable Profits for the year of 2024 as dividends, with the total dividend amounting to RMB2,038.8545 million (tax inclusive). This represents approximately 39% of the net profit attributable to the Company's shareholders in the consolidated financial statements. Based on the total share capital of 6,491,100,000 shares of the Company, the Company plans to distribute a dividend of RMB3.141 per 10 shares (tax inclusive) to all shareholders, among which, the Company has distributed an interim dividend of RMB736.0907 million for the year of 2024 (distribution of dividend at RMB1.134 per 10 shares, tax inclusive) to all shareholders on 30 December 2024. Subject to approval at the 2024 AGM, the remaining dividend of RMB1,302.7638 million (distribution of dividend at RMB2.007 per 10 shares, tax inclusive) will be paid on 25 August 2025.

For non-resident enterprise shareholders holding H shares of the Company (i.e. shareholders holding H shares of the Company under the names other than individuals, including, but not limited to, shareholders of H shares registered in the name of HKSCC Nominees Limited, or other nominees, trustees, or other organizations or groups), the Company shall withhold the corporate income tax for the final dividend at the tax rate of 10% on their behalf in accordance with the Corporate Income Tax Law of the PRC and other relevant tax laws, regulations and tax treaties.

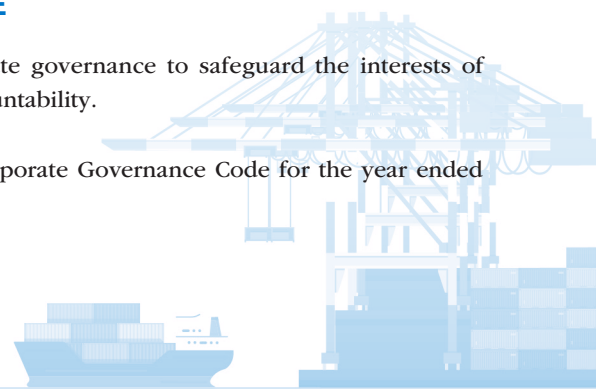
For individual shareholders holding H shares of the Company, the Company shall withhold and pay the individual income tax for the final dividends on their behalf in accordance with the Individual Income Tax Law of the PRC, the Notice of the State Administration of Taxation on the Collection and Administration of Individual Income Tax after the Abolition of Document No. 045 [1993] (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)), the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and other relevant tax laws, regulations and tax treaties.

In order to determine the eligibility of being entitled to the proposed final dividend for H shares, the H share register of the Company will be closed from Friday, 4 July 2025 to Friday, 11 July 2025 (both days inclusive), during which no H share transfer will be registered. The H shareholders whose names appear on the register of members of the Company on Friday, 11 July 2025 are entitled to the proposed final dividend. Holders of the Company's H shares who wish to receive the proposed final dividend are required to deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. Thursday, 3 July 2025 for registration.

VI. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

The Company has complied with all code provisions set out in the Corporate Governance Code for the year ended 31 December 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

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

The Company has adopted the Model Code as its own code of conduct for securities transactions by Directors and Supervisors. Specific enquiries have been made to all the Directors and Supervisors and each of the Directors and Supervisors has confirmed that he/she has complied with the Model Code for the year ended 31 December 2024.

VIII. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2024, the Company or any of its subsidiaries did not make any purchase, sale and redemption of any listed securities of the Company (including sale of the treasury shares).

As at 31 December 2024 and the date of this report, there were no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

IX. ISSUANCE OF NEW A SHARES

According to the Proposed Restructuring, the Company proposed to issue new A shares to no more than 35 (including 35) qualified and specified investors for the purpose of raising ancillary funds for the Proposed Restructuring. On 21 February 2025, the Company adjusted the plan of the Proposed Restructuring and will not issue Consideration Shares and new A shares anymore.

For details and definitions in relation to the above issuance of new A shares, please refer to the Company's announcements dated on 27 June 2023, 30 June 2023, 27 December 2023, 9 July 2024, 12 July 2024, 13 September 2024, 31 December 2024, 21 February 2025 and 28 March 2025, and the circulars dated on 15 August 2024 and 7 March 2025.

X. AUDIT COMMITTEE

The Audit Committee has reviewed, with management of the Company, the accounting principles and policies adopted by the Group and the financial statements for the year ended 31 December 2024.

XI. AMENDMENTS TO CONSTITUTIONAL DOCUMENT

The current effective Articles of Association has been published on the websites of the Company and the Hong Kong Stock Exchange.

XII. CLOSURE OF REGISTER

In order to determine the eligibility of shareholders who are entitled to attend the 2024 AGM, the H share register of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both days inclusive), during which no H share transfer will be registered. The shareholders whose names appear on the register of H share members of the Company on Friday, 27 June 2025 are entitled to attend and vote at the 2024 AGM. Holders of the Company's H shares who wish to attend the 2024 AGM but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 23 June 2025 for registration.

XIII. MATERIAL LITIGATIONS

For the year ended 31 December 2024, the Group was not involved in any material litigations or arbitrations.

XIV. MATERIAL SUBSEQUENT EVENTS

On 21 February 2025, the Company adjusted Proposed Restructuring, after the adjustment, the Company would not acquire 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd.* (山東聯合能源管道輸送有限公司) and 51.00% equity interests in Shandong Gangyuan Pipeline Logistics Co., Ltd.* (山東港源管道物流有限公司), but would continue to acquire 100% equity interests in Rizhao Port Oil Terminal Co., Ltd.* (日照港油品碼頭有限公司) and 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.* (日照實華原油碼頭有限公司) by way of cash payments. The Company considered and approved above adjustment in the first extraordinary general meeting of 2025 held on 28 March 2025. For further details, please refer to the announcements dated 21 February 2025 and 28 March 2025, and the circular dated 7 March 2025. As at the date of this report, the above transaction has not been completed.

Save as disclosed above, after 31 December 2024, the Group did not have any other material subsequent events.

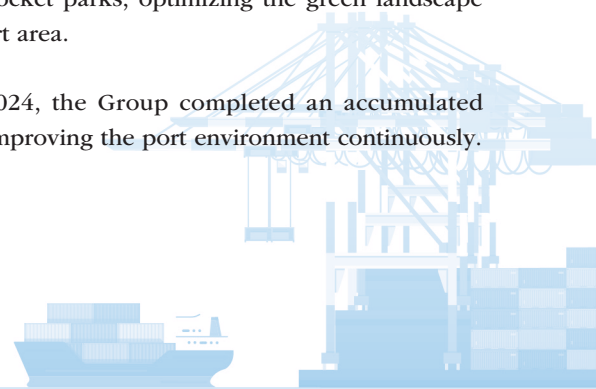
XV. CORPORATE SOCIAL RESPONSIBILITY

1. Environment Protection

The Group takes social responsibility as its own responsibility, adheres to the concept of sustainable development, implements the national goals of “carbon peaking and carbon neutrality”, spares no effort to promote the construction of green and low-carbon ports, actively takes measures to prevent and control air, water, and solid waste pollution, enhances ecological and environmental management standards. The Group constructed 2 sets of high-voltage shore power facilities, built 4 battery swapping stations, introduced pilot applications of hydrogen-powered AGVs (Automated Guided Vehicles) and initiated the construction of hydrogen-electric powered tugboats to reduce carbon emissions from fuel consumption in the port area. The Group carried out photovoltaic project construction on warehouses, rooftops of buildings, and undeveloped land, introduced new energy technologies such as breeze power generation to promote the reduction of carbon emissions in ports. The practical case of QQCTN’s intelligent and green “Double Five-star” port construction was selected as a typical case of green and low-carbon development by the Ministry of Ecology and Environment. The Group has developed a container carbon footprint accounting platform and has become the country’s first port to provide online carbon footprint accounting services.

In 2024, the Group launched a landscaped port renovation project across Dagang Port Area, Qianwan Port Area, and Dongjiakou Port Area, with vegetation greening covering an area of approximately 150,000 square meters, planting approximately 4 million plants, constructing 6 pocket parks, optimizing the green landscape of the port area, and enhancing the overall environment of the port area.

The Group continues to enhance sanitation management. In 2024, the Group completed an accumulated pesticide application approximately 29.00 million square meters, improving the port environment continuously.



MANAGEMENT DISCUSSION AND ANALYSIS

2. Employee Care

The Group strives to provide a platform for employees to improve their talents and builds a channel for their personal development. The Group insists on respecting people, training people, shaping people, using advanced culture to gather people and using flexible mechanisms to motivate people. The Group creates good conditions and builds the platform to promote the all-round development of employees and achieve all-win harmony between enterprises and employees.

The Group concentrates on the cultivation and development of talents and works hard to implement its talent cultivation plan. In 2024, the number of employees in the Group who obtained various professional and technical titles in senior, intermediate and junior levels reached 351, and the number of employees who were newly qualified as senior technicians, technicians and senior workers reached 539. The age, education, knowledge, and ability structure of key personnel in management, technical workers, and other critical positions has shifted towards high skills and high quality, providing a talent guarantee for the Company's development.

The Group's learning-oriented employees and learning-oriented organizations have achieved new improvements. In 2024, training was conducted through offline key training sessions and online mobile learning through the Zhiniao platform. Specifically, 110 offline training sessions were held, including training for middle-level management and newly appointed middle-level management. Additionally, professional skills training for all employees was conducted through the Zhiniao platform, with 920,000 online training participations, 378 exams were organized, and employee learning coverage reached 100%.

3. Community Care

The Group actively fulfills its social responsibilities and carries out various forms of social welfare activities while promoting its sustained and steady development.

Aiming at groups such as neighboring communities, port customers, and relevant social organizations, the Group carries out volunteer service activities with diverse forms, rich content, and port-related characteristics. The Group works hand in hand with the community to continuously provide volunteer services such as poverty alleviation, helping the elderly and children, and youth education assistance. The Group regularly organizes employees to donate blood voluntarily and carries out public welfare activities for blood donation. The Group organizes employee volunteers to go into communities, streets, and other places to pick up trash and waste. The Group visits primary and secondary schools as well as universities to popularize port-related knowledge to students of different age groups, provides care and support to groups such as migrant workers and truck drivers, visits the elderly living alone in nursing homes, accompanies children in special education schools, and provides care and love to different groups of people.

Please refer to the "The Environmental, Social and Governance (ESG) Report in 2024 of Qingdao Port International Co., Ltd." published by the Company for further details on the corporate social responsibility.



XVI. RISK ALERT

1. Risk in Relation to the Macro Economy Volatility

Port industry is fundamental for the national economy, the development of which has high correlation with the macro-economic of China and will be greatly influenced by the volatility of economic cycle. The volatility of world trade will influence the import and export business in various countries, which in turn will impact the operating situation of ports.

Recently, the world economy is still in a complicated and severe situation, the competition between major powers has intensified, and its scope continues to expand. At the same time, geopolitics are getting tense. The unexpected impact caused by the “black swan incident” may increase the risk of global market volatility. With the transformation and upgrading of domestic economic structure, the uncertainty of economic recovery increased. If the economy development in China as well as the international and domestic trade volume is impacted due to the relatively long recovery cycle of world economy and the structural adjustment of China’s economy, the production activities and operating performance of the Group may be affected.

2. Risk in Relation to the Dependence on the Economic Development of the Hinterland

The Group’s main economic hinterlands include Shandong, Jiangsu, Hebei, Shanxi and Henan, with its extending hinterlands including Shaanxi, Ningxia, Gansu and Xinjiang. The economic development as well as the international and domestic trade demand in these regions are the main factors affecting the Company’s development. If the economic growth in these regions slows down or declines, it would cause certain negative impacts to the Group’s operation.

3. Risk in Relation to the Adjustment of Port Rate

The Group’s main revenue comes from the cargo loading and discharging and ancillary services at port, the charging standard of which is in compliance with the regulations in “Port Charging Calculation Methods” formulated by governmental authorities. If the country adjusts port charging rules or changes the port charging system, the Group’s operating results may be influenced.

4. Risk in Integration of the Port

The Group has certain horizontal competition with Shandong Port Group and some of its subsidiaries in the core businesses. Shandong Port Group promises to take a series of measures to integrate the port related businesses within the consolidated scope within 5 years after becoming an indirect controlling shareholder of the Company, to solve the horizontal competition, which may lead to changes in the scope of the Group’s assets and have a certain impact on the Group’s operations.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BIOGRAPHICAL DETAILS OF MEMBERS OF THE BOARD OF THE COMPANY



Mr. SU Jianguang (蘇建光), born in 1969, is an on-the-job engineering master of harbor coastal and offshoring engineering in Ocean University of China (中國海洋大學) and a researcher of engineering technology application. He joined the Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since July 1989, and has joined the Company since November 2013. He currently serves as the secretary to the Party Committee, chairman, executive Director, chairman of Strategy and Development Committee, a member of Nomination Committee, and authorized representative of the Company, a member of the Party Committee of Shandong Port Group, the secretary to the Party Committee and chairman of Qingdao Port Group, the secretary to the Party Committee and chairman of Container Development Company, the commander of Qingdao Port Construction Headquarters, and a member of the Party group and the deputy director of Qingdao International Cruise Port Service Administration (青島國際郵輪港區服務管理局), the director of Qingdao Port International Development (HK) Co., Ltd. (青島港國際發展(香港)有限公司). He served as the secretary to the Party Committee, the manager and secretary to the discipline inspection committee of Qingdao Port Engineering, the secretary to the Party Committee and the manager of Gangjian Branch, the secretary to the Party Committee and the general manager of Qingdao Port Investment and Construction (Group) Co., Ltd. (青島港口投資建設(集團)有限責任公司), the deputy secretary to the Party Committee, the vice president, the vice chairman and the non-executive director of the Company, the deputy secretary to the Party Committee, the director and the general manager of Qingdao Port Group, and other positions. Mr. SU Jianguang has over 30 years of working experience in the port industry, and is experienced in the management of large-scale port enterprises.



Mr. LI Wucheng (李武成), born in 1965, graduated from Shandong College of Economics (山東經濟學院) (now known as Shandong University of Finance and Economics (山東財經大學)) with a bachelor degree of economics majoring in planning statistics and is an engineer and an assistant statistician. He joined the Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since July 1987, and has joined the Company since November 2013. He currently serves as the deputy secretary to the Party Committee, vice chairman, non-executive Director, a member of Strategy and Development Committee and a member of Remuneration Committee of the Company, the director of Container Operation Center of Shandong Port Group, the deputy secretary to the Party Committee, a director, the general manager and a chief quality officer of Qingdao Port Group, the deputy secretary to the Party Committee, the director and the general manager of Container Development Company. He served as a member of Party Committee and the deputy general manager of QQCT, the secretary to the Party Committee and the general manager of Qingdao Port Logistics, the general manager of Qingdao Port Yizhihang Cold-Chain Logistics Co., Ltd. (青島港怡之航冷鏈物流有限公司), the secretary to the Party Committee and the manager of Logistics Branch of the Company, a supervisor of the Company, the secretary to the Party Committee, an executive director and the general manager of Land-Sea Logistics Group, the deputy secretary to the Party Committee, the director and the general manager of Shandong Port Bohaiwan Port Group Co., Ltd. (山東港口渤海灣港集團有限公司), and other positions. Mr. LI Wucheng has over 30 years of working experience in the port industry, and is experienced in the management of large-scale port enterprises.

Note: The information of Directors, Supervisors, and senior management described in this section is as of the date of approval for release by the Board on 28 March 2025.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Mr. ZHU Tao (朱濤), born in 1972, is a master in business administration of the Shanghai Jiao Tong University (上海交通大學) and is an economist. He has joined the Company since December 2022. He currently serves as the non-executive Director and a member of Strategy and Development Committee of the Company, the board chairman, an executive director, the managing director, the chairman of risk control committee, the chairman of investment and strategic planning committee, the chairman of executive committee, a member of nomination committee, a member of remuneration committee, and a member of environment, social and governance committee of COSCO SHIPPING Port (a company listed on the Hong Kong Stock Exchange, stock code: 01199), an executive director and a deputy general manager of COSCO SHIPPING Holdings Co., Ltd. (中遠海運控股股份有限公司, a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, with stock codes of 01919 and 601919, respectively), the chairman of Shanghai China Shipping Terminal, the chairman of China Shipping Terminal Development Co., Ltd. (中海碼頭發展有限公司). He served as the business deputy manager and business manager of the dispatching division of the liner department of COSCO Container Lines, the deputy head of the business division of the coastal transportation department of the COSCO Container Lines, the manager of the east and south China operating department of Sino-Japan trade division of the COSCO Container Lines, the deputy general manager and the chairman of the labor union of Shanghai Panasia, the deputy general manager of Americas trading division of the COSCO Container Lines, the general manager of COSCO Container Lines (Netherlands) B.V., the director of the general manager's office of the COSCO Container Lines, the general manager and deputy secretary to the Party Committee of Shanghai Panasia, the deputy general manager and a member of the Party Committee of the COSCO Container Lines, and other positions.



Mr. ZHANG Baohua (張保華), born in 1968, is a master of law majoring in Party history of the Communist Party of China of Tianjin Normal University (天津師範大學), a professor-level senior political worker and an engineer. He has joined the Company since March 2020. He currently serves as a deputy secretary to the Party Committee, an executive Director, a member of Strategy and Development Committee, the general manager, the secretary of the Party Committee of Intra-Organizational Department of the Company, the deputy secretary to the Party Committee and the director of Qingdao Port Group. He served as the director of Container Operation Center of Shandong Port Group, a member of the Party Committee and the deputy general manager of Rizhao Port Group, the general party branch secretary and the general manager of Rizhao Port Jurong Terminals Co., Ltd. (日照港裕廊碼頭有限公司) (now known as Rizhao Port Jurong Co., Ltd. (日照港裕廊股份有限公司), a company listed on the Hong Kong Stock Exchange, stock code: 06117), the chairman and a non-executive director of Rizhao Port Jurong Co., Ltd., the supervisor of RZP (a company listed on the Shanghai Stock Exchange, stock code: 600017), the chairman of the board of QQCT, the director of QQCTU, the director and the general manager of Container Development Company, and other positions. Mr. ZHANG Baohua has over 30 years of working experience in port industry and is experienced in the management of large-scale port enterprises.

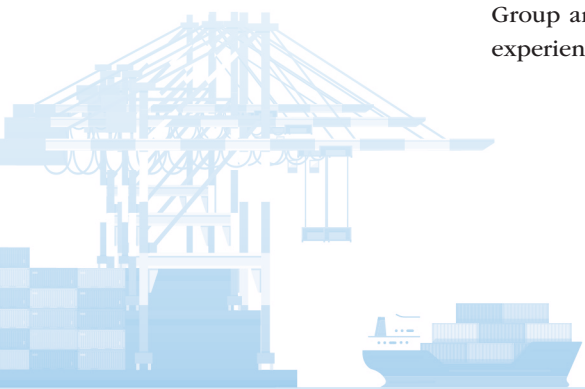
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Mr. CUI Liang (崔亮), born in 1968, is an on-the-job associate degree in Chinese language and literature of Shandong Normal University (山東師範大學) and a political worker. He has joined the Company since January 2024. He currently serves as a member of the Party Committee, a non-executive Director, and a member of Strategy and Development Committee of the Company, a member of the Party Committee, a deputy general manager and a chief despatcher of Qingdao Port Group, the chairman of Qingdao Port Pilot Station Co., Ltd. (青島港引航站有限公司), a director of Container Development Company, the chairman of Mercuria Logistics and the director of several joint ventures and associates of the Company, and other positions. He served as a deputy manager of Third Harbor Company (第三港務公司) of Rizhao Port Co., Ltd. (日照港股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600017), a member of the Party Committee, the chairman of the Labor Union, the director of production business department of Rizhao Port Group and a manager of Marketing Branch (市場營銷分公司), the chairman of the supervisory committee and a director of RZP, the chairman and a non-executive director of Rizhao Port Jurong Co., Ltd. (日照港裕廊股份有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 06117), the director and the vice chairman of Rizhao Zhongran Marine Fuel Supply Co., Ltd. (日照中燃船舶燃料供應有限公司), the director and the vice chairman of Rizhao Port Shangang Terminal Co., Ltd. (日照港山鋼碼頭有限公司), a supervisor of Rizhao Port Development Co., Ltd. (日照港發展有限公司) and other positions. Mr. CUI Liang has over 30 years of working experience in port industry and is experienced in the management of large-scale port enterprises.



Ms. WANG Fuling (王芙玲), born in 1974, is an on-the-job engineering master of Nanjing University of Posts and Telecommunications (南京郵電大學) majoring in computer technology, and has joined the Company since April 2020. She currently serves as a member of the Party Committee, the chairman of the labor union, an employee representative Director, a member of Strategy and Development Committee, a member of Audit Committee of the Company, a member of the Party Committee and the chairman of the labor union of Qingdao Port Group. She served as a deputy director of the decision supervision division of the inspection office of Qingdao Municipal Party Committee, a deputy director and an investigator of the intra-party network and government affairs department of the general office of Qingdao Municipal Party Committee, an investigator of the general duty office, director of the publicity and education division of the office of the secrecy commission, and director of the publicity and education division of administration bureau of secrets protection of Qingdao Municipal Party Committee, an assistant to the general manager of Qingdao Port Group and other positions. Ms. WANG Fuling has more than 20 years of management experience.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Ms. LI Yan (李燕), born in 1957, graduated from Central Finance and Economics Institute (中央財政金融學院) (now known as Central University of Finance and Economics (中央財經大學)) with a bachelor degree in economics majoring in finance. She is a professor and has joined the Company since May 2019. She currently serves as an independent non-executive Director, the chairman of Audit Committee and a member of Remuneration Committee of the Company, a professor and doctoral tutor of the School of Finance and Taxation of Central University of Finance and Economics, a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會), a director of Chinese Finance Association (中國財政學會), a director of China Finance and Taxation Law Society (中國財稅法學研究會), an independent director of Beijing Capital Tourism Limited by Share Ltd. (北京首旅酒店(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600258), an independent director of Beijing Caishikou Department Store Co., Ltd. (北京菜市口百貨股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 605599) and an independent supervisor of Tsingtao Brewery Company Limited (青島啤酒股份有限公司) (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, with stock codes of 00168 and 600600, respectively). She served as an independent director of Tsingtao Brewery Company Limited, China Film Co., Ltd. (中國電影股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600977), an independent director of Anhui Win-all Hitech Seed Co., Ltd. (安徽荃銀高科種業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300087) and an independent director of DHC Software Co., Ltd. (東華軟件股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002065), an independent director of Jiangxi Fushine Pharmaceutical Co., Ltd. (江西富祥藥業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300497), an independent director of Beijing Huali Chuangtong Technology Co., Ltd. (北京華力創通科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300045) and other positions.

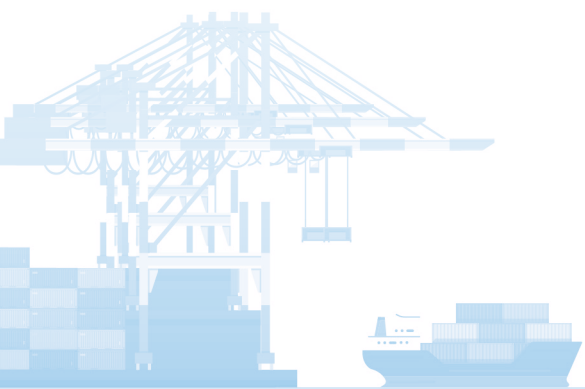


Mr. JIANG Min (蔣敏), born in 1965, is a master of civil and commercial law from Anhui University (安徽大學). He has joined the Company since May 2019. He currently serves as an independent non-executive Director, chairman of Nomination Committee and a member of Strategy and Development Committee of the Company, a founding partner of Tianhe Law Firm in Anhui Province, an independent non-executive director of China Xinhua Education Group Limited (中國新華教育集團有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 02779). He was a deputy director of Anhui Economic Law Firm, an independent director of Tsingtao Brewery Company Limited (青島啤酒股份有限公司) (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, stock codes: 00168 and 600600, respectively), an independent director of Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300274), an independent director of CSG Smart Science & Technology Co., Ltd. (科大智能科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300222), an independent director of Shandong Pharmaceutical Glass Co., Ltd. (山東藥用玻璃股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600529) and other positions.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Mr. LAI Kwok Ho (黎國浩), born in 1977, is a bachelor of business administration degree in professional accounting from The Chinese University of Hong Kong (香港中文大學). He has joined the Company since May 2019. He currently serves as an independent non-executive Director, chairman of the Remuneration Committee, a member of Audit Committee, and a member of Nomination Committee of the Company, chief financial officer and executive director of The 9 Limited (上海第九城市信息技術有限公司) (a company listed on NASDAQ, stock code: NCTY), an independent non-executive director, the chairman of audit committee, a member of remuneration committee and company governance committee of DDC Enterprise Limited (日日煮控股有限公司) (a company listed on American Stock Exchange, stock code: DDC). He was an audit manager of Deloitte & Touche Tohmatsu (德勤會計師事務所). Mr. LAI Kwok Ho has the qualifications of the Chartered Certified Accountants in UK, the certified public accountant in Hong Kong, and American certified public accountant.



BIOGRAPHICAL DETAILS OF MEMBERS OF THE SUPERVISORY COMMITTEE OF THE COMPANY



Mr. YUAN Qing (袁青), born in 1972, is an associate degree in Chinese language and literature of Shandong University-Weihai (山東大學威海分校). He has joined the Company since January 2024. He currently serves as a member of the Party Committee, the secretary of the Discipline Inspection Committee and the chairman of Supervisory Committee of the Company, a member of the Discipline Inspection Committee of Shandong Port Group, and a member of the Party Committee and the secretary of the Discipline Inspection Committee of Qingdao Port Group. He served as a deputy researcher, a deputy director of the inspection department, and a director of administrative liaison department of Rizhao Municipal People's Government Office, a member of the Party Committee and a deputy director of Rizhao Municipal State-owned Assets Supervision and Administration Committee (日照市人民政府國有資產監督管理委員會), a member of the Party Committee and a secretary of the Discipline Inspection Committee of Rizhao Port Group, a member of the Party Committee, the secretary of the Discipline Inspection Committee and an employee representative supervisor of RZP (a company listed on the Shanghai Stock Exchange, stock code: 600017) and other positions. Mr. YUAN Qing has more than 30 years of management working experience and is experienced in the administrative affairs and enterprise management.



Mr. WANG Yaping (王亞平), born in 1964, is a bachelor of law from East China College of Political Science and Law (華東政法學院) (now known as East China University of Political Science and Law (華東政法大學)) and a first-grade lawyer. He has joined the Company since May 2014. He currently serves as an independent supervisor of the Company, the chairman of partners' meeting of Shandong Guoyao Qindao Law Firm (山東國曜琴島律師事務所), a director of All China Lawyers Association (中華全國律師協會), chief supervisor of Qingdao Lawyers Association (青島市律師協會), an arbitrator of Qingdao Arbitration Commission (青島市仲裁委員會), an independent supervisor of Tsingtao Brewery Company Limited (青島啤酒股份有限公司) (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, stock codes: 00168 and 600600, respectively), an independent non-executive director of Qingdao Holdings International Limited (青島控股國際有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00499), an independent director of Qingdao Gon Technology Co., Ltd. (青島國恩科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002768), and an independent director of Qingdao Sportsoul Health & Technology Co., Ltd. (青島三柏碩健康科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 001300). He served as an independent non-executive Director, chairman of Nomination Committee, chairman of Remuneration Committee, and a member of Strategy and Development Committee of the Company, a vice president of Shandong Lawyers Association (山東省律師協會), the president of Qingdao Lawyers Association (青島市律師協會), an independent director of Qingdao Tianneng Heavy Industry Co., Ltd. (青島天能重工股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300569), the external director of Qingdao Conson Financial Holdings Co., Ltd. (青島國信金融控股有限公司), an independent director of Qingdao BAHEAL Pharmaceutical Co., Ltd. (青島百洋醫藥股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301015), an independent non-executive director of Prosper Construction Holdings Limited (瑞港建設控股有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 06816) and other positions.

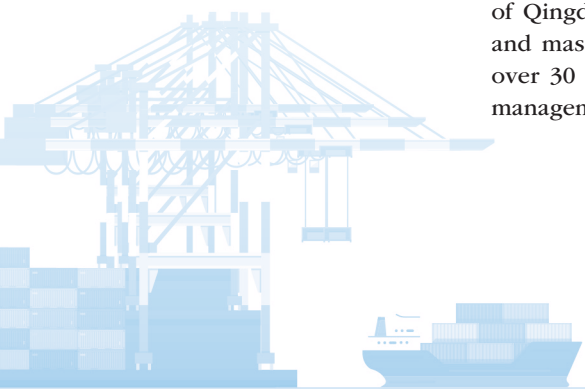
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Mr. YANG Qiulin (楊秋林), born in 1966, is a master of science in applied accounting and finance of Hong Kong Baptist University (香港浸會大學), a senior member of certified public accountant in China, an assets appraiser and the Excellent Certified Public Accountant in Shandong Province. He has joined the Company since September 2014. He currently serves as an independent supervisor of the Company, an executive director of Qingdao Ruiyuan Chengde Management Consultation Limited Company (青島睿遠成德管理諮詢有限公司), the director of Qingdao Aviation Industry Investment Service Center Ltd. (青島航空產業投資服務中心有限公司), an independent director of Shandong Tai Peng Environmental Protection Materials Ltd. (山東泰鵬環保材料股份有限公司), and a deputy head of Shandong Branch of Beijing Dehao International Certified Public Accountants (Special General Partnership) (北京德皓國際會計師事務所(特殊普通合夥)). He served as an independent non-executive Director, a member of Audit Committee, a member of the Nomination Committee, and a member of the Remuneration Committee of the Company, deputy head of Shandong Dongfang Junhe Certified Public Accountants Co., Ltd. (山東東方君和會計師事務所), financial general manager of Shandong Zhongyuan Group Company (山東中苑集團公司), deputy general manager of Shandong Reanda Dongxin Certified Public Accountants Co., Ltd. (山東利安達東信會計師事務所有限公司), deputy general manager of Qingdao Branch of Reanda Certified Public Accountants LLP (利安達會計師事務所) (special general partnership), the external director Qingdao Haifa State-owned Capital Investment and Operation Group Co., Ltd. (青島海發國有資本投資運營集團有限公司), a deputy head of Shandong Branch of Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)), the external director of Tsingtao Brewery Group Company Limited (青島啤酒集團有限公司) and other positions.



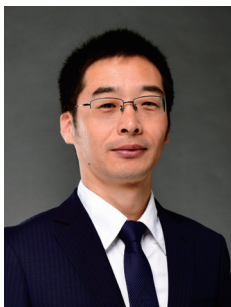
Mr. LOU Gang (樓綱), born in 1970, is an on-the-job university degree in law of CPC Central Committee Party School (中共中央黨校) and a senior political worker. He joined the Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since December 1990, and has joined the Company since November 2013. He currently serves as the director of the Party and mass work department, the director of the armed forces department, a member of the Party Committee of Intra-Organizational Department and the supervisor of the Company, and the director of the Party and mass work department and the director of the armed forces department of Qingdao Port Group. He served as a deputy director and the chairman of the Labor Union of Qingdao Port Group News Center, a deputy director of the office of Qingdao Port Construction Headquarters (青島建港指揮部), the director of the general office of Gangjian Branch (港建分公司) of the Company, a member of the General Party Branch and the chairman of the Labor Union of Qingdao Port Emergency Rescue Center (青島港應急救援中心), a member of the General Party Branch and the chairman of the Labor Union of Qingdao Port Emergency Rescue Co., Ltd. (青島港應急救援有限公司), a deputy director (presiding over the work) of the Party and mass work department of Qingdao Port Group and a deputy director (presiding over the work) of the Party and mass work department of the Company and other positions. Mr. LOU Gang has over 30 years of working experience in the port industry and is experienced in the management of large-scale port enterprises.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Ms. YAO Junjun (姚雋雋), born in 1977, is an on-the-job master of engineering in logistics engineering field of Ocean University of China (中國海洋大學), a senior political worker and an economist. She has joined Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since August 2000 and the Company since November 2013. She currently serves as an employee representative Supervisor, a vice chairman of the labor union and the director of women work committee of the Company, a vice chairman of the labor union and the director of women work committee of the Qingdao Port Group. She served as an office secretary of Qiangang Branch of Qingdao Port Group (青島港集團前港分公司), the secretary of Organ League Committee of Qingdao Port Group, the secretary of Organ League Committee of the Company, a member of the Party branch, an assistant to director and the deputy secretary of the news center of the Company, the secretary of the Party branch and general manager of Qingdao Port Culture Media Company Limited (青島港文化傳媒有限公司), the director of the news and publicity communication station of Qingdao Port Group, the deputy director of the division of party and masses' affairs of the Company and other positions.



Mr. WANG Tao (王濤), born in 1982, is a master of engineering in control theory and control engineering of Qingdao University (青島大學) and a senior engineer. He has joined Qingdao Port Group since September 2009 and has joined the Company since November 2013. He currently serves as the employee representative Supervisor and the director of the corporate management department of the Company and the director of Weihai Port. He served as a member of the Party Committee and an assistant to the manager of the Dagang Branch (大港分公司) of the Company, a member of the Party Committee and an assistant to the general manager of Qingdao Port International Freight Logistics Co., Ltd. (青島港國際貨運物流有限公司, now known as Qingdao Port International Logistics Co., Ltd. (青島港國際物流有限公司)), a member of the Party Committee and a deputy manager of the Dongjiakou Branch (董家口分公司) of the Company, a deputy director of the corporate management department of Qingdao Port Group and other positions.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

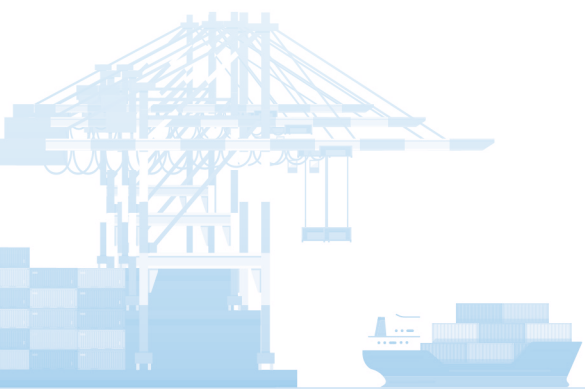
BIOGRAPHICAL DETAILS OF THE SENIOR MANAGEMENT OF THE COMPANY



Mr. ZHANG Baohua (張保華), please refer to details of members of the Board.



Mr. CHANG Zhizhuan (常志專), born in 1972, is an on-the-job bachelor of industrial and business management of Central Radio and Television University (中央廣播電視大學) and an economist. He has joined Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since July 1992, and the Company since December 2013. He currently serves as a deputy general manager, the director of investment and development department, a member of the Organ Party Committee of the Company, a director of Qingdao Shihua, a director of QQCT, a director of West United, a director of Qingdao OST, a director of QDOT, a director of Mercuria Logistics, a director of Dongjiakou Oil, a director of Shandong Port Lianhua, a director of Weihai Port, a director of Weihai Port Development Company, a director of Qingdao Port Pilot Station Co., Ltd. (青島港引航站有限公司), a director of Qingdao Huanhai Bay Development and Construction Co., Ltd. (青島環海灣開發建設有限公司) and an external director of Qingdao Cardiovascular Hospital Co., Ltd. (青島心血管病醫院有限公司). He served as a deputy director of development department of Qingdao Port Group, a chairman of Qingdao Orient, a chairman of supervisory committee of Weihai Qingwei, a director of Qingdao Changrong Container Storage and Transportation Co., Ltd. (青島長榮集裝箱儲運有限公司) and other positions. Mr. CHANG Zhizhuan has over 30 years of working experience in port industry and has extensive experience in the management of large-scale port enterprises.



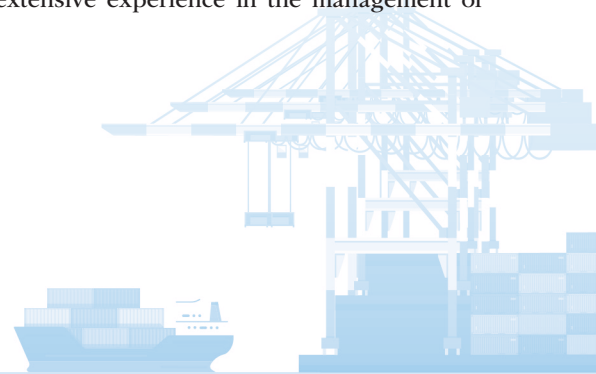
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Mr. LI Jingkui (李靖逵), born in 1972, is an on-the-job bachelor of English of Central Radio and Television University (中央廣播電視大學), an on-the-job engineering master of logistics engineering major of China University of Petroleum (East China) (中國石油大學(華東)), and a political worker and an economist. He has joined Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since July 1992, and the Company since November 2013. He currently serves as a deputy general manager of the Company, a member of the Party Committee of Container Development Company, the vice chairman of Weihai Qingwei, a director of COSCO SHIPPING Ports (Abu Dhabi) Limited (中遠海運港口(阿布扎比)有限公司), and a director of COSCO SHIPPING Ports Abu Dhabi Terminal Co., Ltd. (中遠海運港口阿布扎比碼頭有限公司). He served as the secretary to the Party Committee, the chairman and the general manager of QQCT, the vice chairman and the general manager of Ocean Bridge International, the chairman and the general manager of Qingdao Ganghai International Logistics Co., Ltd. (青島港海國際物流有限公司), the chairman of China Shipping Agency (Qingdao) Co., Ltd. (青島中海船務代理有限公司), the chairman of Qingdao Ganglianshun Shipping Co., Ltd. (青島港聯順船務有限公司), the chairman and the general manager of Qingdao Port Yizhihang Cold-Chain Logistics Co., Ltd., the chairman of Qingdao Changrong Container Storage and Transportation Co., Ltd. (青島長榮集裝箱儲運有限公司), the chairman of Qingdao Orient and other positions. Mr. LI Jingkui has over 30 years of working experience in the port industry and has extensive experience in the management of large-scale port enterprises.



Mr. YU Shoushui (于守水), born in 1980, is an on-the-job provincial party school master of law theory at the Party School of the Shandong Provincial Committee of the Communist Party of China (中共山東省委黨校), an on-the-job engineering master of engineering major in control engineering field of the Qingdao University (青島大學), and a senior engineer. He has joined Qingdao Port Group since August 2002, and the Company since November 2013. He currently serves as a deputy general manager of the Company, the secretary and the general manager of Oil Port Company, the secretary, a director and the general manager of Qingdao Shihua, the secretary, a director and the general manager of Shandong Port Lianhua, and the director or senior management of subsidiaries or joint stock companies in the sector of liquid bulk cargo and other positions. He served as the assistant director of the safety and technology department of the Company, the deputy manager and a member of Party Committee of Qiangang Branch, a director of Qingdao Yongli Insurance Agency Co., Ltd. (青島永利保險代理有限公司), and a director of safety, environmental protection, technology department, and other positions. Mr. YU Shoushui has over 20 years of working experience in the port industry and has extensive experience in the management of large-scale port enterprises.



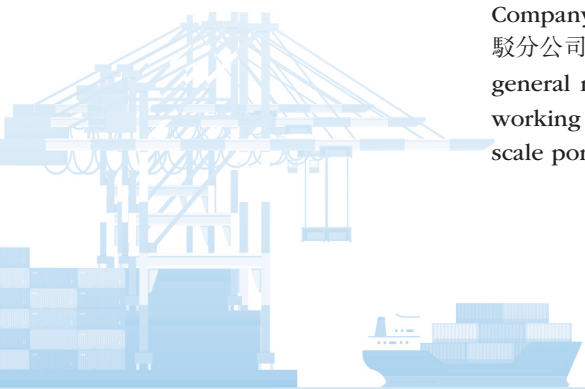
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



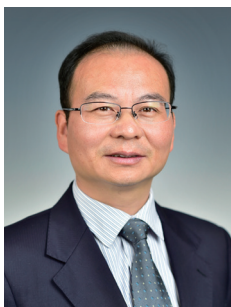
Mr. LI Zhengxu (李正旭), born in 1970, is an on-the-job provincial party school bachelor of law at the Party School of the Shandong Provincial Committee of the Communist Party of China (中共山東省委黨校) and an engineer. He has joined Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since July 1991 and the Company since November 2013. He currently serves as a deputy general manager, the secretary to the Party Committee and a manager of the Dagang Branch (大港分公司) of the Company, an executive director and the manager of Ark Intelligent Port and Navigation Service (Qingdao) Co., Ltd. (方舟智能港航口岸服務(青島)有限公司). He served as the director of the department of audit, a member of Organ Party Committee, supervisor of the Company, the director of Inspection Leading Group Office of Qingdao Port Group, the director of the equipment division, the director of the engineering division and the deputy secretary of the general youth league branch of Qingdao Port Construction Headquarters, the captain of the storage and transportation team of the Oil Port Branch Company of Qingdao Port Group (青島港集團油港分公司), a member of the Party Committee and the deputy manager of Qingdao Shihua, the secretary to the Party branch and director of the materials and equipment bidding and procurement center, an external director of Qingdao Cardiovascular Hospital Co., Ltd. (青島心血管病醫院有限公司), the chairman of supervisory committee and the supervisor of the Company and some subsidiaries of Shandong Port Group, and other positions. Mr. LI Zhengxu has over 30 years of working experience in port industry and is experienced in the management of large-scale port enterprises.



Mr. DAI Weijun (代偉軍), born in 1972, is an on-the-job provincial party school master of economics and management at the Party School of the Shandong Provincial Committee of the Communist Party of China (中共山東省委黨校), a senior economist and an engineer. He has joined Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since July 1992 and the Company since November 2013. He currently serves as a deputy general manager and the director of safety, environmental protection, technology department of the Company. He served as the secretary to the Party Committee and a deputy manager of Xigang Branch (西港分公司) of Qingdao Port Group, the secretary to the Party Committee, the secretary of the Discipline Inspection Committee and the chairman of the Labor Union of Qiangang Branch (前港分公司) of Qingdao Port Group, the deputy director of the office, the secretary of the Party branch and the director of logistics service management center of Qingdao Port Group, the deputy director of general office to the board of the Company, the secretary of the Party branch, the general party branch secretary and the director of logistics service management center of the Company, the deputy director of the office of the Company, the secretary to the Party Committee and the manager of Tugboat Branch (輪駁分公司) of the Company, the secretary to the Party Committee, the director, and the general manager of QDOT, and other positions. Mr. DAI Weijun has over 30 years of working experience in port industry and is experienced in the management of large-scale port enterprises.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



Mr. LIU Shuiguo (劉水國), born in 1975, is an on-the-job master of transportation planning and management of Dalian Maritime University (大連海事大學), a qualified lawyer of the PRC. He has joined Qingdao Port Authority (青島港務局) (now known as Qingdao Port Group) since July 1998 and the Company since April 2017. He currently serves as a deputy general manager, director of legal compliance department, a member of the Organ Party Committee and chairman of organ labor union of Intra-Organizational Department of the Company, a director of Shandong Port Lianhua, a director of Weihai Port, a director of Weihai Port Development Company, the external director of Qingdao Cardiovascular Hospital Co., Ltd. (青島心血管病醫院有限公司) and the supervisor of Container Development Company. He served as a member of the Party Committee and an assistant to the dean of Qingdao Harbour Vocational & Technical College (青島港灣職業技術學院), assistant to the director and deputy director (presiding over work) of legal department of the Company, vice chairman of organ labor union of Intra-Organizational Department and an employee representative Supervisor of the Company, and other positions. Mr. LIU Shuiguo has over 25 years of working experience in port industry and is experienced in the management of large-scale port enterprises.



Ms. SUN Hongmei (孫洪梅), born in 1980, is a literature master majoring in foreign linguistics and applied linguistics of Tongji University (同濟大學) and a senior economist. She has joined Qingdao Port Group since August 2007, and the Company since December 2013. She currently serves as the secretary to the Board, the company secretary, authorized representative and the director of general office to the board of the Company, a director of Container Development Company, a director of Weihai Port, and a director of Weihai Port Development Company. She served as a securities affair representative of the Company, the department director of the capital market office (currently known as the general office to the Board), and other positions. Ms. Sun Hongmei has fully participated in major projects such as the restructuring and establishment of the Company, H-share IPO and A-share IPO, and port asset restructuring. Ms. SUN Hongmei has extensive experience in corporate governance, capital operation, information disclosure, investor relations management and other securities matters of A share and H share listed companies.



DIRECTORS' REPORT

The Board is pleased to present the Company's annual report and the audited financial statements for the year ended 31 December 2024.

PRINCIPAL BUSINESSES AND ACTIVITIES

The Group operates the following businesses through its branches, subsidiaries, joint ventures and associates: (i) container handling and ancillary services; (ii) metal ore, coal and other cargo handling and ancillary services; (iii) liquid bulk handling and ancillary services; (iv) logistics and port value-added services; and (v) port ancillary services.

More details regarding the subsidiaries, joint ventures and associates of the Company are set out in Note 6 to the financial statements. The performance of the Group's business segments for the year is set out in Note 7 to the financial statements.

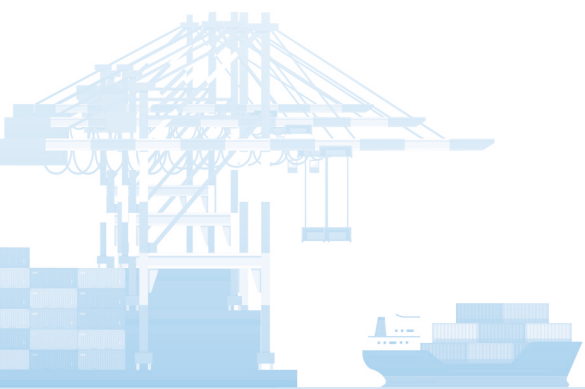
BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are set out in Management Discussion and Analysis and the Chairman's Statement of this report. Description of possible risks and uncertainties that the Group may be facing is set out on pages 53 of this report. The material subsequent event undertaken by the Group after 31 December 2024 is set out on page 51 of this report. An analysis of the Group's performance during the year using financial key performance indicators is set out on page 41 of this report. Details of the capital structure of the Company is set out on page 40 of this report. Details of the significant capital investment of the Group is set out on page 41 of this report.

In addition, information of the Company's environmental policies and performance can be found in "Corporate Social Responsibility" in the Management Discussion and Analysis of this report. Our Company's compliance with relevant laws and regulations which have a significant impact on the Group, are set out in the section headed "Compliance with Laws and Regulations" of this directors' report. An account of the Company's relationship with its employees, customers, and suppliers is disclosed in the section headed "Relationship with Stakeholders" of this directors' report.

DIVIDEND POLICY

Reference is made to the dividend policy stipulated in the Prospectus and the Company has consistently distributed dividends in accordance with the Articles of Association. The Board is responsible for submitting the suggestions concerning dividend distribution (if any) to shareholders' general meeting for approval. Whether the Company distributes dividend and the amount of such dividend paid by the Company depend on the Company's operation performance, cash flow, financial status, cash dividend collected from subsidiaries, future business prospects, legal and regulatory restriction concerning the dividend distribution and other factors considered by the Board to be related.



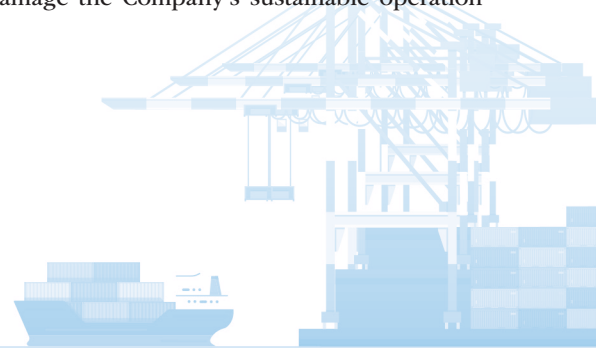
The profit distribution policy set out in the Articles of Association is as follows:

- (I) The Company distributes profit in cash, stock, or combined cash and stock or other methods permitted by laws and regulations and normative documents;
- (II) The Company may distribute its dividend in cash under the condition that the Company is profitable in the current year and its accumulated undistributed profit is positive, and the audit institution has issued a standard audit report with unqualified opinions towards the Company's annual financial report. The accumulated profit distributed by the Company in cash in recent three years shall be no less than 30% of the average annual distributable profit gained in recent three years. The undistributed distributable profit of the year may be retained for distribution for future years. The distribution of the Company's profit shall not exceed its accumulated distributable profit nor damage the Company's sustainable operation ability;
- (III) While satisfying the requirements of cash dividend stipulated in the Articles of Association, the Company will proactively distribute dividend in cash. In principle, the cash dividend is distributed once a year. The Board will make the proposal of conducting mid-term profit distribution according to the Company's profitability and capital demand; and
- (IV) To keep equity expansion in line with performance growth, the Company may distribute profit in stock dividend according to the situation of accumulated distributable profit, capital reserves and cash flow and under the premise that the conditions of the minimum cash dividend ratio and the above-mentioned cash dividend have been satisfied.

The profit distribution policies set out in the "Shareholders' Dividend Return Plan in Three Years of 2022-2024 of Qingdao Port International Co., Ltd." are as follows:

The Company distributes profit in cash, stock, or combined cash and stock or other methods permitted by laws and regulations and normative documents;

The Company may distribute its dividend in cash under the condition that the Company is profitable in the current year and its accumulated undistributed profit is positive, and the audit institution has issued a standard audit report with unqualified opinions towards the Company's annual financial report. The cash dividend of the Company in each year shall be no less than 40% of the distributable profit in the current year. The calculation method used for distributable profit in the current year is the net profit attributable to the parent company according to the consolidated financial statements prepared by the PRC Accounting Standards deducts the accumulated compensation amount for losses, statutory provident fund and other necessary reserves calculated and drew by the parent company and its subsidiaries, and the amount after considering the factors such as the impact caused to the annual net profit by the amount of asset evaluation increment invested in the Company by its sponsor and shareholder Qingdao Port Group when the Company was established. The undistributed distributable profit of the year may be retained for distribution for future years. The distribution of the Company's profit shall not exceed its accumulated distributable profit nor damage the Company's sustainable operation ability;



DIRECTORS' REPORT

While satisfying the requirements of cash dividend stipulated in the Articles of Association, the Company will proactively distribute dividend in cash. In principle, the cash dividend is distributed once a year. The Board will make the proposal of conducting mid-term profit distribution according to the Company's profitability and capital demand; and

To keep equity expansion in line with performance growth, the Company may distribute profit in stock dividend according to the situation of accumulated distributable profit, capital reserves and cash flow and under the premise that the conditions of the minimum cash dividend ratio and the above-mentioned cash dividend have been satisfied.

The Company had no arrangement in relation to any shareholder who had waived or agreed to waive any dividends.

RESULTS AND FINAL DIVIDEND

The results of the Group for the year are set out in the consolidated income statement of this report.

The Company proposes to distribute 45% of Distributable Profits for the year of 2024 as dividends, with the total dividend amounting to RMB2,038.8545 million (tax inclusive). This represents approximately 39% of the net profit attributable to the Company's shareholders in the consolidated financial statements. Based on the total share capital of 6,491,100,000 shares of the Company, the Company plans to distribute a dividend of RMB3.141 per 10 shares (tax inclusive) to all shareholders of the Company, among which, the Company has distributed an interim dividend of RMB736.0907 million for the year of 2024 (distribution of dividend at RMB1.134 per 10 shares, tax inclusive) to all shareholders of the Company on 30 December 2024. Subject to approval at the 2024 AGM, the remaining dividend of RMB1,302.7638 million (distribution of dividend at RMB2.007 per 10 shares, tax inclusive) will be paid on 25 August 2025.

SHARE CAPITAL

As at 31 December 2024, the number of shares issued by the Company was 6,491,100,000, with a nominal value of RMB1.00 per share. The share capital structure of the Company was set out below:

Class	Number of shares	Percentage of the issued shares of the Company
A shares	5,392,075,000	83.1%
H shares	1,099,025,000	16.9%
Total	6,491,100,000	100.0%

Changes in share capital of the Company during the year are set out in Note 4(38) to the financial statements.

AUDIT COMMITTEE

Please refer to the chapters of "Management Discussion and Analysis" and "Corporate Governance Report" in this report for details.

RESERVES

Details of changes in reserves of the Group and the Company for the year are set out in the Consolidated Statement of Changes in Equity.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the amount of reserves available for distribution of the Company was approximately RMB19,863 million, including a dividend of approximately RMB2,039 million (including RMB736 million of dividend distributed in the interim for the year of 2024), which is to be proposed at the 2024 AGM.

DONATIONS

During the reporting period, the Group donated RMB2.20 million, among which, RMB2 million was donated to “Two Lakes and One River” Comprehensive Improvement Project at Dazeshan Town of Pingdu City in Qingdao of Shandong Province and RMB0.20 million was donated to the “Special Fund of Guarding Country by Frontier Inspection Police of Shandong Provincial Public Security Police Special Care Foundation”.

USE OF NET PROCEEDS

Please refer to the chapter of “Management Discussion and Analysis” in this report for details.

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Company and its subsidiaries as at 31 December 2024 are set out in Note 4(23), Note 4(32), and Note 4(34) to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's major customers and suppliers accounted for the following percentages in the Group's revenue from sales of goods or rendering of services and purchases:

Revenue from the largest customer as a percentage of the Group's revenue	
from sales of goods or rendering of services	Less than 10%
Revenue from the top five customers as a percentage of the Group's revenue	
from sales of goods or rendering of services	Less than 15%
Purchase amount from the largest supplier as a percentage of the Group's purchases amount	Less than 10%
Purchase amount from the top five suppliers as a percentage of the Group's purchases amount	Less than 25%

None of the Directors or any of their close associates or any shareholders (to the best of the Directors' knowledge, owning more than 5% of the issued share capital of the Company as at the date of this report) have any interest in any of the five customers and suppliers of the Group.

SIGNIFICANT INVESTMENTS

Details of the Group's significant investments and their performance during the year are set out in Note 4(12), Note 4(49), Note 5 and Note 6(2) to the financial statements. Such investments are important parts of the business of the Group, which are in favour of enhancing the profitability, business diversification and abilities in shielding against risks of the Group.

FIXED ASSETS AND CONSTRUCTION IN PROGRESS

Details of changes in property, plant and equipment of the Group are set out in Note 4(15) and Note 4(16) to the financial statements.

DIRECTORS' REPORT

INVESTMENT PROPERTIES

Details of investment properties of the Group for the year are set out in Note 4(14) to the financial statements.

DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES AND THEIR CHANGES

On 8 January 2024, due to work adjustment, Mr. LI Zhengxu resigned as a shareholder representative Supervisor of the Company. For further details, please refer to the announcement of the Company dated 8 January 2024.

On 28 February 2024, Ms. LI Yan resigned as an independent director of Beijing Huali Chuangtong Technology Co., Ltd.* (北京華力創通科技股份有限公司, a company listed on the Shenzhen Stock Exchange, stock code: 300045).

On 28 March 2024, due to work adjustment, Mr. XUE Baolong resigned as a non-executive Director and a member of the Strategy and Development Committee, Mr. XIE Chunhu resigned as a Supervisor and the chairman of the Supervisory Committee. For further details, please refer to the announcement of the Company dated 28 March 2024.

On 6 June 2024, Mr. CUI Liang was appointed as a non-executive Director and a member of Strategy and Development Committee, Mr. YUAN Qing was appointed as a shareholder representative Supervisor and the chairman of the Supervisory Committee, Mr. LOU Gang was appointed as a shareholder representative Supervisor. For further details, please refer to the announcement of the Company dated 6 June 2024.

On 21 June 2024, Mr. ZHU Tao was appointed as a deputy general manager of COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司, a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, with stock codes of 01919 and 601919, respectively).

On 26 June 2024, Mr. ZHU Tao was appointed as the chairman of the board of COSCO SHIPPING Port (a company listed on the Hong Kong Stock Exchange, stock code: 01199).

On 26 June 2024, Mr. WANG Yaping resigned as an independent non-executive director of Prosper Construction Holdings Limited* (瑞港建設控股有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 06816).

On 30 June 2024, Mr. YANG Qiulin resigned as the external director of Tsingtao Brewery Group Company Limited* (青島啤酒集團有限公司).

On 30 October 2024, due to work adjustment, Mr. LIU Shuiguo resigned as an employee representative Supervisor. For further details, please refer to the announcement of the Company dated 30 October 2024.

On 30 October 2024, Mr. WANG Tao was appointed as an employee representative supervisor of the Company. For further details, please refer to the announcement of the Company dated 30 October 2024.

On 13 November 2024, Mr. ZHU Tao was appointed as an executive director of COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司, a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, with stock codes of 01919 and 601919, respectively).

On 25 November 2024, Mr. YANG Qiulin resigned as a deputy head of Shandong Branch of Da Hua Certified Public Accountants (special general partnership)* (大華會計師事務所(特殊普通合夥)).

On 30 November 2024, Mr. YANG Qiulin was appointed as a deputy head of Shandong Branch of Beijing Dehao International Certified Public Accountants (Special General Partnership)* (北京德皓國際會計師事務所(特殊普通合夥)).

On 1 December 2024, Mr. LAI Kwok Ho was appointed as an independent non-executive director, the chairman of audit committee, a member of remuneration committee and company governance committee of DDC Enterprise Limited* (日日煮控股有限公司, a company listed on American Stock Exchange, stock code: DDC).

On 20 December 2024, Mr. WANG Yaping was appointed as an independent non-executive director of Qingdao Holdings International Limited* (青島控股國際有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 00499).

Save as disclosed above, there were no changes to the Directors', Supervisors' and chief executive's information as required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules during the period from 1 January 2024 to 31 December 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Board currently comprises of nine Directors, including two executive Directors, namely Mr. SU Jianguang and Mr. ZHANG Baohua; four non-executive Directors, namely Mr. LI Wucheng, Mr. ZHU Tao, Mr. CUI Liang and Ms. WANG Fuling; and three independent non-executive Directors, namely Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho.

The Supervisory Committee currently comprises of six Supervisors, including two shareholder representative Supervisors, namely Mr. YUAN Qing and Mr. LOU Gang; two independent Supervisors, namely Mr. WANG Yaping and Mr. YANG Qiulin; and two employee representative Supervisors, namely Ms. YAO Junjun and Mr. WANG Tao.

There are eight senior management in total, including the general manager of Mr. ZHANG Baohua, the deputy general manager of Mr. CHANG Zhizhuan, Mr. LI Jingkui, Mr. YU Shoushui, Mr. DAI Weijun, Mr. LIU Shuiguo and the secretary to the Board of Ms. SUN Hongmei.

Information about the details of the directors, supervisors and senior management of the Company is set out in the section headed "Directors, Supervisors and Senior Management" in this report.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with all Directors and Supervisors for a term of commencing from the date on which the election resolution approved by the Company's shareholder meeting until the conclusion of 2024 annual general meeting holding in 2025 or which shall be terminated pursuant to relevant terms of respective contracts.

None of the Directors or Supervisors has entered into any service contract with the Company or any of its subsidiaries which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for service contracts, there were no other transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which none of the Directors and Supervisors or its connected entities had a material interest, whether directly or indirectly, as at the end of the year or at any time during the year.

DIRECTORS' REPORT

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.

INTERESTS OF DIRECTORS IN COMPETING BUSINESSES

Shandong Port Group was established in August 2019, the port operation, logistics and other businesses of its controlled companies are similar to those of the Company and/or compete with or likely to compete with those of the Company. For the year ended 31 December 2024, the then directors of the Company of Mr. SU Jianguang, Mr. LI Wucheng, Mr. ZHANG Baohua, Mr. CUI Liang and Ms. WANG Fuling concurrently served as a director and/or a member of senior management at Shandong Port Group and/or its subsidiaries.

COSCO SHIPPING Group is one of the largest shipping companies in the world, the port operation and investment and the logistics business of which are similar to and/or are likely to compete/compete with those of the Company. For the year ended 31 December 2024, the current director of the Company of Mr. ZHU Tao concurrently served as a director and a member of senior management of COSCO SHIPPING Ports, which is a member of COSCO SHIPPING Group.

The Company has received confirmation letters from the Directors confirming that, save as disclosed above, other than business of the Group, none of the Directors holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Group during the year ended 31 December 2024.

REMUNERATION OF DIRECTORS AND SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Remuneration of Directors and Supervisors is determined based on their roles and duties, the Company's remuneration policy and the prevailing market conditions, subject to the approval of the shareholders' general meeting. Details of remuneration of Directors, Supervisors and the five highest paid individuals of the Company during the year are set out in Note 8(8) and Note 8(9) to the financial statements.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 31 December 2024, none of the Directors, Supervisors or the chief executive and their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO): (i) which will be required, pursuant to Section 352 of the SFO, to be recorded in the register kept by the Company, or (ii) which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

MATERIAL CONTRACT

Save as disclosed in this report, at no time during the year had the Company or any of its subsidiaries entered into any material contract with the controlling shareholder of the Company (as defined in the Hong Kong Listing Rules) or any of its subsidiaries, nor had any material contract been entered into for the services provided by the controlling shareholder of the Company or any of its subsidiaries to the Company or any of its subsidiaries.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 31 December 2024, the following persons (other than the Directors, Supervisors and chief executive) had interest or short positions in the shares and underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

Name	Class of Shares	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the capital of the Company	Approximate percentage of shareholding in the total number of issued A shares of the Company	Approximate percentage of shareholding in the total number of issued H shares of the Company	Long position/ short position
Qingdao Port Group	A shares	Beneficial owner ⁽¹⁾	3,522,179,000	54.26%	65.32%	–	Long position
	H shares	Beneficial owner ⁽¹⁾	84,185,000	1.30%	–	7.66%	Long position
	H shares	Interest in a controlled corporation ⁽¹⁾	13,739,000	0.21%	–	1.25%	Long position
Shandong Port Group	A shares	Interest in a controlled corporation ⁽¹⁾	3,522,179,000	54.26%	65.32%	–	Long position
	H shares	Interest in a controlled corporation ⁽¹⁾	97,924,000	1.51%	–	8.91%	Long position
COSCO SHIPPING Ports Development Co., Ltd.	H shares	Beneficial owner ⁽⁴⁾	190,863,000	2.94%	–	17.37%	Long position
Shanghai China Shipping Terminal	A shares	Beneficial owner ⁽²⁾	1,015,520,000	15.64%	18.83%	–	Long position
COSCO SHIPPING Ports	A shares	Interest in a controlled corporation ⁽²⁾	1,111,520,000	17.12%	20.61%	–	Long position
	H shares	Interest in a controlled corporation ⁽⁴⁾	190,863,000	2.94%	–	17.37%	Long position
China COSCO (Hong Kong) Limited	A shares	Interest in a controlled corporation ⁽²⁾	1,111,520,000	17.12%	20.61%	–	Long position
	H shares	Interest in a controlled corporation ⁽⁴⁾	190,863,000	2.94%	–	17.37%	Long position
COSCO SHIPPING Holdings Co., Ltd.	A shares	Interest in a controlled corporation ⁽²⁾	1,111,520,000	17.12%	20.61%	–	Long position
	H shares	Interest in a controlled corporation ⁽⁴⁾	190,863,000	2.94%	–	17.37%	Long position
China Ocean Shipping Co., Ltd.	A shares	Interest in a controlled corporation ⁽²⁾	1,207,520,000	18.60%	22.39%	–	Long position
	H shares	Interest in a controlled corporation ⁽⁴⁾	190,863,000	2.94%	–	17.37%	Long position

DIRECTORS' REPORT

Name	Class of Shares	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the registered capital of the Company	Approximate percentage of shareholding in the total number of issued A shares of the Company	Approximate percentage of shareholding in the total number of issued H shares of the Company	Long position/ short position
COSCO SHIPPING Group	A shares	Interest in a controlled corporation ⁽³⁾	1,207,520,000	18.60%	22.39%	–	Long position
	H shares	Interest in a controlled corporation ⁽⁴⁾	190,863,000	2.94%	–	17.37%	Long position
China Life Insurance (Group) Company	H shares	Beneficial owner	109,830,000	1.69%	–	9.99%	Long position
China Life Franklin Asset Management Co., Limited	H shares	Investment manager	109,830,000	1.69%	–	9.99%	Long position
FMR LLC	H shares	Interest in a controlled corporation	99,022,114	1.53%	–	9.01%	Long position
FIL Limited	H shares	Interest in a controlled corporation ⁽⁵⁾	99,150,687	1.53%	–	9.02%	Long position
Pandanus Associates Inc.	H shares	Interest in a controlled corporation ⁽⁵⁾	99,150,687	1.53%	–	9.02%	Long position
Pandanus Partners L.P.	H shares	Interest in a controlled corporation ⁽⁵⁾	99,150,687	1.53%	–	9.02%	Long position

Notes:

- (1) As at 31 December 2024, Qingdao Port Group was wholly-owned by Shandong Port Group. The Company was informed that as at 31 December 2024, Qingdao Port Group directly and indirectly held 97,924,000 H shares of the Company, representing approximately 8.91% of the total number of issued H shares of the Company. As at the date of holding the H shares of the Company by Qingdao Port Group and as at the date of this report, based on publicly available information and so far as the Directors are aware, the Company has sufficient public float and the issued shares of the Company held by the public is no less than 16.62%, and is therefore in compliance with the Hong Kong Listing Rules.
- (2) 96,000,000 A shares and 1,015,520,000 A shares of the Company are directly held by China Shipping Terminal Development Co., Ltd. and Shanghai China Shipping Terminal, respectively. Shanghai China Shipping Terminal is wholly owned by China Shipping Terminal Development Co., Ltd. China Shipping Terminal Development Co., Ltd. is wholly owned by COSCO SHIPPING Ports Development Co., Ltd., which is wholly owned by COSCO SHIPPING Ports. China COSCO (Hong Kong) Limited, which is wholly owned by COSCO SHIPPING Holdings Co., Ltd., owned 71.55% interests (in which 7.09% interests was held by its wholly-owned subsidiary) in COSCO SHIPPING Ports. COSCO SHIPPING Group and China Ocean Shipping Co., Ltd. owned 4.42% and 39.50% equity interests in COSCO SHIPPING Holdings Co., Ltd., and China Ocean Shipping Co., Ltd. is wholly owned by COSCO SHIPPING Group. As such, each of COSCO SHIPPING Ports, China COSCO (Hong Kong) Limited, COSCO SHIPPING Holdings Co., Ltd., China Ocean Shipping Co., Ltd. and COSCO SHIPPING Group is deemed to be interested in 1,111,520,000 A shares of the Company.

- (3) In addition to the 96,000,000 A shares and 1,015,520,000 A shares of the Company directly held by China Shipping Terminal Development Co., Ltd. and Shanghai China Shipping Terminal, respectively, there are 96,000,000 A shares of the Company directly held by COSCO Shipping (Qingdao) Co., Ltd., which is wholly owned by COSCO SHIPPING Group. As such, COSCO SHIPPING Group is deemed to be interested in 96,000,000 A shares of the Company and deemed to be interested in 1,207,520,000 A shares of the Company in total.
- (4) 190,863,000 H shares of the Company are directly held by COSCO SHIPPING Ports Development Co., Ltd., which is wholly-owned by COSCO SHIPPING Ports. Based on the shareholding relationships set out under note (2) above, each of COSCO SHIPPING Ports, China COSCO (Hong Kong) Limited, COSCO SHIPPING Holdings Co., Ltd., China Ocean Shipping Co., Ltd. and COSCO SHIPPING Group is deemed to be interested in 190,863,000 H shares of the Company.
- (5) FIL Limited is deemed to be interested in 99,150,687 H shares of the Company held by its controlled entities/corporations. Pandanus Partners L.P. indirectly held 41.00% of the equity interests in FIL Limited. Pandanus Partners L.P. is indirectly wholly owned by Pandanus Associates Inc. Accordingly, Pandanus Partners L.P. and Pandanus Associates Inc. are also deemed to be interested in the aforesaid 99,150,687 H shares of the Company.

Save as disclosed above, as at 31 December 2024, none of the persons had interest or short positions in the shares and underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company.

DEBENTURES IN ISSUE

The Company did not issue any debentures for the year ended 31 December 2024.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, no rights for any Directors or Supervisors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted by the Company or a specified undertaking of the Company (as defined in Companies (Directors' Report) Regulation) to them, or were any such rights exercised by them; or was the Company or a specified undertaking of the Company (as defined in Companies (Directors' Report) Regulation) a party to any arrangement to enable the Directors and Supervisors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the year ended 31 December 2024.

EQUITY-LINKED AGREEMENT

Save as disclosed in this report, the Company did not enter into any equity-linked agreement for the year ended 31 December 2024.

PERMITTED INDEMNITY PROVISION

The Company has purchased appropriate liability insurance for its Directors, Supervisors and senior management. The permitted indemnity provisions are set out in such liability insurance.

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The controlling shareholder of the Company did not pledge any of its shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations for the year ended 31 December 2024.

DIRECTORS' REPORT

SHARE INCENTIVE SCHEME

As of 31 December 2024, the Company did not implement any share incentive scheme.

SUFFICIENCY OF PUBLIC FLOAT

The Hong Kong Stock Exchange has granted the Company a waiver from compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Hong Kong Listing Rules, and the minimum percentage of the Company's shares from time to time held by the public was reduced to 16.62%. Based on publicly available information and so far as the Directors are aware, as at the date of this report, the Company had sufficient public float and the issued shares of the Company held by the public is no less than 16.62%, and is therefore in compliance with the Hong Kong Listing Rules.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Please refer to the chapter of "Management Discussion and Analysis" in this report for details.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and the laws of the PRC which would otherwise require the offer of new shares of the Company to existing shareholders on a pro-rata basis.

EMPLOYEES, REMUNERATION AND PENSION SCHEME

Details of employees, remuneration policy and pension scheme of the Group are set out in Note 4(28) and Note 4(36) to the financial statements.

CONTINGENT LIABILITIES

Please refer to the chapter of "Management Discussion and Analysis" in this report for details.

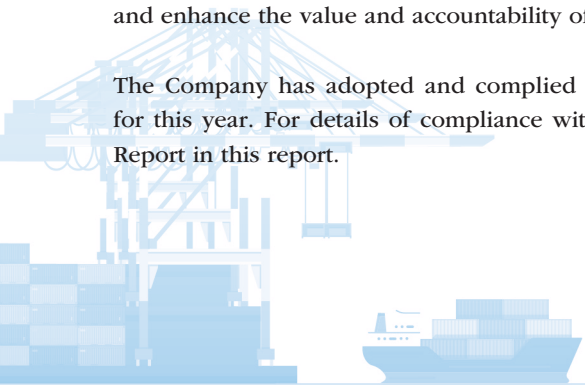
NON-COMPETITION AGREEMENT AND UNDERTAKING

The Company's controlling shareholder Qingdao Port Group and Shandong Port Group both have made a commitment to avoid horizontal competition with the Group. Qingdao Port Group and Shandong Port Group both have complied with the agreement and commitment to avoid horizontal competition with the Group during the reporting period.

CONFIRMATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance to safeguard shareholders' interests and enhance the value and accountability of the Company.

The Company has adopted and complied with all applicable provisions as set out in the Corporate Governance Code for this year. For details of compliance with the Corporate Governance Code, please refer to the Corporate Governance Report in this report.



AUDITORS

At the annual general meeting of 2023 of the Company held on 6 June 2024, PricewaterhouseCoopers Zhong Tian LLP retired as the auditor of the Company, at the same day, ShineWing Certified Public Accountants (Special general partnership) has been appointed as the auditor of the Company for the year of 2024. For further details, please refer to the announcements of the Company dated 26 April 2024 and 6 June 2024, and the circular dated 14 May 2024. The financial statements of the report have been audited by ShineWing Certified Public Accountants (Special general partnership) whose office will be expired at the conclusion of the forthcoming annual general meeting. Save as disclosed above, the Company has not changed the auditors in the past three years.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Summary of the Company's connected persons (set out below is the information as of 31 December 2024)

Connected Person	Connected Relationship
Shandong Port Group/SDP	Shandong Port Group Co., Ltd.* (山東省港口集團有限公司), the indirect controlling shareholder of the Company, as at the date of this report, holding 100% equity interests in Qingdao Port Group as at the date of this report
Qingdao Port Group	Shandong Port Qingdao Port Group Co., Ltd.* (山東港口青島港集團有限公司), the controlling shareholder of the Company, as at the date of this report, holding approximately 55.77% equity interests of the Company as at the date of this report
Rizhao Port Group	Shandong Port Rizhao Port Group Co., Ltd.* (山東港口日照港集團有限公司), a wholly-owned subsidiary of Shandong Port Group, which is the indirect controlling shareholder of the Company
Yantai Port Group	Shandong Port Yantai Port Group Co., Ltd.* (山東港口煙台港集團有限公司), a wholly-owned subsidiary of Shandong Port Group, which is the indirect controlling shareholder of the Company
Shipping Group	Shandong Port Shipping Group Co., Ltd.* (山東港口航運集團有限公司, now known as SHANDONG MARINE CORPORATION (山東遠洋海運集團股份有限公司)), a wholly-owned subsidiary of Shandong Port Group, which is the indirect controlling shareholder of the Company
COSCO SHIPPING Group	China COSCO Shipping Corporation Limited* (中國遠洋海運集團有限公司), an associate of substantial shareholder of the Company, Shanghai China Shipping Terminal, holding approximately 21.54% equity interests of the Company indirectly by its subsidiaries
Worldex Logistics	Worldex Logistics Co., Ltd.* (全球捷運物流有限公司), a substantial shareholder of Qingdao Port Jieyuntong Logistics Co., Ltd.* (青島港捷運通物流有限公司), a connected person at subsidiary level of the Company



DIRECTORS' REPORT

CONNECTED TRANSACTIONS

The Group has conducted two non-exempt connected transactions during the reporting period.

(A) ACQUISITION OF PART OF EQUITY INTERESTS IN COMPANIES HELD BY RIZHAO PORT GROUP AND YANTAI PORT GROUP

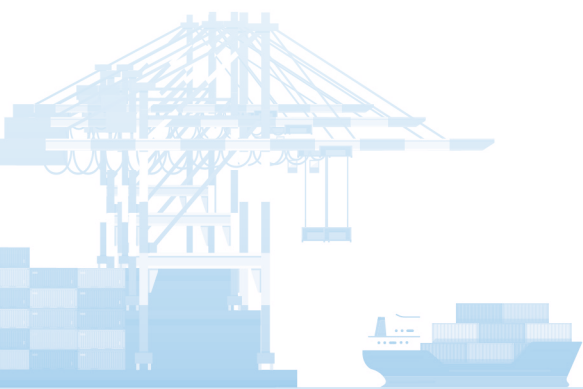
On 12 July 2024, the Company entered into the Asset Purchase Agreement I and the Asset Purchase Agreement II, the Compensation Agreement I and the Compensation Agreement II with Rizhao Port Group and Yantai Port Group, respectively. The Company conditionally agreed to purchase 100% equity interests in Rizhao Port Oil Terminal Co., Ltd.* (日照港油品碼頭有限公司) and 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.* (日照實華原油碼頭有限公司) held by Rizhao Port Group, and 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd.* (山東聯合能源管道輸送有限公司) and 51.00% equity interests in Shandong Gangyuan Pipeline Logistics Co., Ltd.* (山東港源管道物流有限公司) held by Yantai Port Group. For further details, please refer to the announcements of the Company dated 27 June 2023, 30 June 2023, 27 December 2023, 9 July 2024, 12 July 2024, 13 September 2024, 31 December 2024 and the circular of the Company dated 15 August 2024.

On 21 February 2025, the Company adjusted Proposed Restructuring, after adjustment, the Company didn't acquire 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd.* (山東聯合能源管道輸送有限公司) and 51.00% equity interests in Shandong Gangyuan Pipeline Logistics Co., Ltd.* (山東港源管道物流有限公司), but continued to acquire 100% equity interests in Rizhao Port Oil Terminal Co., Ltd.* (日照港油品碼頭有限公司) and 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.* (日照實華原油碼頭有限公司) by way of cash payments. For further details, please refer to the announcements of the Company dated 21 February 2025 and 28 March 2025, and the circular of the Company dated 7 March 2025.

As each of Rizhao Port Group and Yantai Port Group is a wholly-owned subsidiary of Shandong Port Group, both Rizhao Port Group and Yantai Port Group are associates of Shandong Port Group and are connected persons of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, both before and after the Proposed Restructuring constitute connected transactions of the Company under the Hong Kong Listing Rules.

(B) CONNECTED TRANSACTION IN RELATION TO THE EQUITY DISPOSAL

On 26 June 2024, the Company entered into the equity transfer agreement with Qingdao Port Group, pursuant to which, Qingdao Port Group agreed to acquire 2.58% equity interests in Shipping Group held by the Company by cash. As Qingdao Port Group is the controlling shareholder of the Company, pursuant to Chapter 14A of the Hong Kong Listing Rules, the equity disposal constitutes a connected transaction of the Company. For further details, please refer to the Company's announcement dated 26 June 2024. The transaction was completed on 9 July 2024.



CONTINUING CONNECTED TRANSACTIONS

Unless otherwise defined, the terms used below have the same meanings as defined in the relevant announcements.

(A) CONTINUING CONNECTED TRANSACTIONS WITH SHANDONG PORT GROUP

i 2024 SDP Goods and Services Agreement

On 27 October 2023, the Company entered into the 2024 SDP Goods and Services Agreement with Shandong Port Group, pursuant to which the Group shall provide and purchase comprehensive goods and services (including purchase of goods and services, sales of goods and services, leasing out of assets and leasing in assets) to Shandong Port Group and/or its subsidiaries and associates. The term of the agreement was from 1 January 2024 to 31 December 2026. For the details, please refer to the announcement of the Company dated 27 October 2023, the circular of 2023 second extraordinary general meeting of the Company dated 22 November 2023, and the poll results of 2023 second extraordinary general meeting of the Company dated 20 December 2023.

ii 2024 SDP Financial Services Agreement

On 27 October 2023, the Company entered into the 2024 SDP Financial Services Agreement with Shandong Port Group, pursuant to which Shandong Port Group and/or its subsidiaries and associates shall provide financing services to the Group, including deposit service and credit service. The term of the agreement was from 1 January 2024 to 31 December 2026. For the details, please refer to the announcement of the Company dated 27 October 2023, the circular of 2023 second extraordinary general meeting of the Company dated 22 November 2023, and the poll results of 2023 second extraordinary general meeting of the Company dated 20 December 2023.

(B) CONTINUING CONNECTED TRANSACTIONS WITH COSCO SHIPPING GROUP

On 27 October 2023, the Company entered into the 2024 COSCO SHIPPING Goods and Services Agreement with COSCO SHIPPING Group, a substantial shareholder of the Company, pursuant to which the Group shall provide and purchase comprehensive goods and services (including sales of goods and services, purchase of goods and services and leasing out of assets) to COSCO SHIPPING Group and/or its subsidiaries and associates. The term of the agreement was from 1 January 2024 to 31 December 2026. For the details, please refer to the announcement of the Company dated 27 October 2023, the circular of 2023 second extraordinary general meeting of the Company dated 22 November 2023, and the poll results of 2023 second extraordinary general meeting of the Company dated 20 December 2023.

(C) CONTINUING CONNECTED TRANSACTIONS WITH WORLDEX LOGISTICS

On 28 June 2022, the Company entered into the 2022 Worldex Logistics Comprehensive Service Framework Agreement with Worldex Logistics, pursuant to which the Group shall provide comprehensive logistic services to Worldex Logistics and/or its subsidiaries and associates mutually (the Group mainly provides container CFS service and freight forwarding service to Worldex Logistics, and Worldex Logistics mainly provides freight forwarding service to the Group). The term of the agreement is from 28 June 2022 to 31 December 2024. For details, please refer to the announcement of the Company dated 28 June 2022.

DIRECTORS' REPORT

Annual caps and actual transactions amounts for the above continuing connected transactions for the year 2024 are as follows:

Unit: RMB'000

		Annual cap for 2024	Amount incurred in 2024
A.	Shandong Port Group continuing connected transactions		
i	2024 SDP Goods and Services Agreement		
	(a) The Group purchases goods and services from Shandong Port Group	7,000,000	2,181,253
	(b) The Group sells goods and services to Shandong Port Group	3,100,000	917,081
	(c) The Group leases assets to Shandong Port Group	100,000	27,590
	(d) The Group leases assets from Shandong Port Group	600,000	187,058
ii	2024 SDP Financial Services Agreement		
	(a) deposit service	18,000,000	16,371,451
	(b) credit service	11,000,000	3,282,933
	(i) secured credit services	950,000	350,144
	(ii) unsecured credit	10,050,000	2,932,790
B.	Continuing connected transactions with COSCO SHIPPING Group		
i	2024 COSCO SHIPPING Goods and Services Agreement		
	(a) The Group sells goods and services to COSCO SHIPPING Group	1,500,000	935,252
	(b) The Group purchases goods and services from COSCO SHIPPING Group	600,000	258,258
	(c) The Group provides leases assets service to COSCO SHIPPING Group	60,000	27,680
ii	2024 COSCO SHIPPING Goods and Services Agreement		
	(a) The Group sells goods and services to the related connected subsidiaries of COSCO SHIPPING Group	350,000	72,478
	(b) The Group purchases goods and services from the related connected subsidiaries of COSCO SHIPPING Group	200,000	77
	(c) The Group provides leases assets service to the related connected subsidiaries of COSCO SHIPPING Group	400,000	1,135
C.	Continuing connected transactions with Worldex Logistics		
	2022 Worldex Logistics Comprehensive Services Framework Agreement		
	(a) The Group provides comprehensive logistics services to Worldex Logistics	850,000	265,190
	(b) Worldex Logistics provides comprehensive logistics services to the Group	360,000	97,129

(D) CONFIRMATION FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company's independent non-executive Directors have reviewed the above continuing connected transactions and confirmed these transactions:

- (1) were entered into in the ordinary and usual course of business of the Group;
- (2) were either on normal commercial terms, or, in the absence of similar transactions to judge whether the terms are normal commercial terms, on terms no less favorable to those adopted for transactions between the Group and independent third parties;
- (3) were in accordance with the terms of such transactions agreements, which are in the interest of the Group and our Shareholders as a whole, and fair and reasonable; and
- (4) did not exceed the annual cap amounts.

(E) CONFIRMATION FROM THE AUDITOR

The auditor of the Company has been engaged to report on the continuing connected transactions of the Company as set out on pages 79 to 80 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "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" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Hong Kong Listing Rules.

(F) OTHERS

The Company confirmed that prices and terms of the continuing connected transactions during this year complied with the pricing policies.

Except for the above connected transactions, the Group did not enter into any other connected transactions which should comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

For certain material related party transactions disclosed in Note 8 to the financial statements which also constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules, the Company had made disclosure as required under the Hong Kong Listing Rules.



DIRECTORS' REPORT

DESCRIPTION OF OTHER MATTERS

Please refer to the chapter of “Management Discussion and Analysis” in this report for details.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognizes the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licenses. The Group has allocated system and staff resources to ensure ongoing compliance with rules and regulations and to maintain well relationships with regulators effectively through effective communications. During the year, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Group.

RELATIONSHIP WITH STAKEHOLDERS

The Company recognizes that our employees, customers and business partners are keys to our sustainability journey on the way to sustainability development. We strive to achieve corporate sustainability through coordinating with our employees closely, providing quality services to our customers, collaborating with business partners and supporting our community.

The Company places significant emphasis on human resources. The Company provides a fair workplace and develop the non-discriminatory and diversified environment. We also provide competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits performance. The Company ensures that all businesses of the Group are conducted in accordance with the principles under the health and safety management system. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations.

To increase customer satisfaction and promote a customer-oriented culture within the Company, we take “Customer First” as one of our core values. We value the feedback from customers through daily communication, regular inspections, etc. We have also established the mechanism about customer service, support and complaints. When dealing with customer complaint, we treat it as an opportunity to improve our relationship with the customer, addressing the concern in a timely manner and in accordance with international standards.

We deeply believe that our suppliers are equally important in developing high-quality projects. We proactively collaborate with our business partners (including suppliers and contractors) to deliver quality sustainable products and services. We have formulated certain requirements in the field of bidding. These requirements include regulatory compliance, tracking and evaluation of procurement results, dynamic assessment of suppliers, anti-corruption and other business ethics. We assure the performance of our suppliers through supplier approval process and by conducting factory audits/site visits and spot checks on the delivered goods at site during the contractual periods.

By order of the Board
SU Jianguang
Chairman

Qingdao, the PRC
28 March 2025



In 2024, the Supervisory Committee maintained the interests of the Company and its shareholders by actively undertaking its responsibilities, conducting effective supervision and expressing supervisory opinions on the compliant operation, connected transactions and other matters of the Company in accordance with laws, regulations and normative documents including the Company Law of the PRC, the Securities Law of the PRC, and rules including the Articles of Association and the Rules of Procedures for the Supervisory Committee of Qingdao Port International Co., Ltd., and the rights conferred by the general meeting of shareholders of the Company.

I. MEETINGS HELD BY THE SUPERVISORY COMMITTEE

During the year, the Company held eight Supervisory Committee meetings, the details of which were as follows:

- (i) On 28 March 2024, the Company held the fourteenth meeting of the fourth session of the Supervisory Committee to consider and approve ten resolutions regarding the annual report for 2023, nomination of non-employee representative supervisor candidates of the fourth session of the Supervisory Committee, the remuneration plan for supervisors of the Company, etc.
- (ii) On 26 April 2024, the Company held the fifteenth meeting of the fourth session of the Supervisory Committee to vote and approve the first quarterly report for 2024 of the Company.
- (iii) On 6 June 2024, the Company held the sixteenth meeting of the fourth session of the Supervisory Committee to consider and approve the resolution regarding the election of the chairman of the fourth session of the Supervisory Committee.
- (iv) From 17 June 2024 to 26 June 2024, the Company held the seventeenth meeting of the fourth session of the Supervisory Committee to vote and approve the resolution on transferring 2.58% equity interests in Shipping Group held by the Company to Qingdao Port Group.
- (v) On 12 July 2024, the Company held the eighteenth meeting of the fourth session of the Supervisory Committee to consider and approve eight resolutions regarding the acquisition of assets through issuance of shares and cash payment, raising ancillary funds and the related-party transactions.
- (vi) On 29 August 2024, the Company held the nineteenth meeting of the fourth session of the Supervisory Committee to consider and approve two resolutions, including the interim report for 2024 of the Company and special report on the deposit and actual use of raised funds for the first half of 2024.
- (vii) From 8 October 2024 to 18 October 2024, the Company held the twentieth meeting of the fourth session of the Supervisory Committee to vote and approve the resolution regarding interim profit distribution plan for 2024 of the Company.
- (viii) On 30 October 2024, the Company held the twenty-first meeting of the fourth session of the Supervisory Committee to consider and approve three resolutions, including the third quarterly report of the Company, completion of investment projects funded by proceeds from the A share offering and the use of remaining proceeds from the A share offering to permanently supplement working capital and the Company waived its preemptive right to subscribe to the increase in the registered capital of Shandong Land and Sea Equipment Group Co., Ltd.

II. SUPERVISORY ADVICE OF SUPERVISORY COMMITTEE ON RELEVANT ISSUES OF THE COMPANY DURING THE REPORTING PERIOD

(i) Compliance Operation

During the reporting period, the Supervisory Committee inspected and supervised the procedures and resolutions of important meetings such as the Board and shareholders' meetings, and the performance of duties by Directors and the senior management in 2024. The Supervisory Committee believed that the Board held board meetings and considered resolutions as well as convened and organized the general meeting and attended relevant meetings through undertaking their responsibilities and operating legally in accordance with laws and regulations, normative documents as well as the Articles of Association. The Directors and senior management maintained the interests of the Company and its shareholders by performing duties seriously and carrying out the resolutions made by the shareholder's general meetings and the Board strictly, and acting diligently and responsibly in the management and operation of the Company.

(ii) Inspection of Financial Conditions of the Company

During the reporting period, the Supervisory Committee inspected and supervised the financial statements, profit distribution, and other financial situations of the company for the year of 2024. The Supervisory Committee believed that the Company has a sound financial system, standardized management and a good financial condition, and the relevant reports have fairly and truly reflected the financial and operating conditions of the Company. ShineWing Certified Public Accountants (Special general partnership), the auditor of the Company, has audited the financial statements of the Company in accordance with the PRC Accounting Standards for Business Enterprises.

(iii) Use of Raised Proceeds

During the reporting period, the Supervisory Committee inspected and supervised the use of various raised funds by the Company in 2024. The Supervisory Committee believed that the use of all raised proceeds strictly complied with the requirements of the H Share Prospectus, the A Share Prospectus, the Company's announcements and related governance systems. The procedures for using funds are in compliance with regulations, and there is no illegal use of raised funds. Under the premise of not affecting the construction of the investment projects and the scheduled operation of the business, the Company has used the idle raised funds to appropriately purchase wealth management products with high safety, good liquidity, guaranteed capital with a term of not more than 12 months. This is conducive to improving the efficiency of the use of funds and to gaining more investment returns for the Company and shareholders. The fundraising investment project of the Company's A-shares has been concluded, and the permanent replenishment of surplus raised funds into working capital would help improve the efficiency of fund utilization, reduce financial costs, align with the Company's actual operating conditions, comply with regulatory requirements for raised capital management and usage, and the decision-making process was lawful and compliant.

(iv) Connected Transactions and Related-Party Transactions

During the reporting period, the Supervisory Committee inspected and supervised connected transactions and related-party transactions of the company in 2024. The Supervisory Committee believed that the procedures of connected transactions/related-party transactions have been complying with laws and regulations as well as the requirements of the relevant connected transactions and related-party transactions agreements, and are fair and reasonable to the Company and its shareholders without unfairness or harming non-related-party shareholders' interests, especially middle and minority shareholders.

(v) Review of Periodic Reports

During the reporting period, the Supervisory Committee supervised and reviewed the quarterly, interim, annual financial reports and related documents of the company for the year 2024. The Supervisory Committee believed that the preparation and review procedures of the Company's periodic reports are in compliance with laws, regulations, the Articles of Association and the provisions of the Company's internal management policy. The content and format of the periodic reports are in accordance with the requirements of the China Securities Regulatory Commission and the stock listing location of the Company. There is no false record, misleading statement or material omission in these periodic reports. No personnel involved in the preparation and review of the periodic reports were found to have violated confidentiality agreement before the Supervisory Committee reviewed the periodic reports.

(vi) Internal Control Situation

During the reporting period, the Supervisory Committee inspected and supervised the internal control evaluation report and the construction and operation of the company's internal control system. The Supervisory Committee believed that the internal control of the company is well-designed, effectively executed, and can ensure the achievement of control objectives. There are no major defects in the company's internal control. The 2024 Internal Control Evaluation Report prepared by the Board truthfully, completely, and objectively reflected the construction and operation of the company's internal control system.

III. OUTLOOK AND PROSPECT FOR 2025

In 2025, the Supervisory Committee will continue to seriously fulfill their responsibilities in accordance with relevant laws and regulations, the Articles of Association and the Rules of Procedures for the Supervisory Committee of Qingdao Port International Co., Ltd. to further enhance the Company's compliant operation.

(i) Undertake responsibilities in accordance with laws

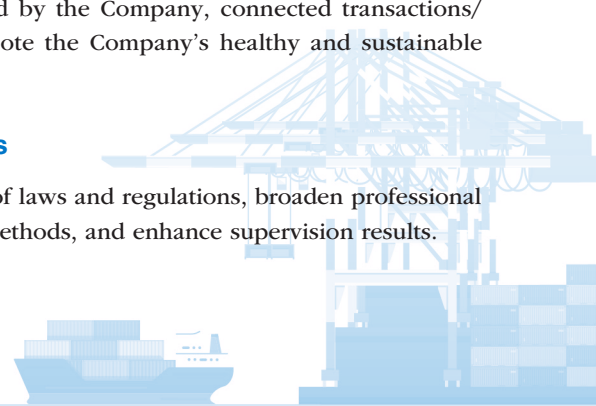
The Supervisory Committee will continue to urge the Company to continuously improve the corporate governance structure in accordance with the requirements of the modern enterprise system and further improve the corporate governance level. At the same time, we will urge Directors and senior management to perform their duties diligently, complete their work conscientiously, make more standardized business decisions, and effectively safeguard the legitimate rights and interests of the Company and shareholders.

(ii) Strengthen supervision and inspection

By communicating with the management and reviewing regular reports, the Supervisory Committee will keep track of the Company's operations, and supervise the Company's financial operations. The Supervisory Committee will comprehensively monitor the use of funds raised by the Company, connected transactions/related-party transactions and major foreign investment to promote the Company's healthy and sustainable development.

(iii) Strengthen learning and improve supervision capabilities

The Supervisory Committee will continue to strengthen the study of laws and regulations, broaden professional knowledge and improve business capacity, improve supervision methods, and enhance supervision results.



SUPERVISORS' REPORT

In 2025, the Supervisory Committee will comply to the laws and regulations, normative documents as well as the Articles of Association to oversee the standardized operation of the Company's Board, the performance of duties by directors and senior management, and to urge the Company to continuously optimize its internal control system. It also involves advancing the self-construction and reform of the Supervisor Committee, and safeguarding the legitimate rights and interests of all shareholders, especially minority investors.

By order of the Supervisory Committee

YUAN Qing

Chairman of the Supervisory Committee

Qingdao, the PRC

28 March 2025



CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report for the annual report of the Company for the year ended 31 December 2024.

The Board is committed to upholding a high standard of corporate governance practices in the belief that they are essential for maintaining and promoting investors' confidence and improving shareholders' returns. The Board reviews its corporate governance practices from time to time in order to ensure high standards of corporate governance of the Company and meet the expectations of shareholders and other stakeholders.

The Company has been in compliance with the code provisions set out in the Corporate Governance Code during the reporting period.

I. THE BOARD

1. Composition of the Board

The Board currently comprises nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors, among which, there are two female Directors, accounted for approximately 22% of the total number of Directors and achieved the Company's goals. Board members possess the knowledge, skills, and abilities necessary to perform their duties. During the reporting period, members of the board of the Company are listed as below:

Member of the Board	Position	Date of appointment/ re-designation
Mr. SU Jianguang (蘇建光)	Chairman, executive Director	21 July 2021
Mr. LI Wucheng (李武成)	Vice chairman, non-executive Director	18 August 2021
Mr. ZHU Tao (朱濤)	Non-executive Director	23 December 2022
Mr. ZHANG Baohua (張保華)	Executive Director	23 December 2022
Mr. CUI Liang (崔亮) (Note 1)	Non-executive Director	6 June 2024
Ms. WANG Fuling (王芙玲)	Non-executive Director	20 May 2020
Ms. LI Yan (李燕)	Independent non-executive Director	17 May 2019
Mr. JIANG Min (蔣敏)	Independent non-executive Director	17 May 2019
Mr. LAI Kwok Ho (黎國浩)	Independent non-executive Director	17 May 2019
Mr. XUE Baolong (薛寶龍) (Note 2)	Non-executive Director	23 December 2022

Note 1: Mr. CUI Liang (崔亮) obtained the legal advice stated on 3.09D of Hong Kong Listing Rules on 6 June 2024, and he confirmed that he knew the requirements and liabilities under the Hong Kong Listing Rules that are applicable to him as a director of the Company, and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange.

Note 2: Due to the adjustment of work, Mr. XUE Baolong (薛寶龍) resigned as a non-executive Director and a member of Strategy and Development Committee on 28 March 2024.

The non-employee Directors are elected by the general meeting of the Company and the employee Directors are elected democratically and removed by employees from the Company. The current Directors will hold offices until the annual general meeting of 2024 to be held in 2025. The Directors are subject to re-election for re-appointment when their terms of office as Directors expire. The consecutive tenure of an independent non-executive Director shall not exceed six years.

CORPORATE GOVERNANCE REPORT

Biography of each Director is set out in the section headed “Directors, Supervisors and Senior Management”. In addition, the list setting out the name, roles and function of each Director has been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.qingdao-port.com).

The Directors have no fiscal, business, family or other material/relevant relationships with each other.

Chairman and General Manager

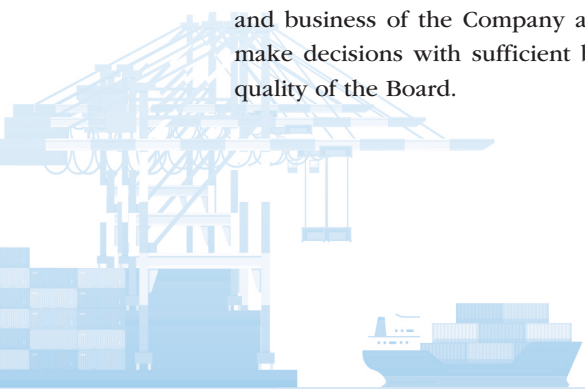
The positions of chairman and general manager of the Company are segregated and held by different persons to ensure their respective independence of responsibility and accountability and the balance and restriction of power and authority between them. The chairman plays a critical role in leading the Board, ensuring that the Board is functioning properly and with well-formulated corporate governance practices and procedures, whilst the general manager is mainly responsible for the day-to-day management of the Company’s operations, including being in charge of the production and operation management of the Company, organizing the implementation of resolutions of the Board and coordinating overall business operations. There are no other relationships except for work relationships among the members of the Board, and between the chairman and the general manager.

During the reporting period, the chairman has held meetings with the independent non-executive Directors without the presence of other Directors.

Responsibilities of the Board and Management

The Board is responsible to all shareholders of the Company and mainly responsible for implementing the resolutions approved by general meetings, determining the operating plans and investment projects of the Company, managing the disclosure of the Company’s information, attending to the regular or irregular work report of the general manager and review the work of the general manager, and determining such matters as the external investments, asset purchase and sale and pledge of assets within the scope authorized by the general meetings. The Company has established a mechanism to ensure that the Board obtained independent viewpoints and opinions. The Board reviews the implementation and effectiveness of the mechanism annually. The Board has examined and reviewed the relevant mechanism and is of the view that it has been duly implemented and effective during the reporting period.

Under the leadership of the general manager, the management of the Company is responsible for implementing the resolutions approved by the Board and organizing the Company’s day-to-day operation and management. In order to ensure the effective operation of the Company, the management submits an operation report of the Company to the Board each month, which enables the Board to monitor the operation situation of the Company in time and to assess and supervise the management. Meanwhile, the management also communicates with the Board in formal and informal manners in respect of the issues related to the operation and business of the Company and provides sufficient information at appropriate time to allow the Board to make decisions with sufficient background information, which enhances the decision-making efficiency and quality of the Board.



Independent Non-executive Directors

During the reporting period, the Company has three independent non-executive Directors in compliance with the Rules 3.10(1) and (2) of the Hong Kong Listing Rules, two of whom own accounting or financial management expertise and the other one owns expertise in law. The number of independent non-executive Directors accounts for one-third or more of the number of the Board members.

According to the Rule 3.13 of the Hong Kong Listing Rules, the independent non-executive Directors have made confirmations to the Company regarding their independence during the reporting period. Based on the confirmations provided by independent non-executive Directors, the Company considers each of them to be independent during the reporting period.

The Company has established multiple channels for independent non-executive Directors to express their opinions openly and honestly, and express the opinion confidentially when necessary, including but not limited to the ways of interacting with management and other Board members (including the chairman) outside of meetings, and pre-board communication meetings.

The Board is committed to continuously evaluating the independence of independent non-executive Directors, taking into account all relevant factors, including whether independent non-executive Directors can continue to raise constructive opinions and suggestions for management and other Directors, whether their views are independent of those expressed by management or other Directors, and whether their words and actions are appropriate within and outside of the Board. The behaviors of independent non-executive Directors of the Company can meet expectations in appropriate circumstances, demonstrating the above characteristics.

Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as the code of conduct for the Directors and Supervisors to conduct securities transactions. After making specific enquiries to all Directors and Supervisors, all Directors and Supervisors confirmed that they had fully complied with the required standards set out in the Model Code during the period from 1 January 2024 to 31 December 2024.

Training and Continuous Professional Development of Directors

On 12 June 2024 and 18 November 2024, the newly appointed directors, supervisors and senior management of the Company received the training provided by the Company's PRC legal adviser and Hong Kong legal adviser respectively, which mainly covered the impact of amendments to the Securities Law of the People's Republic of China, essential codes of conduct for directors, supervisors, and senior management, critical issues in corporate governance and information disclosure, directors' responsibilities in Hong Kong-listed companies, etc.

On 6 June 2024, all directors, supervisors and senior management of the Company received the training provided by the Company's securities firms for continuous supervision, which mainly covered the current macroeconomic performance, interpretation of macro policies and capital market reforms, etc.

The Company secretary provided the Directors with information such as the latest amendments to the Hong Kong Listing Rules and other applicable regulatory requirements, cases of listed companies, industry news, production and operation situations of the Company from time to time to allow them to learn the updates of regulatory rules, industry information and the Company's information in time and fulfill their responsibilities.

CORPORATE GOVERNANCE REPORT

Newly appointed Directors will receive trainings provided by the Company upon the appointment, so as to ensure that they have adequate understanding of the Company's business and they are fully aware of their duties as Directors under the laws, regulations, regulatory documents and the Articles of Association.

During the reporting period, the Directors, namely Mr. SU Jianguang, Mr. LI Wucheng, Mr. ZHU Tao, Mr. ZHANG Baohua, Mr. CUI Liang, Ms. WANG Fuling, Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho have received continuing professional development through participating in specific trainings, seminars, forums and reading publications on economy and securities to update their knowledge and technique, which enables them to make continuous contributions to the Company with comprehensive knowledge and technique. Each Director has confirmed that he/she is aware of their director responsibilities under the Hong Kong Listing Rules.

Liability Insurance of Directors, Supervisors and Members of Senior Management

The Company has been always placing great emphasis on risk prevention of the Directors' liability, thus the Company has purchased insurances for all Directors, Supervisors and members of senior management of the Company to minimize risks that may be incurred in their normal performance of responsibilities.

Directors' Responsibility on Financial Statements

The Directors are responsible for the preparation of the financial statements for the year ended 31 December 2024, which gives a true and fair view of the affairs of the Company and the Group and the results and cash flow of the Group.

2. Board Meetings and General Meetings

During the reporting period, the Company held eleven Board meetings and three general meetings of shareholders (including the annual general meeting of 2023, the first extraordinary general meeting of 2024, the second extraordinary general meeting of 2024). The attendance of the above meetings by each Director is as follows:

Name of Directors	Number of Board Meetings			Number of General Meeting(s)		
	Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate	Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate
Mr. SU Jianguang (蘇建光)	11/11	0	100%	3/3	0	100%
Mr. LI Wucheng (李武成)	11/11	0	100%	3/3	0	100%
Mr. ZHU Tao (朱濤) (Note 1)	11/11	3	72.7%	1/3	0	33.3%
Mr. ZHANG Baohua (張保華)	11/11	0	100%	3/3	0	100%
Mr. CUI Liang (崔亮) (Note 2)	8/8	0	100%	2/2	0	100%
Ms. WANG Fuling (王芙玲)	11/11	0	100%	3/3	0	100%
Ms. LI Yan (李燕)	11/11	0	100%	3/3	0	100%
Mr. JIANG Min (蔣敏)	11/11	0	100%	3/3	0	100%
Mr. LAI Kwok Ho (黎國浩)	11/11	0	100%	3/3	0	100%
Mr. XUE Baolong (薛寶龍) (Note 3)	1/1	0	100%	0/0	0	100%

Note 1: On 13 September 2024 and 8 November 2024, Mr. ZHU Tao (朱濤) did not attend the first extraordinary general meeting of shareholders of 2024 and the second extraordinary general meeting of shareholders of 2024, due to other official arrangements. On 12 July 2024 and 30 October 2024, Mr. ZHU Tao (朱濤) did not attend the on-site Board meetings due to other official arrangements and authorized the independent non-executive Director, Mr. JIANG Min (蔣敏), to vote on his behalf at the Board meetings. On 29 August 2024, Mr. ZHU Tao (朱濤) did not attend the on-site Board meetings due to other official arrangements and authorized the independent non-executive Director, Mr. LAI Kwok Ho (黎國浩), to vote on his behalf at the Board meetings.

Note 2: On 6 June 2024, Mr. CUI Liang (崔亮) was appointed as a non-executive Director and a member of Strategy and Development Committee. The Company held 8 Board meetings and 2 general meetings of shareholders from the date of his appointment to 31 December 2024.

Note 3: Due to the work adjustment, Mr. XUE Baolong (薛寶龍) resigned as a non-executive Director and a member of Strategy and Development Committee on 28 March 2024. The Company held 1 Board meeting from 1 January 2024 to the date of his resignation, while no general meeting of shareholders was convened.

Notices for all regular Board meeting, the agenda and the relevant papers have been given to each Director at least fourteen days before the meetings in order that they are able to attend the meetings, record related arrangement on the agenda and have sufficient time to review the papers. Minutes of each Board meeting is circulated to all Directors for perusal. Directors who have conflicts of interest in the Board resolutions have avoided of voting.

All Directors shall obtain information related to the Board resolutions in a comprehensive and timely manner. Any Director can seek for independent professional advice at the Company's expense after making reasonable request to the Board.

II. SPECIAL COMMITTEES OF THE BOARD

The Board established four special committees, namely Strategy and Development Committee, Audit Committee, Remuneration Committee and Nomination Committee. The Company has provided sufficient resources to all the Board Committees to perform their duties.

1. Strategy and Development Committee

The Strategy and Development Committee currently consists of seven Directors, namely Mr. SU Jianguang (蘇建光), Mr. LI Wucheng (李武成), Mr. ZHU Tao (朱濤), Mr. ZHANG Baohua (張保華), Mr. CUI Liang (崔亮), Ms. WANG Fuling (王芙玲) and Mr. JIANG Min (蔣敏), among which, Mr. JIANG Min (蔣敏) is an independent non-executive Director and Mr. SU Jianguang (蘇建光) is the chairman of the Strategy and Development Committee.

The primary responsibility of the Strategy and Development Committee is to review the overall development and strategic plans of the Company, the major investment and financing proposals of the Company and other issues that are material to the development of the Company, and to make recommendations to the Board. Its terms of reference can be referred to on the websites of the Hong Kong Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

During the reporting period, the Strategy and Development Committee held two meetings, in which resolutions regarding general mandate to issue shares and the debt financing instruments domestically and overseas by the Company, business plan of the Company in 2024, and issuing shares and cash payments to purchase assets and raise ancillary funds were considered and approved and recommendations were made to the Board.

During the reporting period, the attendance of the meetings by each member is as follows:

Name of Members	Number of Meeting(s) Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate
Mr. SU Jianguang (蘇建光) (Chairman)	2/2	0	100%
Mr. LI Wucheng (李武成)	2/2	0	100%
Mr. ZHU Tao (朱濤) (Note 1)	2/2	1	50%
Mr. ZHANG Baohua (張保華)	2/2	0	100%
Mr. CUI Liang (崔亮) (Note 2)	1/1	0	100%
Ms. WANG Fuling (王芙玲)	2/2	0	100%
Mr. JIANG Min (蔣敏)	2/2	0	100%
Mr. XUE Baolong (薛寶龍) (Note 3)	1/1	0	100%

Note 1: On 12 July 2024, Mr. ZHU Tao (朱濤) did not attend the on-site Strategy and Development Committee meeting and authorized the member, Mr. JIANG Min (蔣敏), to vote on his behalf at the Strategy and Development Committee meeting, due to other official arrangements.

Note 2: On 6 June 2024, Mr. CUI Liang (崔亮) was appointed as a non-executive Director and a member of Strategy and Development Committee. The Company held 1 Strategy and Development Committee meeting from the date of his appointment to 31 December 2024.

Note 3: Due to the work adjustment, Mr. XUE Baolong (薛寶龍) resigned as a non-executive Director and a member of Strategy and Development Committee on 28 March 2024. The Company held 1 Strategy and Development Committee meeting from 1 January 2024 to the date of his resignation.

2. Audit Committee

The Audit Committee currently consists of three Directors, namely Ms. LI Yan (李燕), Ms. WANG Fuling (王芙玲) and Mr. LAI Kwok Ho (黎國浩), of which Ms. LI Yan (李燕) and Mr. LAI Kwok Ho (黎國浩) are both independent non-executive Directors, Ms. WANG Fuling (王芙玲) is an employee representative Director. Ms. LI Yan (李燕) and Mr. LAI Kwok Ho (黎國浩) hold the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules. Ms. LI Yan (李燕) serves as the chairman of the Audit Committee.

The primary responsibility of the Audit Committee is to review the financial information of the Company and its disclosure, oversee the financial operation status, risk management and internal control procedures of the Company, propose the appointment of external auditors and monitor their relationship with the Company and maintain close communication between the Company and its management with external auditors. Its terms of reference can be referred to on the websites of the Hong Kong Stock Exchange and the Company.

During the reporting period, the Audit Committee held six meetings to consider and approve the resolutions, including the Company's 2023 annual report and other reports, formulation of "Rules of Selection and Engagement of Accounting Firms of Qingdao Port International Co., Ltd.", appointment of the Company's accounting firm for the year 2024, 2024 first quarterly report and third quarterly report, the acquisition of assets through issuance of shares and cash payment, raising ancillary funds and the related-party transactions, 2025 guarantee plan and other resolutions, and make recommendations to the Board. At the same time, the Audit Committee communicated with the external auditors on the 2023 audit results and the 2024 audit plan of the Company and etc., and heard the internal audit report and major issues inspection report.

During the reporting period, the attendance of the meetings by each member is as follows:

Name of Members	Number of Meetings Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate
Ms. LI Yan (李燕) (Chairman)	6/6	0	100%
Ms. WANG Fuling (王芙玲)	6/6	0	100%
Mr. LAI Kwok Ho (黎國浩)	6/6	0	100%

Representatives of external auditors participated in most the Audit Committee meetings held in 2024.

3. Remuneration Committee

Recently, the Remuneration Committee consists of three Directors, namely Mr. LAI Kwok Ho (黎國浩), Mr. LI Wucheng (李武成) and Ms. LI Yan (李燕), of which Mr. LAI Kwok Ho (黎國浩) and Ms. LI Yan (李燕) are both independent non-executive Directors, and Mr. LI Wucheng (李武成) is a non-executive Director and the vice chairman. Mr. LAI Kwok Ho (黎國浩) serves as the chairman of the Remuneration Committee.

The primary responsibility of the Remuneration Committee is to consider the remuneration structures and policies for all Directors and senior management of the Company, establish formal and transparent procedures to devise such remuneration policies and formulate the remuneration packages of Directors and senior management, as well as make recommendations to the Board. The Remuneration Committee has adopted the model as described in code E.1.2(c)(ii) of the Corporate Governance Code to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including remuneration, bonuses, pension rights, compensation payments and benefits in kind. Its terms of reference can be referred to on the websites of the Hong Kong Stock Exchange and the Company.



CORPORATE GOVERNANCE REPORT

During the reporting period, the Remuneration Committee held one meeting to consider and approve the resolution on remuneration plan and remuneration of Directors and senior management of the Company for 2023.

During the reporting period, the attendance of the meeting by each member is as follows:

Name of Members	Number of Meeting(s) Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate
Mr. LAI Kwok Ho (黎國浩) (Chairman)	1/1	0	100%
Mr. LI Wucheng (李武成)	1/1	0	100%
Ms. LI Yan (李燕)	1/1	0	100%

The Company regularly reviews its remuneration policy including directors' remuneration payable, taking into account the Company's performance and market conditions, to formulate better incentives and appraisal measures. Pursuant to the code E.1.5 of the Corporate Governance Code, the following table sets forth the remuneration of the Directors, Supervisors and members of senior management of the Company categorized by remuneration group for the year ended 31 December 2024:

Group (Note)	Remuneration (RMB)	Number of Individuals
1	0-500,000	12
2	500,001-1,000,000	3
3	1,000,001-2,000,000	7

Notes:

- Group 1 includes 7 Directors, 4 Supervisors and 1 senior executive of the Company.
- Group 2 includes 2 Supervisors and 1 senior executive of the Company.
- Group 3 includes 2 Directors and 5 senior executives of the Company, among which 1 Director concurrently serves as a senior executive of the Company during the reporting period.
- The above form reflects only the remuneration received by the Company's directors, supervisors, and senior management from the Company during the reporting period.

No share options were granted to Directors and no Directors waived remuneration during the reporting period. The Company has not paid any gratuity to the Directors as compensation for leaving the Company, nor has it paid any gratuity as an incentive upon or after joining the Company.

Further details of the Directors' emoluments and the top five highest paid employees required to be disclosed under Appendix D2 to the Hong Kong Listing Rules are set out in Note 8(8) and Note 8(9) to the financial statements in this report.

4. Nomination Committee

The Nomination Committee currently consists of three Directors, namely Mr. JIANG Min (蔣敏), Mr. SU Jianguang (蘇建光) and Mr. LAI Kwok Ho (黎國浩), of which Mr. JIANG Min (蔣敏) and Mr. LAI Kwok Ho (黎國浩) are both independent non-executive Directors, Mr. SU Jianguang (蘇建光) is an executive Director and the chairman of the Company. Mr. JIANG Min (蔣敏) serves as the chairman of the Nomination Committee.

The primary responsibility of the Nomination Committee is to develop standards and procedures for the election of the Board members and members of the senior management, and make recommendations to the Board; review the structure, number, composition and membership diversity of the Board and its committees and make appropriate recommendations for adjustments made to the Board in line with the corporate strategies of the Company; propose to the Board candidates for Directors, general manager, deputy general manager, chief financial officer and secretary to the Board; and provide opinions to the Board on the appointment or re-appointment of Directors and the succession plan for Directors (especially the chairman) and general manager, and review the independence of independent non-executive Directors. Its terms of reference can be referred to on the websites of the Hong Kong Stock Exchange and the Company. The Nomination Committee should seek independent professional advice to perform its responsibilities at the Company's expense, when necessary.

During the Reporting Period, the Nomination Committee held three meetings, in which the resolutions regarding the nomination of deputy general managers and nomination of non-employee representative Director for the fourth session of the Board were considered and approved, and recommendations were made to the Board.

During the reporting period, the attendance of the meeting by each member is as follows:

Name of Members	Number of Meeting(s) Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate
Mr. JIANG Min (蔣敏) (Chairman)	3/3	0	100%
Mr. SU Jianguang (蘇建光)	3/3	0	100%
Mr. LAI Kwok Ho (黎國浩)	3/3	0	100%

The Board formulated and adopted the Board Members Diversity Policy. In designing the Board's composition, the Nomination Committee has considered Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, race, professional experience, skills and knowledge. All appointments to the Board are made on the basis of meritocracy, and when considering candidates, full account is taken in an objective manner of the benefits of diversity among Board members. For the year ended 31 December 2024, the Board has met the expected goal of the Board Diversity Policy and kept an appropriate balance of member structure. During the reporting period, the Board has reviewed the implementation and effectiveness of the Board Members Diversity Policy.

CORPORATE GOVERNANCE REPORT

The Board formulated and adopted the Policy for the Nomination of Directors. According to such policy, in evaluating and selecting candidates for directorship, the Nomination Committee and/or the Board would consider the following criteria, including, among other things, character and integrity, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects under the Board Members Diversity Policy), any potential contributions that the candidates can make to the Board in terms of qualifications, skills, experience, independence, as well as their willingness and ability to devote adequate time to discharge duties as members of the Board and/or Board committee(s).

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of a new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified to assume the directorship. The Nomination Committee should then recommend to the Board to appoint appropriate candidates for the directorship in order of priority by their ranking (if applicable) based on the needs of the Company and reference check of each candidate.

Qualified shareholders meeting requirements under laws and regulations and the Articles of Association are also eligible to nominate candidate(s) for directorship, please refer to Procedures for Shareholders to Propose a Person for Election as a Director for more details.

III. SUPERVISORY COMMITTEE

The Supervisory Committee currently consists of six Supervisors, including two shareholder representative Supervisors, two employee representative Supervisors and two independent Supervisors. During the reporting period, the members of the supervisory committee of the Company are listed below:

Member of the Supervisory Committee	Position	Date of appointment
Mr. YUAN Qing (袁青)	Shareholder representative Supervisor	6 June 2024
	Chairman of the Supervisory Committee	6 June 2024
Mr. WANG Yaping (王亞平)	Independent Supervisor	17 May 2019
Mr. YANG Qiulin (楊秋林)	Independent Supervisor	17 May 2019
Mr. LOU Gang (樓鋼)	Shareholder representative Supervisor	6 June 2024
Ms. YAO Junjun (姚雋雋)	Employee representative Supervisor	28 June 2022
Mr. WANG Tao (王濤)	Employee representative Supervisor	30 October 2024
Mr. XIE Chunhu (謝春虎) (Note 1)	Shareholder representative Supervisor	28 June 2022
	Chairman of the Supervisory Committee	5 December 2022
Mr. LI Zhengxu (李正旭) (Note 2)	Shareholder representative Supervisor	23 December 2022
Mr. LIU Shuiguo (劉水國) (Note 3)	Employee representative Supervisor	29 April 2019

Note 1: Mr. XIE Chunhu (謝春虎) resigned from the Supervisor and the chairman of the Supervisory Committee due to the work adjustment on 28 March 2024.

Note 2: Mr. LI Zhengxu (李正旭) resigned from the Supervisor due to the work adjustment on 8 January 2024.

Note 3: Mr. LIU Shuiguo (劉水國) resigned from the Supervisor due to the work adjustment on 30 October 2024.

Shareholder representative Supervisors and independent Supervisors are elected at the general meeting, while employee representative Supervisors are democratically elected and removed by the staff of the Company. The term of office for the current Supervisors shall expire at the conclusion of the 2024 AGM to be held in 2025.

Biography of each Supervisor is set out in the section headed “Directors, Supervisors and Senior Management”.

During the reporting period, the Supervisory Committee held eight meetings and the Company held three general meetings of shareholders. The attendance of the meetings by each Supervisor is as follows:

Name of Supervisors	Supervisory Committee			General Meeting(s)		
	Number of Meetings of the Committee Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate	Number of Meetings Attended During the Tenure	Among Which, Number of Attendance by Proxy	Attendance Rate
Mr. YUAN Qing (袁青) (Chairman of the Supervisory Committee) (Note 1)	6/6	0	100%	2/2	0	100%
Mr. WANG Yaping (王亞平)	8/8	0	100%	3/3	0	100%
Mr. YANG Qiulin (楊秋林)	8/8	0	100%	3/3	0	100%
Mr. LOU Gang (樓綱) (Note 2)	6/6	0	100%	2/2	0	100%
Ms. YAO Junjun (姚雋雋)	8/8	0	100%	3/3	0	100%
Mr. WANG Tao (王濤) (Note 3)	1/1	0	100%	1/1	0	100%
Mr. XIE Chunhu (謝春虎) (Note 4)	0/0	0	100%	0/0	0	100%
Mr. LI Zhengxu (李正旭) (Note 5)	0/0	0	100%	0/0	0	100%
Mr. LIU Shuiguo (劉水國) (Note 6)	7/7	0	100%	2/2	0	100%

Note 1: Mr. YUAN Qing (袁青) was appointed on 6 June 2024, the Company held 6 Supervisory Committee meetings and 2 general meetings of shareholders from the date of his appointment to 31 December 2024.

Note 2: Mr. LOU Gang (樓綱) was appointed on 6 June 2024, the Company held 6 Supervisory Committee meetings and 2 general meetings of shareholders from the date of his appointment to 31 December 2024.

Note 3: Mr. WANG Tao (王濤) was appointed on 30 October 2024, the Company held 1 Supervisory Committee meeting and 1 general meeting of shareholders from the date of his appointment to 31 December 2024.

Note 4: Mr. XIE Chunhu (謝春虎) resigned from the Supervisor and the chairman of Supervisory Committee due to the work adjustment on 28 March 2024. The Company didn't hold Supervisory Committee meeting or general meeting of shareholders from 1 January 2024 to the date of his resignation.

Note 5: Mr. LI Zhengxu (李正旭) resigned from the Supervisor due to the work adjustment on 8 January 2024. The Company didn't hold Supervisory Committee meeting or general meeting of shareholders from 1 January 2024 to the date of his resignation.

Note 6: Mr. LIU Shuiguo (劉水國) resigned from the employee representative Supervisor due to the work adjustment on 30 October 2024, the Company held 7 Supervisory Committee meetings and 2 general meetings of shareholders from 1 January 2024 to the date of his resignation.

The performance of responsibilities by the Supervisory Committee is set out under the section headed “Supervisors’ Report” in this report.

CORPORATE GOVERNANCE REPORT

IV. CORPORATE GOVERNANCE FUNCTION

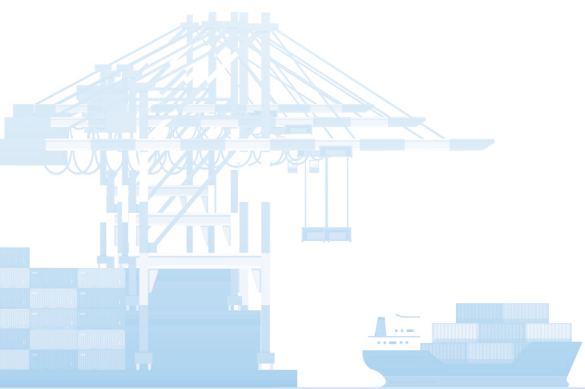
The Board recognises that corporate governance should be the collective responsibility of Directors and delegated the corporate governance duties to the Audit Committee which include:

- to formulate and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the listing rules of stock listing place of the Company and disclosure in the Corporate Governance Report.

V. COMPANY SECRETARY

On 15 August 2024, the Hong Kong Stock Exchange confirmed that Ms. SUN Hongmei fulfilled the eligibility requirements under Rule 3.28 of the Hong Kong Listing Rules to act as the company secretary of the Company. Therefore, Ms. NG Sau Mei resigned as the joint company secretary of the Company on 29 August 2024. Following Ms. NG Sau Mei's resignation, Ms. SUN Hongmei serves as the sole company secretary of the Company. From 1 January 2024 to 29 August 2024, the main contact person of the Company was Ms. SUN Hongmei, one of the Company's joint company secretaries at the time.

During the reporting period, Ms. SUN Hongmei as the company secretary of the Company, had complied with the requirements on taking no less than 15 hours of continuous professional trainings as set out in Rule 3.29 of the Hong Kong Listing Rules. Meanwhile, Ms. SUN Hongmei also actively participated in studies and updated their professional knowledge related to the Hong Kong Listing Rules and corporate governance to continuously improve her professional skills and professional quality as the company secretary.



VI. AUDITOR

Financial statements contained in this annual report have been audited by ShineWing Certified Public Accountants (Special general partnership). Service fees which shall be paid by the Company to ShineWing Certified Public Accountants (Special general partnership) for the year amounted to RMB7.74 million (value-added tax and other related tax included).

Services rendered	Fees Payable (RMB Yuan)
Annual audit service for the listed company	4,960,000
Other audit services of the Group	2,780,000
Total	7,740,000

VII. RISK MANAGEMENT AND INTERNAL CONTROL

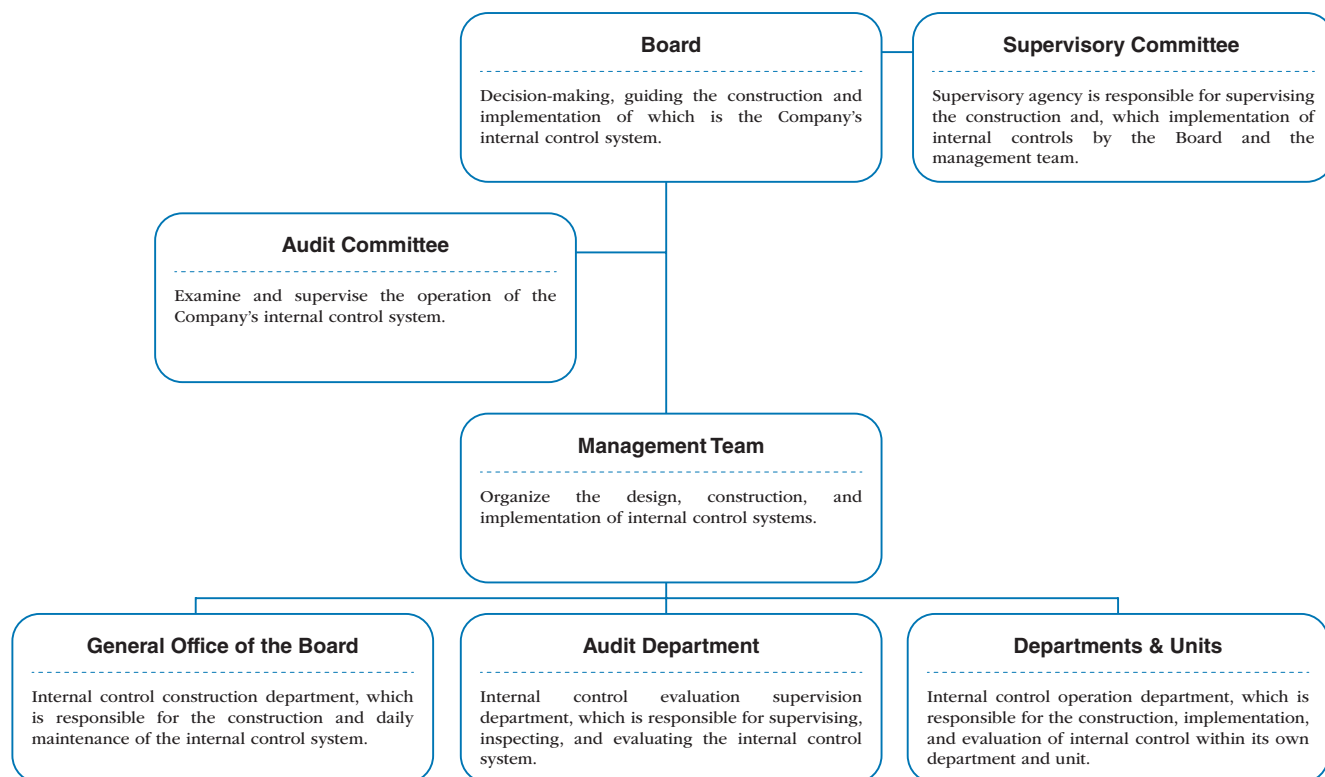
The Company is committed to establishing high-level risk management and internal control systems to safeguard the Company's assets and shareholders' investment. Systems and procedures in relation to risk management are set up to identify, assess, manage and control risks that include but are not limited to strategic risk, market risk, financial risk, operational risk and legal risk that may have an impact on the Company. The Company has defined the overall structure of its business and that of its subsidiaries, clarifying the authority and supervisory responsibilities of each business unit to facilitate the clarification of duties and oversight accountability. The Company has established management systems including the "Internal Control Management System", "Comprehensive Risk Management System", "Internal Audit System", and "Internal Control Evaluation Management Measures", and worked out an internal control manual to regulate these processes and activities.

The Board carefully evaluates the possibility and potential impacts of the internal control defects and is responsible for assessing and determining the nature and extent of the risks willing to be accepted for achieving strategic objectives on an annual basis and continuously oversees the design, implementation and monitoring of the risk management and internal control systems by the management to ensure its safe and effective operation. The Audit Committee established by the Board makes recommendations to the Board on the formulation and implementation of risk management and internal control systems within its mandate, reviews the effectiveness of the Company's risk management, internal control systems and internal audit system and assists the Board to oversee and improve the Company's risk management and internal control systems on an ongoing basis. The management assists the Board to formulate corresponding corrective measures and implement them to ensure these internal control defects are properly resolved in a timely manner.



CORPORATE GOVERNANCE REPORT

The internal control management structure of the Company includes the Board and its Audit Committee, Supervisory Committee, management team, internal control construction department, internal control evaluation and supervision department, and internal control operation departments, as shown in the following figure:



The Company has adopted the following measures in order to establish effective risk management and internal control:

1. Compliance Control

The Company has established a set of corporate governance mechanism to promote the compliance operation of the shareholders' general meetings, Supervisory Committee and the Board. The Company also complied with the requirements of the Hong Kong Listing Rules, SFO and the Guidelines on Disclosure of Inside Information that regulate information disclosure matters. The Company continues to strengthen connected transactions management, perform related approval and disclosure obligations according to the requirements of the Hong Kong Listing Rules.

The procedures and internal controls for the identifying, handling, and publishing inside information by the Company include: (1) formulating and implementing relevant supporting systems, including the Management Measures Governing Information Disclosure, by the Board, and establishing the comprehensive process of reporting, identifying, and disclosing inside information to ensure that the disclosure of inside information is in compliance; (2) by means of training and instruction, fully informing the Board, the Supervisory Committee, the management and the related staff of the obligations on information disclosure as stipulated under the Hong Kong Securities and Futures Commission's Guidelines on Disclosure of Inside Information and the Hong Kong Listing Rules; and (3) dispatching information to specific personnel on a need-to-know principle, putting emphasis on the prohibition of unauthorized use of confidential or inside information, and conducting the confidential work preceding the disclosure of insider information.

2. Operation Control

The Company has adjusted development initiatives timely by observing and evaluating the macroeconomic policies and operating conditions, the national industrial policies, and the industrial supply-demand conditions, in order to reduce market risk. The Company has established hierarchy control and approval mechanism for rate, cargo handover and delivery, and supervision of goods pledge to strengthen control through the whole process. The Company implements centralized procurement management, strictly inspects the procurement process of large-scale equipment and bulk goods and services to prevent procurement risk. The Company has also established safety accountability system and safety management system to safeguard the safety in production and operation of ports. The Company has established a system of qualification management, contract management and seal management to strengthen contract risk control.

3. Investment Control

The Company has implemented centralized procedures of examination and approval on external investments of the Company itself and its subsidiaries, and established a set of management process, ranging from project screening, decision approval, disposal of investment and risk control. In the view that the Company has many joint venture companies, the Company has also set up specialized management system for joint venture companies. The Company has established and optimized the engineering project management system, standardized the work flows of project establishment, bidding, construction, acceptance, cost and other sections to ensure the quality, progress and capital safety of engineering projects.

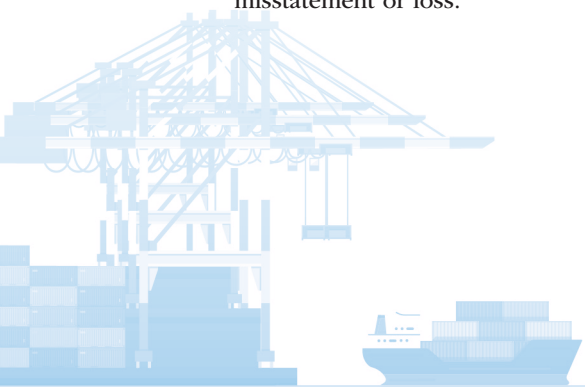
4. Finance Control

The Company has established a series of financial management measures, including business outsourcing, fixed assets leasing, insurance services, receivables, financing management, bank accounts management and notes management, etc. to effectively prevent and reduce finance risk. The Company has implemented comprehensive budget management and promoted budget's process control, which provide quantitative index of finance and operation for the Board and management. The Company implemented a centralized appointment and regular rotation system for financial personnel management, and the Company implemented material matters real time reporting system for delegated units and strengthened centralized control. The Audit Committee communicates with auditors and the management regularly to review the regular reports, as well as supervise the financial operation. The Company also pays high attention to the job qualifications and professional integrity of accounting and financial personnel and the Company takes full consideration of resources and budget of continuous trainings. The Board has also reviewed and satisfied with the Group's resources, staff qualification and experience on accounting and financial ability, and the training programs received by staffs and such budget are sufficient.

5. Internal Audit Control

The Company has established the Audit Department with corresponding supervision and audit responsibility, and the Company provided qualified designated personnel to assist the Audit Committee and Supervisory Committee to review and supervise the factuality, legitimacy and efficiency for the Group's financial revenues and expenses, financial budget, asset quality, operation performance, construction projects and related economic activities, so as to strengthen internal control and risk management.

In 2024, the Company actively prevented and resolved major risks, organized the revision of Internal Control Manual and Risk Management Manual, to further strengthen the solid defense of the risk. During the reporting period, the Company conducted an annual evaluation of its risk management and internal control systems. The method, findings, analysis and results of the evaluation have been reported to the Audit Committee and the Board. The Company engaged ShineWing Certified Public Accountants (Special general partnership) to conduct audit on the Company's internal control effectiveness of the financial report. The auditor was of the view that the Company maintained effective internal control in financial reporting in all material aspects in accordance with the Basic Standards for Enterprise Internal Control and related regulations during the reporting period. The Board conducted self-evaluation on the construction of the risk management and internal control system (including financial, operational and compliance control, etc.) of the Company and its subsidiaries and the operation in 2024, and was of the opinion that the risk management and internal control systems of the Company and its subsidiaries were adequate and effective. The Board was of the opinion that the risk management and internal control systems are 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.



6. Anti-corruption Monitoring

The Company has strengthened the supervision and management of integrity work, complied with the requirements of laws and regulations such as the *Anti Unfair Competition Law of the People's Republic of China* and the *Anti-Money-Laundering Law of the People's Republic of China*, strengthened supervision of the power operation process, rigorously enforced financial audits and compliance reviews to foster a clean development environment. The Company attaches importance to anti-corruption and anti-money-laundering management, develops and implements the *Fund Payment Approval Management Method*, regulates various fund payment processes, approval authorities, and related requirements, and strictly manages the fund payment process to prevent corruption, money laundering, and other illegal and illegal risks.

The Company has strengthened supervision and inspection of integrity work, smooth supervision and reporting channels such as letters, visits, calls, and the internet, and promptly accepted relevant complaints. The Company has focused on key areas, important links, and key positions such as bidding procurement and engineering construction, strengthened ordinary supervision and special supervision, and prevented integrity risks. The Company has employed external supervisors for the honest construction of the Party and the government to improve the supervision ability of the public.

7. Climate Change Monitoring

The Company actively implements the national goal of “carbon peaking, carbon neutral”, pays attention to the impact of global climate change on port operation, adheres to the concept of green and low-carbon development, reduces pollutant emission and the impact of development on the environment. Combining climate change scenarios, the Company analyzed own climate change risks and opportunities, assessed the relevant impacts, and formulated coping strategies.

Please refer to the “The Environmental, Social and Governance (ESG) Report in 2024 of Qingdao Port International Co., Ltd.” published by the Company for further details on climate change monitoring.

VIII. INVESTOR RELATIONS

1. General Meetings and Shareholder's Rights

The Company is committed to maintaining communication with shareholders of the Company. The Company's shareholders are encouraged to attend general meetings held by the Company and are invited to express their views and raise questions. The general meetings of the Company are divided into annual general meetings and extraordinary general meetings.

The annual general meeting is convened once a year within six months after the end of last fiscal year. The extraordinary general meeting is convened irregularly. In accordance with the Articles of Association, an extraordinary general meeting shall be convened on the requisition of two or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Board Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. The Board shall as soon as possible proceed to convene the extraordinary general meeting after receiving the above written requisition.

CORPORATE GOVERNANCE REPORT

The Company shall issue a written notice 20 days before the meeting is held for the annual general meeting. A written notice shall be issued to the shareholders 15 days before the convening of an extraordinary general meeting, which specifies the matters to be considered and date and venue of the meeting. Where the laws, regulations and listing rules in the jurisdiction where the shares of the Company are listed stipulate the aforesaid matters otherwise, such provisions shall prevail. Shareholders who individually or jointly hold more than 3% of the shares of the Company are entitled to submit a temporary proposal to the Board in writing 10 days before the general meeting; the Board shall issue a supplemental notice of the general meeting within 2 days upon receiving the proposal and publish an announcement for the extraordinary proposals. The proposals shall be within the scope of authority of the shareholders' meeting, and shall have clear object and detailed agenda items, and shall comply with laws, regulations and the Articles of Association.

During the reporting period, Mr. ZHU Tao (朱濤) didn't attend the first extraordinary general meeting of 2024 of the Company and the second extraordinary general meeting of 2024 of the Company due to other work arrangements, other Directors, Supervisors, the secretary of the Board and the PRC legal adviser are present at the general meetings, while the general manager, deputy general managers, external auditors and Hong Kong legal counsels of the Company attended general meetings to respond to shareholders' questions in relation to proposed resolutions seeking approval at the meetings. The circular containing information relating to the general meetings were dispatched to all the shareholders before the convening of the general meeting as required.

Minutes of meetings of the general meetings are kept in the Company. A shareholder shall be entitled to inspect copies of minutes of meetings free of charge during office hours of the Company or pay reasonable fees to the Company in order to obtain copies of minutes of meetings.

In the annual general meeting of 2023 of the Company held on 6 June 2024, the chairman of the meeting demanded that all resolutions to be passed by poll, and had explained the procedures for voting at the meeting. At the meeting, the annual report for 2023, the profit distribution plan for 2023, and other resolutions were considered and approved. For details, please refer to the announcement of the Company regarding the poll results dated 6 June 2024.

In the first extraordinary general meeting of 2024 of the Company held on 13 September 2024, the chairman of the meetings demanded that all resolutions to be passed by poll, and had explained the procedures for voting at the meeting. At the meeting, the resolution regarding issuing shares and cash payments to purchase assets and raise ancillary funds was considered and approved, and related (connected) shareholders have recused themselves from voting. For details, please refer to the announcement of the Company regarding the poll results dated 13 September 2024.

In the second extraordinary general meeting of 2024 of the Company held on 8 November 2024, the chairman of the meeting demanded that the resolution to be passed by poll, and had explained the procedures for voting at the meeting. At the meeting, the resolution regarding the interim profit distribution plan for 2024 of the Company was considered and approved. For details, please refer to the announcement of the Company regarding the poll results dated 8 November 2024.

2. Amendments to Constitutional Document

The Company did not amend the Articles of Association as at 31 December 2024. The current effective Articles of Association has been published on the website of the Company and the website of Hong Kong Stock Exchange.

3. Information Disclosure

The Company insists the principles of sufficiency, compliance, equality of opportunity, honest and trustworthy, focusing on efficiency and interactive communication, and discloses the Company's information in a timely and precise manner according to the requirements of the Hong Kong Listing Rules.

The Company prepared and disclosed its regular and provisional reports in strict adherence to the principles of truthfulness, accuracy, completeness, timeliness and fairness. It continuously enhanced the pertinence, effectiveness and transparency of information disclosure in order to guarantee investors' access to relevant information and ensure that the investors in the mainland China and Hong Kong are provided with equal opportunity to access relevant information. It carefully organised compliance analysis and disclosure of material events, as well as actively exploring voluntary information disclosure to provide more timely, comprehensive and effective information to investors.

To promote effective communication, the Company also publishes information such as latest announcement and business development of the Group in a timely manner on the Company's website, through which shareholders and investors can immediately grasp the latest business condition and dynamic condition of the Company.

4. Investor Relations Management

The Company pays much attention to the management work of investor relations, and regards investor relations as an important aspect of corporate governance. The Company has established "Investor Relations Management System", "Implementation Rules for Investor Relations" and other communication policies with shareholders. The Board review every year and the secretary to the Board is responsible for the overall coordination and arrangement of the management work of investor relations, and general office of the Board being responsible for specific implementation. The Company is committed to setting up an efficient communication bridge between management and investors. During the reporting period, the Board has reviewed the implementation and effectiveness of the above policies.

The Company communicates with shareholders mainly in the following ways: (i) holding the annual general meeting of shareholders and the extraordinary general meeting of shareholders for specific purposes (if any) to provide chances for shareholders to communicate directly with the Board; (ii) publishing interim announcements, periodic reports and/or circular in accordance with the Hong Kong Listing Rules; and (iii) releasing the latest information of the Group on the Company's website (<http://www.qingdao-port.com>).



CORPORATE GOVERNANCE REPORT

During this year, in order to allow investors fully understand the results performance, operation strategy and development prospects of the Company, the Company held 96 activities, including results release conference, results explanation conference, investors conversation, analysts and investors on-site research, etc., proactively promoted to the market, enhanced communication effectiveness, and fostered value recognition. Based on the above measures, the Board expressed satisfaction with the activities carried out by the Company to communicate with shareholders and investors during the reporting period.

Furthermore, the general office of the Board reports investors' perception of the Company and relevant development to the management regularly, so that the management can understand the concerns of investors and the changes of relevant policies and requirements dynamically, thus improving its work on investor relations management. Based on the above measures, the Board expressed satisfaction with the activities undertaken by the Company to communicate with shareholders and investors during the reporting period.

The Company considers the management of investor relations as a long-term systematic project. Looking forward, the Company will continuously review and improve its work on investor relations management at appropriate time in accordance with the supervisory requirements of the Hong Kong Stock Exchange, the development trend of the capital market and investors' expectation, keep contact with domestic and overseas investors and maintain a good image of the Company in the capital market.

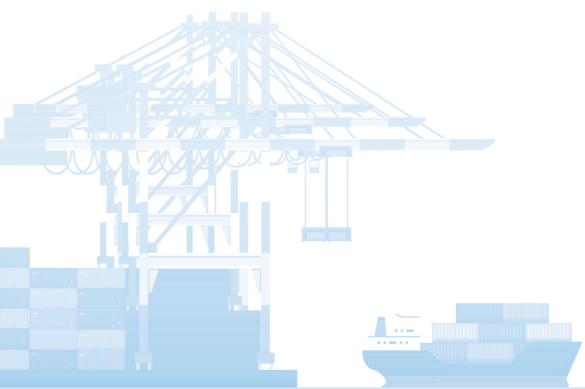
Shareholders and investors of the Company may send their enquiries and concerns to the Company by addressing them to the general office of the Board. The contact details are as follows:


General Office of the Board

Tel: 86-532-82983087

E-mail: qggj@qdport.com

Address: 7 Gangji Road, City North District, Qingdao, Shandong Province, the PRC



	信永中和會計師事務所	北京市東城區朝陽門北大街 8號富華大廈A座9層	聯繫電話: +86(010)6554 2288 telephone: +86(010)6554 2288
	ShineWing certified public accountants	9/F, Block A, Fu Hua Mansion, No.8, Chaoyangmen Beidajie, Dongcheng District, Beijing, 100027, P.R.China	傳真: +86(010)6554 7190 facsimile: +86(010)6554 7190

XYZH/2025BJAA2B0086
Qingdao Port International Co., Ltd.

To the Shareholders of Qingdao Port International Co., Ltd.,

I. OPINION

We have audited the financial statements of Qingdao Port International Co., Ltd. (hereinafter Qingdao Port International Company), which comprise: the consolidated and parent company balance sheets as at 31 December 2024, the consolidated and parent company income statements for the year then ended, the consolidated and parent company cash flow statements for the year then ended and the consolidated and parent company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of Qingdao Port International Company as at 31 December 2024 and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Qingdao Port International Company in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



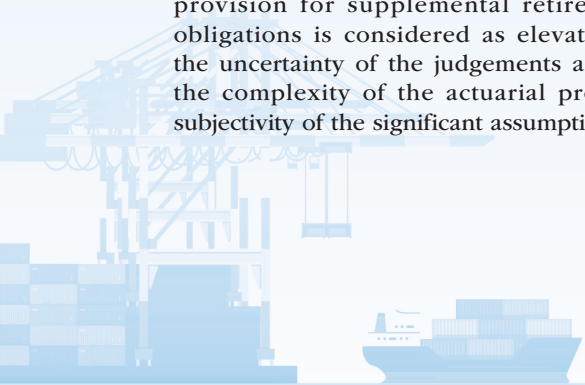
III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 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.

Key audit matters identified in our audit are summarized as follows:

- (1) Provision for supplemental retirement benefits obligations
- (2) Estimates on the bad debt provision for accounts receivable

Key audit matter	Responses during audit
<p>(1) Provision for supplemental retirement benefits obligations</p> <p>Please refer to Note II.(19) and Note IV.(36) for long-term employee benefits payable.</p> <p>As at 31 December 2024, Qingdao Port International Company has recognised liabilities in connection with the provision for supplemental retirement benefits of RMB2,725.12 million.</p> <p>The liabilities in connection with the supplemental retirement benefits are determined on an actuarial basis based on different assumptions. Qingdao Port International Company has engaged a third-party actuary to conduct an actuarial valuation on the aforesaid supplemental retirement benefits obligations. Key actuarial assumptions (including discount rates, benefits growth rates, mortality etc.) can have a material impact on the provision for the related retirement benefits obligations. The selection of those actuarial assumptions requires significant judgements and estimates.</p> <p>We regard this area as a key audit matter because the provision for supplemental retirement benefits obligations requires significant judgements and estimates, and also, the amounts involved are significant. The inherent risk in relation to the provision for supplemental retirement benefits obligations is considered as elevated risk due to the uncertainty of the judgements and estimations, the complexity of the actuarial process, and the subjectivity of the significant assumptions used.</p>	<p>a. We understood and evaluated Qingdao Port International Company's internal controls over the provision for supplemental retirement benefits obligations and validated the effectiveness of the key internal controls, including management's review and approval of the adoption of key assumptions. The inherent risk of material misstatement was assessed by taking into account the degree of uncertainty in the estimates and the level of other inherent risk factors, including complexity, subjectivity, change, management bias, and other fraud risk factors.</p> <p>b. We evaluated the capability, professionalism, and objectivity of the third-party actuary.</p> <p>c. We involved our internal actuarial experts to assist us in evaluating the reasonableness of management's benefit plan and the key assumptions as adopted by the third-party actuary. The evaluation works include comparing the discount rates as adopted with the spot rate of treasury bonds as of the balance sheet date, checking the mortality used to the China Life Insurance Mortality Table, comparing the growth rates of various benefits with Qingdao Port International Company's benefits policies and historical information, the historical price indexes as announced by the National Bureau of Statistics of the People's Republic of China, considering the potential impact if these assumptions are to be changed within a reasonable range, as well as through independent calculating to review the results of third-party actuary.</p> <p>d. We checked the relevant documents of benefit plans and verified the source data (e.g., basic information of employees and benefits payments for the current period, etc.) as used by the actuary via sampling methods.</p> <p>e. We found that the management's judgements and estimates on the assumptions as adopted for the provision for supplemental retirement benefits obligations are within an acceptable extent.</p>



III. KEY AUDIT MATTERS (Continued)**Key audit matter****Responses during audit****(2) Estimates on the bad debt provision for accounts receivable**

Please refer to Note II.(9) and Note IV.(4).

The original value of accounts receivable amounted to RMB2,228.6424 million, and a provision for impairment of RMB143.8019 million has been recognized as at 31 December 2024.

Qingdao Port International Company measures the loss provisions of accounts receivable based on the lifetime ECL. If there exists objective evidence that the amount cannot be collected under the original terms of the accounts receivable, the provision for bad debts shall be separately accrued.

When there is no information at a reasonable cost to assess the ECL on an individual basis, Qingdao Port International Company classifies receivables into certain groupings based on their credit risk characteristics and measures ECL according to exposure at default and lifetime ECL rate on the grouping basis, and determines ECL rate based on aging matrix.

When determining the ECL rate, Qingdao Port International Company uses internal historical credit loss experience and other data, combining them with current conditions and forward-looking information to adjust the historical data. When considering forward-looking information, Qingdao Port International Company has considered different macroeconomic scenarios and important macroeconomic assumptions and parameters.

We regard this area as a key audit matter because the amounts involved are significant, and Qingdao Port International Company made significant estimates and judgments in determining the impairment of accounts receivable.

- a. We understood and evaluated Qingdao Port International Company's internal controls over the management of accounts receivable and measurement of Expected Credit Loss ("ECL") and validated the effectiveness of the key internal controls. The inherent risk of material misstatement was assessed by taking into account the degree of uncertainty in the estimates and the level of other inherent risk factors, including complexity, subjectivity, change, management bias, and other fraud risk factors.
- b. For accounts receivable assessed on an individual basis, we have reviewed the management's basis for assessing expected credit losses, such as the customer's financial status and credit status, historical repayment records, and forecasts of future economic conditions. We verify the management's assessment with the evidence we obtained during the audit.
- c. For accounts receivable which the ECL is measured based on the groupings of credit risk characteristics, we have reviewed whether the management's judgment on the classification of the groupings and the common risk characteristics is reasonable. We used the work of internal experts to assist us in evaluating the assumptions about management's ECL measurement method of accounts receivable, historical default loss rates, and forward-looking adjustment coefficients. The assessment of the forward-looking adjustment coefficient takes into account the impact of the weight of different macroeconomic scenarios and the economic indicators used by the management were checked with external data sources. On this basis, the ECL was recalculated to verify the reasonableness of the management's calculation of ECL.
- d. We conducted a confirmation process, checked the accuracy of the aging of accounts receivable by inspecting the supporting documents (such as operation records and invoices, etc.), and checked the status of subsequent settlement of accounts receivable on a sample basis.
- e. We found that there was related evidence to support the management's judgements and estimates on the provision for bad debts of accounts receivable.

IV. OTHER INFORMATION

Management of the Qingdao Port International Company (hereinafter management) is responsible for the other information. The other information comprises all of the information included in the 2024 annual report of Qingdao Port International Company other than 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 responsibility is 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 MANAGEMENT AND THE AUDIT COMMITTEE FOR THE FINANCIAL STATEMENTS

Management of the Qingdao Port International Company is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, and design, implement and maintain necessary internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing Qingdao Port International Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate Qingdao Port International Company or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing Qingdao Port International Company's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these 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 it is not a guarantee that an audit conducted in accordance with CSAs 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 the audit in accordance with CSAs, we exercised professional judgements and maintained professional 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.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of 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 Qingdao Port International Company's ability 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 these 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 Qingdao Port International Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, 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 Qingdao Port International Company 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.

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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.

ShineWing Certified Public Accountants (LLP)

Beijing, China

Chinese Certified Public Accountant: Dong Qinchuan
(Engagement partner)

Chinese Certified Public Accountant: Wang Yan

28 March 2025

CONSOLIDATED BALANCE SHEET

31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note IV	31 December 2024	31 December 2023
Current assets			
Cash at bank and on hand	(1)	12,673,129,712	10,934,026,950
Financial assets held for trading	(2)	8,050,643	284,562,083
Notes receivable	(3)	40,439,871	83,814,533
Accounts receivable	(4)	2,084,840,524	1,952,312,395
Financing receivables	(5)	212,131,274	314,538,178
Advances to suppliers	(6)	139,293,759	126,611,960
Other receivables	(7)	835,529,050	668,058,871
Including: Dividend receivable		28,841,483	33,615,186
Inventories	(8)	40,688,042	51,604,817
Contract assets	(9)	209,406,760	89,441,090
Held-for-sale assets	(15)	67,566,466	84,925,902
Current portion of non-current assets	(11)	1,835,461	4,184,479
Other current assets	(10)	320,558,682	197,410,270
Total current assets		16,633,470,244	14,791,491,528
Non-current assets			
Long-term receivables	(11)	30,651,120	31,217,303
Long-term equity investments	(12)	14,510,953,242	14,045,730,100
Other non-current financial assets	(13)	357,184,402	393,840,402
Investment properties	(14)	281,359,781	208,311,370
Fixed assets	(15)	24,584,191,817	23,728,480,297
Construction in progress	(16)	1,247,843,145	1,757,339,288
Right-of-use assets	(17)	569,786,431	555,717,415
Intangible assets	(18)	2,954,809,873	3,070,313,078
Including: Data resources		186,707	–
Development costs	(19)	56,311,304	42,279,529
Goodwill	(20)	28,014,688	28,014,688
Long-term prepaid expenses		51,439,310	61,493,616
Deferred tax assets	(21)	891,512,245	910,182,364
Other non-current assets	(22)	552,225,858	621,449,665
Total non-current assets		46,116,283,216	45,454,369,115
TOTAL ASSETS		62,749,753,460	60,245,860,643



CONSOLIDATED BALANCE SHEET (Continued)

31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note IV	31 December 2024	31 December 2023
Current liabilities			
Short-term borrowings	(23)	95,332,649	126,411,604
Notes payable	(25)	485,891,250	917,624,305
Accounts payable	(26)	1,612,906,291	1,870,122,136
Advances from customers		9,583,505	5,482,745
Contract liabilities	(27)	278,861,998	315,410,460
Employee benefits payable	(28)	743,671,659	669,288,869
Taxes payable	(29)	362,277,426	353,882,889
Other payables	(30)	4,224,759,266	3,815,970,467
Including: Dividend payable		8,298,733	42,676,147
Current portion of non-current liabilities	(31)	564,440,298	452,224,323
Other current liabilities		24,993,499	27,621,665
Total current liabilities		8,402,717,841	8,554,039,463
Non-current liabilities			
Long-term borrowings	(32)	1,997,892,490	1,791,983,620
Lease liabilities	(33)	318,917,796	289,111,936
Long-term payables	(34)	284,423,410	205,376,025
Long-term employee benefits payable	(36)	2,681,310,000	2,394,130,000
Deferred income	(35)	336,396,009	336,794,453
Deferred tax liabilities	(21)	56,769,693	55,371,959
Other non-current liabilities	(37)	1,879,239,822	2,080,390,497
Total non-current liabilities		7,554,949,220	7,153,158,490
Total liabilities		15,957,667,061	15,707,197,953
Shareholders' equity			
Share capital	(38)	6,491,100,000	6,491,100,000
Capital surplus	(39)	11,725,620,802	11,734,763,579
Other comprehensive income	(40)	(572,243,667)	(185,948,952)
Specific reserve		15,925,932	8,474,502
Surplus reserve	(41)	3,234,169,702	2,802,635,193
Undistributed profits	(42)	21,593,359,687	19,426,032,436
Total equity attributable to shareholders of the Parent Company		42,487,932,456	40,277,056,758
Minority interests		4,304,153,943	4,261,605,932
Total shareholders' equity		46,792,086,399	44,538,662,690
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		62,749,753,460	60,245,860,643

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

Legal representative:

Principal in charge of accounting:

Head of accounting department:

COMPANY BALANCE SHEET

31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note XVI	31 December 2024	31 December 2023
Current assets			
Cash at bank and on hand	(1)	6,381,813,309	4,726,185,712
Financial assets held for trading		–	120,292,242
Notes receivable		4,890,126	22,050,000
Accounts receivable	(2)	443,332,781	365,245,127
Financing receivables	(3)	106,404,448	113,506,237
Advances to suppliers		82,845,301	57,439,852
Other receivables	(4)	638,540,107	812,769,094
Including: Dividend receivable		143,852,122	435,195,411
Inventories		8,140,662	9,030,768
Held-for-sale assets		–	84,925,902
Current portion of non-current assets	(5)	468,618,563	430,224,584
Other current assets		119,404,620	23,712,218
Total current assets		8,253,989,917	6,765,381,736
Non-current assets			
Long-term receivables	(5)	630,000,000	1,442,000,000
Long-term equity investments	(6)	22,719,219,104	22,085,817,743
Other non-current financial assets		357,184,402	393,840,402
Investment properties	(7)	856,391,629	829,481,663
Fixed assets	(8)	11,445,809,729	11,459,076,752
Construction in progress	(9)	549,701,524	763,444,879
Right-of-use assets		150,788,884	77,607,742
Intangible assets	(10)	1,933,679,904	1,981,583,006
Including: Data resources		186,707	–
Development costs		47,029,101	32,128,091
Long-term prepaid expenses		428,563	507,683
Deferred tax assets		37,274,424	34,880,134
Other non-current assets		265,297,597	290,145,704
Total non-current assets		38,992,804,861	39,390,513,799
TOTAL ASSETS		47,246,794,778	46,155,895,535



COMPANY BALANCE SHEET (Continued)

31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

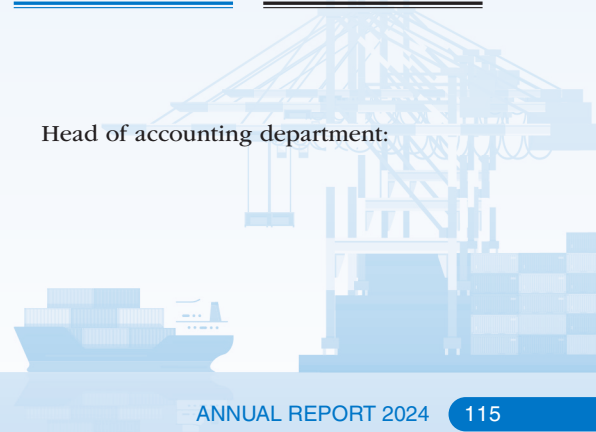
LIABILITIES AND SHAREHOLDERS' EQUITY	Note XVI	31 December 2024	31 December 2023
Current liabilities			
Notes payable		49,166,457	218,431,938
Accounts payable		335,122,787	346,541,429
Advances from customers		4,922,270	5,301,756
Contract liabilities		83,932,456	84,189,876
Employee benefits payable		456,323,478	405,575,432
Taxes payable		33,277,575	17,133,637
Other payables		1,830,508,615	2,083,609,612
Current portion of non-current liabilities		37,153,097	36,132,015
Other current liabilities		5,177,478	5,382,918
Total current liabilities		2,835,584,213	3,202,298,613
Non-current liabilities			
Lease liabilities		114,990,190	36,229,802
Long-term payables		27,923,410	29,676,025
Long-term employee benefits payable		1,600,350,000	1,471,570,000
Deferred income		139,716,051	136,000,535
Other non-current liabilities		1,879,239,822	2,080,390,497
Total non-current liabilities		3,762,219,473	3,753,866,859
Total liabilities		6,597,803,686	6,956,165,472
Shareholders' equity			
Share capital		6,491,100,000	6,491,100,000
Capital surplus	(12)	16,004,144,473	16,013,523,000
Other comprehensive income	(13)	(269,611,399)	(48,941,577)
Surplus reserve		3,234,169,702	2,802,635,193
Undistributed profits	(14)	15,189,188,316	13,941,413,447
Total shareholders' equity		40,648,991,092	39,199,730,063
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		47,246,794,778	46,155,895,535

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

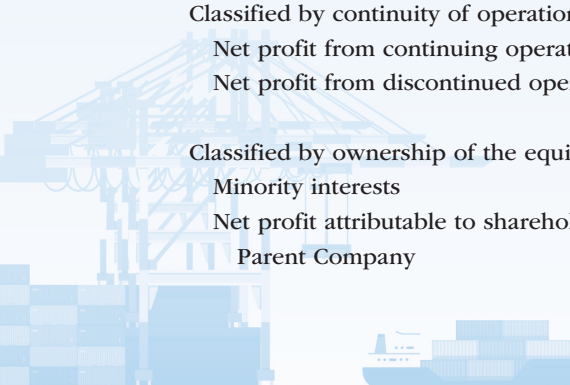
Legal representative:

Principal in charge of accounting:

Head of accounting department:



Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)



Classified by continuity of operation

- Net profit from continuing operations
- Net profit from discontinued operations

Classified by ownership of the equity

- Minority interests
- Net profit attributable to shareholders
- Parent Company

CONSOLIDATED INCOME STATEMENT (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Note IV	Year ended 31 December 2024	Year ended 31 December 2023
5. Other comprehensive income, net of tax	(40)	(400,395,990)	(162,424,770)
Attributable to shareholders of the Parent Company, net of tax		(386,294,715)	(150,147,724)
Other comprehensive income items that will not be subsequently reclassified to profit or loss			
Changes in remeasurement of defined benefit plan obligations		(365,358,725)	(148,332,954)
Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method		(15,691,466)	(6,585,734)
Other comprehensive income items which will be subsequently reclassified to profit or loss			
Other comprehensive income that will be transferred subsequently to profit or loss under the equity method		(5,244,524)	4,770,964
Changes in fair value of other debt investments		-	-
Attributable to minority shareholders, net of tax		(14,101,275)	(12,277,046)
6. Total comprehensive income		<u>5,331,868,395</u>	<u>5,355,239,301</u>
Attributable to shareholders of the Company		4,848,602,755	4,773,173,965
Attributable to minority interests		483,265,640	582,065,336
7. Earnings per share			
Basic earnings per share (RMB)	(52)(a)	0.81	0.76
Diluted earnings per share (RMB)	(52)(b)	0.81	0.76

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

Legal representative:

Principal in charge of accounting:

Head of accounting department:



COMPANY INCOME STATEMENT

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

Item	Note XVI	Year ended 31 December 2024	Year ended 31 December 2023
1. Revenue	(15)	5,675,807,260	5,485,598,026
Less: Cost of sales	(15) · (17)	(4,294,588,080)	(4,103,145,709)
Taxes and surcharges		(78,053,181)	(74,848,874)
Selling and distribution expenses	(17)	(27,024,561)	(29,607,328)
General and administrative expenses	(17)	(540,471,247)	(505,364,738)
Research and development expenses	(17)	(46,612,809)	(59,598,017)
Financial expenses	(16)	24,032,177	(8,189,624)
Including: Interest expenses		(6,652,762)	(5,717,138)
Interest income		81,705,688	56,002,737
Add: Other income		6,706,322	27,105,342
Investment income	(18)	3,797,272,794	3,235,886,513
Including: Investment income from associates and joint ventures		1,529,534,861	1,485,633,256
Gains on changes in fair value		477,118	786,390
Credit impairment reversals/(losses)	(11)	2,537,213	81,646,489
Gains on disposal of assets		13,833,979	5,959,415
2. Operating profit		4,533,916,985	4,056,227,885
Add: Non-operating income		3,379,882	1,701,542
Less: Non-operating expenses		(3,832,522)	(741,770)
3. Total profit		4,533,464,345	4,057,187,657
Less: Income tax expenses	(19)	(218,119,257)	(229,023,057)
4. Net profit		4,315,345,088	3,828,164,600
Classified by continuity of operations			
Net profit from continuing operations		4,315,345,088	3,828,164,600
Net profit from discontinued operations		-	-
5. Other comprehensive income, net of tax		(220,669,822)	(70,674,770)
Other comprehensive income items that will not be subsequently reclassified to profit or loss			
Changes in remeasurement of defined benefit plan obligations		(199,460,000)	(68,860,000)
Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method		(15,691,466)	(6,585,734)
Other comprehensive income items which will be subsequently reclassified to profit or loss			
Other comprehensive income that will be transferred subsequently to profit or loss under the equity method		(5,518,356)	4,770,964
6. Total comprehensive income		4,094,675,266	3,757,489,830

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

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Note IV	Year ended 31 December 2024	Year ended 31 December 2023
1. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		19,934,967,674	18,916,708,723
Refund of taxes and surcharges		89,936,368	101,619,994
Cash received relating to other operating activities	(53)(a)	513,196,781	643,956,273
Subtotal of cash inflows		20,538,100,823	19,662,284,990
Cash paid for goods and services		(9,288,466,341)	(8,029,950,537)
Cash paid to and on behalf of employees		(3,535,898,938)	(3,251,177,130)
Payments of taxes and surcharges		(2,096,655,643)	(1,660,737,026)
Cash paid relating to other operating activities	(53)(b)	(464,303,442)	(569,022,652)
Subtotal of cash outflows		(15,385,324,364)	(13,510,887,345)
Net cash flows from operating activities	(54)(a)	5,152,776,459	6,151,397,645
2. Cash flows from investing activities			
Cash received from disposal of investments	(53)(c)	1,384,166,585	2,563,631,000
Cash received from returns on investments		1,295,323,773	882,581,824
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		128,400,953	55,601,906
Net cash received from disposal of subsidiaries and other business units	(54)(b)	–	192,864,688
Cash received relating to other investing activities	(53)(e)	477,118	5,410,315
Subtotal of cash inflows		2,808,368,429	3,700,089,733
Cash paid to acquire fixed assets, intangible assets, and other long-term assets		(2,085,900,592)	(2,714,221,046)
Cash paid to acquire investments	(53)(d)	(761,010,585)	(2,970,038,000)
Cash paid relating to other investing activities	(53)(f)	–	–
Subtotal of cash outflows		(2,846,911,177)	(5,684,259,046)
Net cash flows used in investing activities		(38,542,748)	(1,984,169,313)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

Item	Note IV	Year ended 31 December 2024	Year ended 31 December 2023
3. Cash flows from financing activities			
Cash received from capital contributions		96,537,639	111,082,637
Including: Cash received from capital contributions by minority shareholders of subsidiaries		82,920,000	111,082,637
Cash received from borrowings		963,857,423	862,797,037
Cash received relating to other financing activities	(53)(g)	120,000,000	407,000,000
Subtotal of cash inflows		1,180,395,062	1,380,879,674
Cash repayments of borrowings		(541,283,674)	(1,069,082,633)
Cash payments for distribution of dividends, profits, or interest expenses		(3,307,104,210)	(2,569,233,934)
Including: Cash payments for distribution of profits to minority shareholders of subsidiaries		(571,118,220)	(687,307,644)
Cash paid relating to other financing activities	(53)(h)	(364,957,135)	(794,781,623)
Subtotal of cash outflows		(4,213,345,019)	(4,433,098,190)
Net cash flows used in financing activities		(3,032,949,957)	(3,052,218,516)
4. Effect of foreign exchange rate changes on cash		(5,594,906)	(4,206,180)
5. Net increase in cash	(54)(a)	2,075,688,848	1,110,803,636
Add: Cash at the beginning of the year		10,132,048,600	9,021,244,964
6. Cash at the end of the year	(54)(a)	12,207,737,448	10,132,048,600

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

Legal representative:

Principal in charge of accounting:

Head of accounting department:



COMPANY CASH FLOW STATEMENT

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Year ended 31 December 2024	Year ended 31 December 2023
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	4,891,724,476	4,320,291,019
Refund of taxes and surcharges	53,393,236	45,612,017
Cash received relating to other operating activities	858,268,286	592,876,834
Subtotal of cash inflows	5,803,385,998	4,958,779,870
Cash paid for goods and services	(2,194,694,402)	(1,930,516,164)
Cash paid to and on behalf of employees	(1,440,687,261)	(1,388,988,264)
Payments of taxes and surcharges	(544,067,849)	(336,316,228)
Cash paid relating to other operating activities	(190,214,105)	(68,137,357)
Subtotal of cash outflows	(4,369,663,617)	(3,723,958,013)
Net cash flows from operating activities	1,433,722,381	1,234,821,857
2. Cash flows from investing activities		
Cash received from disposal of investments	315,656,000	1,959,461,336
Cash received from returns on investments	3,118,249,050	2,513,057,871
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	114,147,104	27,102,463
Net cash received from disposal of subsidiaries and other business units	8,998,121	57,258,646
Cash received relating to other investing activities	1,044,093,890	1,138,305,342
Subtotal of cash inflows	4,601,144,165	5,695,185,658
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	(861,891,049)	(1,134,673,845)
Cash paid to acquire investments	(406,556,152)	(1,987,282,839)
Net cash paid to acquire subsidiaries	-	-
Cash paid relating to other investing activities	(406,000,000)	(573,340,267)
Subtotal of cash outflows	(1,674,447,201)	(3,695,296,951)
Net cash flows used in investing activities	2,926,696,964	1,999,888,707

COMPANY CASH FLOW STATEMENT (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

Item	Year ended 31 December 2024	Year ended 31 December 2023
3. Cash flows from financing activities		
Cash received from borrowings	—	—
Subtotal of cash inflows	—	—
Cash repayments of borrowings	—	(10,000,000)
Cash payments for distribution of dividends, profits, or interest expenses	(2,636,035,710)	(1,753,782,132)
Cash paid relating to other financing activities	(65,379,361)	(48,741,117)
Subtotal of cash outflows	(2,701,415,071)	(1,812,523,249)
Net cash flows used in financing activities	(2,701,415,071)	(1,812,523,249)
4. Effect of foreign exchange rate changes on cash	(9,372,482)	1,737,899
5. Net increase/(decrease) in cash	1,649,631,792	1,423,925,214
Add: Cash at the beginning of the year	4,721,853,744	3,297,928,530
6. Cash at the end of the year	6,371,485,536	4,721,853,744

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

Legal representative:

Principal in charge of accounting:

Head of accounting department:



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

								Minority interests	Total shareholders' equity
Equity attributable to shareholders of the Parent Company									
Item	Note IV	Share capital	Capital surplus	Other	Specific reserve	Surplus reserve	Undistributed profits		
				comprehensive income					
Opening balance as at 1 January 2023		6,491,100,000	11,878,388,652	(43,501,228)	12,449,939	2,419,818,733	16,641,280,437	3,877,363,962	41,276,900,495
Changes in 2023									
Total comprehensive income									
Net profit		-	-	-	-	-	4,923,321,689	594,342,382	5,517,664,071
Other comprehensive income	(40)	-	-	(150,147,724)	-	-	-	(12,277,046)	(162,424,770)
Total comprehensive income		-	-	(150,147,724)	-	-	4,923,321,689	582,065,336	5,355,239,301
Capital contribution and withdrawal by shareholders									
Capital contribution by minority shareholders in subsidiaries		-	-	-	-	-	-	111,082,637	111,082,637
Purchase of minority shareholders' shares		-	(144,455,194)	-	-	-	-	131,709,603	(12,745,591)
Profit distribution									
Appropriation to surplus reserves	(41)	-	-	-	-	382,816,460	(382,816,460)	-	-
Distribution to shareholders	(42)	-	-	-	-	-	(1,748,053,230)	(444,612,471)	(2,192,665,701)
Specific reserve									
Appropriation to safety fund		-	-	-	112,493,706	-	-	37,871,466	150,365,172
Utilization of safety fund		-	-	-	(116,469,143)	-	-	(33,874,601)	(150,343,744)
Impact of disposal of subsidiaries		-	-	7,700,000	-	-	(7,700,000)	-	-
Recognition of other changes in equity of associates and joint ventures									
	(39)	-	830,121	-	-	-	-	-	830,121
Closing balance as at 31 December 2023		6,491,100,000	11,734,763,579	(185,948,952)	8,474,502	2,802,635,193	19,426,032,436	4,261,605,932	44,538,662,690



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

Item	Note IV	Equity attributable to shareholders of the Parent Company						Minority	Total
		Share capital	Capital surplus	Other comprehensive income	Specific reserve	Surplus reserve	Undistributed profits	interests	shareholders' equity
Opening balance as at 1 January 2024		6,491,100,000	11,734,763,579	(185,948,952)	8,474,502	2,802,635,193	19,426,032,436	4,261,605,932	44,538,662,690
Changes in 2024									
Total comprehensive income									
Net profit		-	-	-	-	-	5,234,897,470	497,366,915	5,732,264,385
Other comprehensive income	(40)	-	-	(386,294,715)	-	-	-	(14,101,275)	(400,395,990)
Total comprehensive income		-	-	(386,294,715)	-	-	5,234,897,470	483,265,640	5,331,868,395
Capital contribution and withdrawal by shareholders									
Capital contribution by minority shareholders in subsidiaries		-	-	-	-	-	-	94,775,917	94,775,917
Disposal of equity in subsidiaries		-	(1,181,134)	-	-	-	-	-	(1,181,134)
Profit distribution									
Appropriation to surplus reserves	(41)	-	-	-	-	431,534,509	(431,534,509)	-	-
Distribution to shareholders	(42)	-	-	-	-	-	(2,636,035,710)	(536,746,708)	(3,172,782,418)
Specific reserve									
Appropriation to safety fund		-	-	-	118,672,519	-	-	38,310,460	156,982,979
Utilization of safety fund		-	-	-	(111,221,089)	-	-	(37,057,298)	(148,278,387)
Impact of disposal of subsidiaries		-	-	-	-	-	-	-	-
Recognition of other changes in equity of associates and joint ventures	(39)	-	(7,961,643)	-	-	-	-	-	(7,961,643)
Closing balance as at 31 December 2024		6,491,100,000	11,725,620,802	(572,243,667)	15,925,932	3,234,169,702	21,593,359,687	4,304,153,943	46,792,086,399

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

Legal representative:

Principal in charge of accounting:

Head of accounting department:



COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Note XVI	Share capital	Capital surplus	Other comprehensive income	Specific reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
Opening balance as at 1 January 2023		6,491,100,000	16,024,844,086	21,733,193	-	2,419,818,733	12,244,118,537	37,201,614,549
Changes in 2023								
Total comprehensive income								
Net profit		-	-	-	-	-	3,828,164,600	3,828,164,600
Other comprehensive income	(13)	-	-	(70,674,770)	-	-	-	(70,674,770)
Total comprehensive income		-	-	(70,674,770)	-	-	3,828,164,600	3,757,489,830
Capital contribution and withdrawal by shareholders								
Purchase of minority shareholders' shares		-	(12,151,207)	-	-	-	-	(12,151,207)
Profit distribution								
Appropriation to surplus reserves		-	-	-	-	382,816,460	(382,816,460)	-
Distribution to shareholders		-	-	-	-	-	(1,748,053,230)	(1,748,053,230)
Specific reserve								
Appropriation to safety fund		-	-	-	31,454,962	-	-	31,454,962
Utilization of safety fund		-	-	-	(31,454,962)	-	-	(31,454,962)
Recognition of other changes in equity of associates and joint ventures	(12)	-	830,121	-	-	-	-	830,121
Closing balance as at 31 December 2023		6,491,100,000	16,013,523,000	(48,941,577)	-	2,802,635,193	13,941,413,447	39,199,730,063



COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

Item	Note XVI	Share capital	Capital surplus	Other comprehensive income	Specific reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
Opening balance as at 1 January 2024		<u>6,491,100,000</u>	<u>16,013,523,000</u>	<u>(48,941,577)</u>	<u>-</u>	<u>2,802,635,193</u>	<u>13,941,413,447</u>	<u>39,199,730,063</u>
Changes in 2024								
Total comprehensive income								
Net profit		-	-	-	-	-	4,315,345,088	4,315,345,088
Other comprehensive income	(13)	-	-	(220,669,822)	-	-	-	(220,669,822)
Total comprehensive income		-	-	(220,669,822)	-	-	4,315,345,088	4,094,675,266
Capital contribution and withdrawal by shareholders								
Purchase of minority shareholders' shares		-	-	-	-	-	-	-
Profit distribution								
Appropriation to surplus reserves		-	-	-	-	431,534,509	(431,534,509)	-
Distribution to shareholders		-	-	-	-	-	(2,636,035,710)	(2,636,035,710)
Specific reserve								
Appropriation to safety fund		-	-	-	32,533,282	-	-	32,533,282
Utilization of safety fund		-	-	-	(32,533,282)	-	-	(32,533,282)
Recognition of other changes in equity of associates and joint ventures	(12)	-	(9,378,527)	-	-	-	-	(9,378,527)
Closing balance as at 31 December 2024		<u>6,491,100,000</u>	<u>16,004,144,473</u>	<u>(269,611,399)</u>	<u>-</u>	<u>3,234,169,702</u>	<u>15,189,188,316</u>	<u>40,648,991,092</u>

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

Legal representative:

Principal in charge of accounting:

Head of accounting department:



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

I. GENERAL INFORMATION

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

I. GENERAL INFORMATION (Continued)

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

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

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

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

As at 31 December 2024, the total share capital of the Company is 6,491,100,000 shares with par value at RMB1.00, including 5,392,075,000 A-shares and 1,099,025,000 H-shares, accounting for 83.07% and 16.93%, respectively, of the total share capital of the Company. Qingdao Port Group holds 55.77% shares of the Company in total.

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

The main scope of business of the Company and its subsidiaries (collectively the “Group”) includes port and port-related services such as stevedoring, stacking, logistics of containers, metal ores, coal, crude oil, grains, break bulk cargo, and port supporting business including electricity and fuel supply to the port area.

These financial statements have been approved for issuance by the Company’s Board of Directors on 28 March 2025.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting policies and accounting estimates are determined based on the features of the Group's production and operation, which mainly include measurement for the provision of expected credit losses on receivables and contract assets (Note II.(9)), depreciation of fixed assets, amortization of intangible assets and right-of-use assets (Note II.(13), (16), (24)), provision of supplemental retirement benefits (Note II.(19)), and recognition and measurement of revenue (Note II.(21)), etc.

The Group's critical judgements applied in determining significant accounting policies, critical accounting estimations, and key assumptions are as follows Note II.(28).

(1) Basis of Preparation for Financial Statements

The financial statements of the Group have been prepared on the basis of transactions and events that actually occurred, in accordance with the *Accounting Standards for Business Enterprises* and its application guidelines, interpretations and other relevant regulations (hereinafter collectively referred to as ASBE) issued by the Ministry of Finance and the disclosure-related provisions of the *Public Information Disclosure and Compilation Rules for Public Offering of Securities No. 15 – General Provisions for Financial Reporting* (revised in 2023) issued by the China Securities Regulatory Commission (CSRC).

The financial statements are prepared on a going concern basis.

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

(a) Preparation basis of consolidated financial statements

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(1) Basis of Preparation for Financial Statements (Continued)

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

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

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

The financial statements of the Company for the year ended 31 December 2024 are in compliance with the Accounting Standards for Business Enterprises and truly and completely present the Consolidated and the Company's financial position as at 31 December 2024 and their financial performance, cash flows, and other information for the year then ended.

(3) Accounting year

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

(4) Recording currency

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(5) Business combination

(a) Business combinations under common control

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

(b) Business combinations not under common control

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

(6) Preparation of consolidated financial statements

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

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

In preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary and the Company are not consistent, the necessary adjustments are made to the financial statements of the subsidiary in accordance with the Company's accounting policies and accounting periods. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(6) Preparation of consolidated financial statements (Continued)

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

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

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

Acquisition of minority interests in subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(7) Cash and cash equivalents

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

(8) Foreign currency translation

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

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

(9) Financial instruments

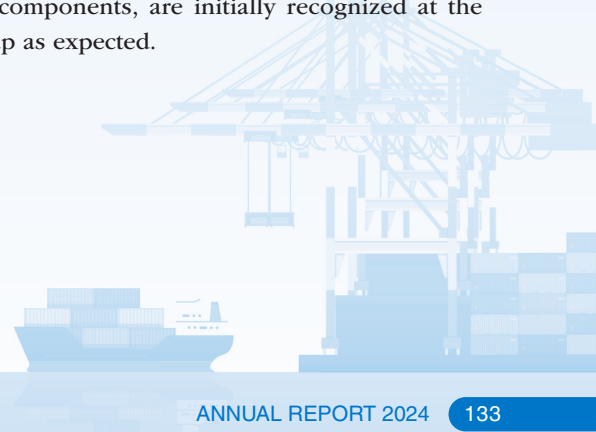
A financial instrument is a contract that forms a financial asset of one party and forms a financial liability or equity instrument of the other party. When the Group becomes a party to a financial instrument contract, the relevant financial assets or financial liabilities are recognized.

(a) Financial assets

(i) *Classification and measurement*

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(9) Financial instruments (Continued)

(a) Financial assets (Continued)

(i) *Classification and measurement* (Continued)

Debt instruments

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

Measured at amortized cost:

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

Measured at fair value through other comprehensive income:

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

Measured at fair value through profit or loss:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(9) Financial instruments (Continued)

(a) Financial assets (Continued)

(i) *Classification and measurement* (Continued)

Equity instruments

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

(ii) *Impairment*

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

The Group recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under a contract and the cash flows expected to be received, weighted by the risk of default, taking into account reasonable and substantiated information about past events, current conditions and projections of future economic conditions that are available at the balance sheet date without undue additional cost and effort.

For notes receivable, accounts receivable, financing receivables, and contract assets arising from ordinary operating activities, such as sales of goods and rendering of services, the Group measures the loss provision based on lifetime expected credit losses, regardless of whether or not there is a significant financing component. For lease receivables, the Group also elects to measure the loss allowance based on lifetime expected credit losses.

Except for notes receivable, accounts receivable, financing receivables, contract assets, and lease receivables mentioned above, at each balance sheet date, the Group measures separately the expected credit losses on financial instruments in different stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, it is in the first stage, the Group shall measure its loss allowance based on expected credit losses over the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition but no credit impairment has occurred, it is in the second stage, the Group shall measure its loss allowance based on expected credit losses over its entire duration; if a financial instrument has been credit impaired since initial recognition, it is in the third stage, the Group shall measure its loss allowance based on expected credit loss over its entire duration.

For financial instruments with low credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition and considers them to be in the first stage of financial instruments and shall measure its loss provision based on expected credit losses over the next 12 months.

The Group calculates interest income on financial instruments in the first and second stages based on the book balance and effective interest rate of the instruments before the provision for impairment. For financial instruments in the third stage, interest income is calculated based on their book balance less amortized cost after provision for impairment and effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(9) Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Impairment (Continued)

The credit risk characteristics of each class of financial assets for which expected credit losses are calculated on an individual basis are significantly different from other financial assets within this category. When information on expected credit losses cannot be assessed at a reasonable cost for a single financial asset, the Group classifies receivables into portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis, and determination of the portfolio and the accrual methodology are as follows:

Grouping of financing receivables and notes receivable:

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

Accounts receivable portfolio:

Portfolio A	Accounts receivable from companies within the scope of consolidation (applicable to the company's financial statements)
Portfolio B	Accounts receivable from related parties outside the scope of consolidation and third parties:

Grouping of other receivables and long-term receivables:

Internal company combinations	Other receivables and long-term receivables from companies within the scope of consolidation (applicable to the company's financial statements)
Agency business receivables portfolio	Receivables from companies outside the scope of consolidation from the agency business portfolio
Deposit and guarantee portfolios	Receivables from companies outside the scope of consolidation from the deposit and guarantee portfolios
Dividend receivable portfolio	Receivables from companies outside the scope of consolidation from the dividend receivable portfolio
Other portfolios	Receivables from companies outside the scope of consolidation from the other portfolio

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(9) Financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Impairment (Continued)

For the receivables, lease receivables, notes receivable, financing receivable and contract assets derived from daily business activities such as sales of goods and rendering of services, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of future economic conditions, and based on the exposure at default and lifetime expected credit loss rate throughout its lifetime. Notes receivable and financing receivables except the aforementioned, other receivables and long-term receivables classified as a portfolio, the Group shall calculate the expected credit losses, based on historical credit loss experience, current conditions and forecasts of future economic conditions, by the default risk exposures and expected credit loss rates within next 12 months or over the entire duration.

The Group recognises the gains or losses in profit or loss of the provision or reversal of the impairment. In the case of a debt instrument held at fair value through other comprehensive income, the Group adjusts other comprehensive income while recording gain or loss in profit and loss.

(iii) Derecognition

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(9) Financial instruments (Continued)

(b) Financial liabilities

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

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

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

(c) Determination of fair value of financial instruments

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(10) Inventories

(a) Classification

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

(b) Costing of inventories when issued

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

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

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realizable value. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes. For inventories sold in the same region and with the same or similar end uses, the Group determines the provision for the decline in value on an aggregate basis.

(d) The Group adopts the perpetual inventory system.

(11) Long-term equity investments

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(11) Long-term equity investments (Continued)

(a) Determination of investment cost

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

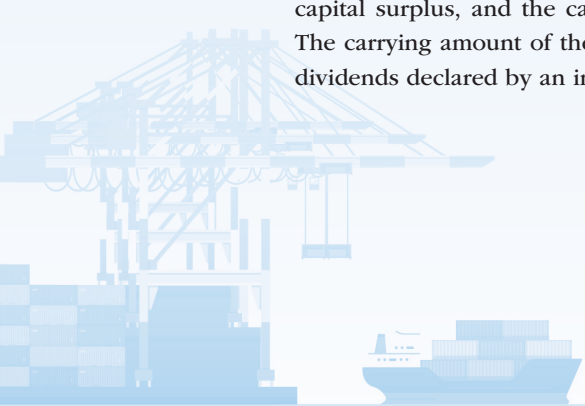
For long-term equity investments acquired not through business combinations, regarding the long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(11) Long-term equity investments (Continued)

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

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

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

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

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

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

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

(d) Impairment of long-term equity investments

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(12) Investment properties

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

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

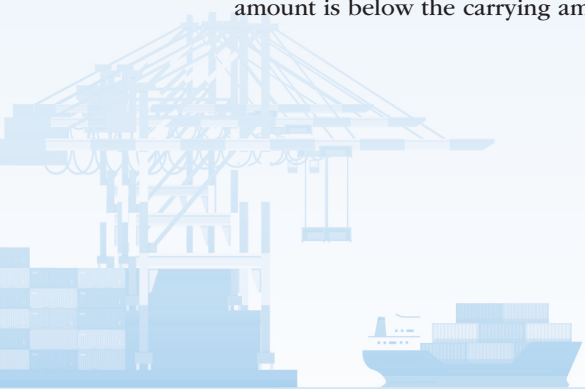
	Estimated useful lives	Estimated net residual values	Annual depreciation/ amortization rates
Buildings	30 years	4%	3.2%
Storage facilities	20-45 years	4%	2.1%-4.8%
Land use rights	35-50 years	—	2.0%-2.9%

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(13) Fixed assets

(a) Recognition and initial measurement of fixed assets

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

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

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

(b) Depreciation methods of fixed assets

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

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

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

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed and adjusted as appropriate at each year-end. The carrying amount of a fixed asset is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note II.(18)).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(13) Fixed assets (Continued)

(c) Disposal of fixed assets

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

(14) Construction in progress

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

(15) Borrowing costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(16) Intangible assets

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

(a) Land use rights

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

(b) Sea area use right

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

(c) Software

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

(d) Periodical review of useful life and amortization method

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

(e) Research and development

The Group's research and development expenses mainly include materials used in research and development, employee benefits of research and development department, depreciation and amortisation of equipment and software used for research and development, research and development test, research and development service fee, and licensing fee.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(16) Intangible assets (Continued)

(e) Research and development (Continued)

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

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

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

(f) Impairment of intangible assets

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

(17) Long-term prepaid expenses

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(18) Impairment of long-term assets

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(19) Employee benefits

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

(a) Short-term employee benefits

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

(b) Post-employment benefits

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

As at 31 December 2024, the Group had no forfeited contributions (i.e., contributions processed by the Group on behalf of employees who withdrew from the scheme before the contributions became their own) for the set deposit and withdrawal plan to reduce the current and future contribution levels. For defined benefit plans, the Group has not yet established scheme assets, and therefore, there is no relevant information on the market value, contribution level, or material surplus or shortfall of scheme assets to disclose.

Basic pensions

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

Corporate annuity

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(19) Employee Benefits (Continued)

(b) Post-employment benefits (Continued)

Supplemental retirement benefits

Pursuant to the *Minutes of the 29th Executive Meeting of the 14th People's Government of Qingdao City* issued by the General Office of Qingdao Municipal Government on 19 August 2013, the Group, besides the pension plan specified by the State, offers supplemental retirement benefits to employees retired or to be retired prior to 31 December 2015 and the surviving family members involved, which is under defined benefit plans. Pursuant to the *Interim Measures for Supplementary Medical Insurance Management of Qingdao Port International Co., Ltd.* (Qing Gang Guo Ji Ren Zi [2020] No. 104), the Group provides supplementary medical benefits and other supplemental benefits to employees retired or to be retired in the future. The above supplemental retirement benefits belong to a defined benefit plan. The supplemental retirement benefits borne by the Group are recognized as liabilities, actuarially evaluated using the projected unit credit method, and presented as the present value of expected future cash outflow. Actuarial gains and losses are included in other comprehensive income in the period when incurred, and past service cost is recognized in the period when incurred. The supplemental retirement benefits are discounted at the interest rate of government bonds that have terms to maturity approximating the terms of the related supplemental retirement benefits.

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

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

On 13 September 2024, the Standing Committee of the Fourteenth National People's Congress adopted the *Decision of the Standing Committee of the National People's Congress on the Implementation of a Gradual Delay in the Mandatory Retirement Age* at its eleventh meeting. Pursuant to it, the statutory retirement age of employees was delayed, and employees were given a limited choice of early and delayed retirement, with the retirement age of those who chose early retirement not being lower than the original statutory retirement age. Changes in the net asset or net liability of an enterprise's defined benefit plans as a result of changes in the new policies are changes in the defined benefit plans, which are recognized in profit or loss for the current period and should be implemented from the date of the changes.

(c) Termination benefits

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(19) Employee Benefits (Continued)

(c) Termination benefits (Continued)

Early retirement benefits

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

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

(20) Dividend distribution

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(21) Revenue

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

(a) Rendering of services

The corresponding revenue recognition methods are summarized as follows:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(21) Revenue (Continued)

(a) Rendering of services (Continued)

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

(b) Sale of goods

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

(22) Government grants

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

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

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

Government grants related to the acquisition of long-term assets are recorded as deferred income and recognised in profit or loss on a reasonable and systemic basis over the useful lives of the assets.

Government grants related to income for supporting the Group's business development and contributing to talents and scientific research, which compensate the future costs, expenses or losses are recorded as deferred income and recognized in profit or loss upon the recognition of the related costs, expenses or losses; government grants related to income that compensate incurred costs, expenses or losses are recognized in current profit or loss directly.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(23) Deferred tax assets and deferred tax liabilities

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

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

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

Deferred tax assets and deferred tax liabilities that simultaneously meet the following conditions are presented net of offsets:

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

(24) Leases

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

The Group as the lessee:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(24) Leases (Continued)

The Group as the lessee: (Continued)

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

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

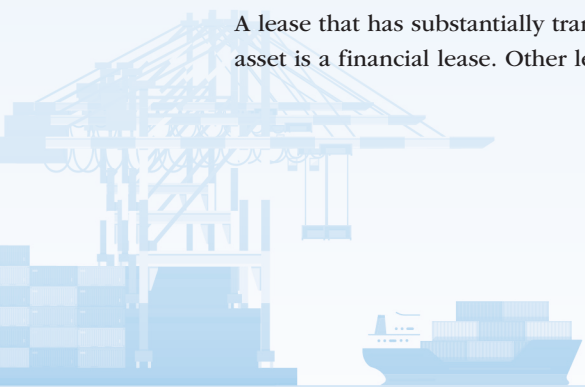
The Group shall account for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase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

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

For eligible rent concessions agreed on existing lease contracts, the Group applies the practical expedient and records the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with the corresponding adjustment of lease liabilities.

The Group as the lessor:

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(24) Leases (Continued)

The Group as the lessor: (Continued)

(a) Operating lease

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

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

(b) Financial lease

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

(25) Held-for-sale and discontinued operations

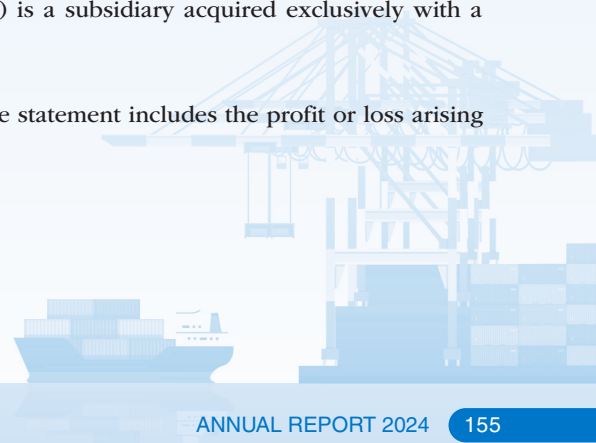
A non-current asset or a disposal group is classified as held for sale when both of the following conditions are satisfied: (1) the non-current asset or the disposal group is available for immediate sale in its present condition subject to usual practices for sale of such non-current asset or disposal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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(26) Specific reserve

In accordance with the provisions of the Ministry of Finance, the Ministry of Emergency Management, and local government, the Group appropriates a special reserve for production safety based on revenue from businesses related to the storage of dangerous goods, pipeline transportation, and common cargo transportation in the previous year.

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

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

(27) Segment information

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(28) Critical accounting estimates and judgements

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

(a) Critical accounting estimates and assumption

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

(i) *Estimate on depreciation of fixed assets*

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(28) Critical accounting estimates and judgements (Continued)

(a) Critical accounting estimates and assumption (Continued)

(iii) Measurement of ECL

The Group calculates ECL pursuant to exposure at default and ECL rate, and determines ECL rate based on the probability of default and the loss given default or ageing matrix. When determining the ECL rate, the Group adopts data like historical credit loss experience in combination with current situation and forward-looking information to adjust historical data. When considering forward-looking information, the Group has considered different macroeconomic scenarios. In 2024, the weights of the three economic scenarios of “benchmark”, “unfavourable,” and “favourable” were 60%, 30%, and 10%, respectively (In 2023: 60%, 30%, and 10%). The Group regularly monitors and reviews key macroeconomic assumptions and parameters related to the calculation of expected credit loss, including the risk of economic downturn, external market environment, technical environment changes on customer conditions, business climate index, consumer price index, industrial added value and investment in fixed assets, etc. In 2024, the Group considered the uncertainty under different macroeconomic scenarios and updated the relevant assumptions and parameters. The key macroeconomic parameters used in each scenario are listed below:

		Economic scenario		
		Benchmark	Unfavourable	Favourable
Consumer price index:	2025 and			
year-on-year basis	subsequent years	-1.18%	-1.06%	-1.30%
Industrial added value:	2025 and			
year-on-year basis	subsequent years	5.18%	4.66%	5.70%
Gross national product:	2025 and			
cumulative year-on-year basis	subsequent years	4.59%	4.13%	5.05%
Investment in fixed assets:	2025 and			
cumulative year-on-year basis	subsequent years	9.63%	8.66%	10.59%

In 2023, the key macroeconomic parameters used in each scenario by the Group were listed below:

		Economic scenario		
		Benchmark	Unfavourable	Favourable
Consumer price index:	2024 and			
year-on-year basis	subsequent years	1.16%	0.56%	1.88%
Industrial added value:	2024 and			
cumulative year-on-year basis	subsequent years	4.62%	4.38%	4.99%
Gross national product:	2024 and			
cumulative year-on-year basis	subsequent years	4.80%	4.53%	5.32%
Investment in fixed assets:	2024 and			
cumulative year-on-year basis	subsequent years	4.77%	3.72%	7.69%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(29) Significant changes in accounting policies

- (a) Provisions on “Classification of Current Liabilities and Non-current Liabilities” in *Accounting Standards for Business Enterprises Interpretation No. 17* (Caikuai [2023] No. 21) (hereinafter “Interpretation No. 17”): Interpretation No. 17 standardizes the “Classification of Current Liabilities and Non-current Liabilities”, “Disclosure of Financing Arrangements with Suppliers” and “Accounting for Sale and Leaseback Transactions” and is effective from 1 January 2024. The Group implemented the regulation on 1 January 2024 and adjusted the comparable period information as required.

After evaluation, the Group believes that the implementation of the provisions has no significant impact on the Group’s financial statements.

- (b) Provisions of “Accounting for Warranties that are not Individual Performance Obligations” in *Accounting Standard for Business Enterprises Interpretation No. 18* (Caikuai [2024] No. 24) (hereinafter “Interpretation No. 18”): Interpretation No. 18 regulates the recording of warranty costs in “Cost of main operations” and “Cost of other businesses”, and no longer in “Selling expenses”, which has come into effect as of the date of issuance of the Interpretation. The Group has implemented the provisions since the issue date, and adjusted the information of comparative periods according to the provisions.

After evaluation, the Group believes that the implementation of the provisions has no significant impact on the Group’s financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

III. TAXATION

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

Category	Tax base	Tax rate
Value-added tax (VAT) (a)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)	0%, 6%, 9%, and 13%
	Taxable revenue amount	3% and 5%
Land use tax	Actual size of the land occupied	RMB 3.2-11.2 per square meter per year
Property tax	If levied on an ad valorem basis, 1.2% of the remaining value after a one-time deduction of 30% from the original value of the property; If levied on a rental basis, 12% of the rental income	1.2%/12%
City maintenance and construction tax	Value added tax	7%
Educational surcharge	Value added tax	3%
Local education surcharge	Value added tax	2%
Enterprise income tax	Taxable income	20% and 25%

(a) VAT

In 2024, in addition to sales and commodity trading of fuel oil, mechanical and electrical equipment, hydropower, etc., the Company and certain subsidiaries also provide services such as transportation, stevedoring, port management, tugboat and barging, ocean shipping tallying, and tangible movable property leasing. Value-added tax is applicable to the above-mentioned businesses. The value-added tax rate applicable to the sales of fuel oil, mechanical and electrical equipment and electricity, commodity trading, and tangible movable property leasing services is 13%; the value-added tax rate applicable to stevedoring services, port management services, tugboat and barging services, ocean shipping tallying, and other services is 6%; the value-added tax rate applicable to the provision of transportation services, the provision of construction and installation projects, etc., and the transfer of real estate such as docks, storage yards, land use rights, and the lease of real estate services is 9%; the transfer or lease of real estate acquired before 30 April 2016 is taxed pursuant to the simplified taxation method, and the applicable tax rate is 3% or 5%.

(b) Withholding and payment of enterprise income tax

According to Guo Shui Han [2008] No. 897, the *Notice on Issues Concerning the Withholding and Payment of Enterprise Income Tax on the Distribution of Dividends by Chinese Resident Enterprises to Shareholders of Overseas H-share Non-resident Enterprises* issued by the State Taxation Administration on 6 November 2008, the Company withholds and pays enterprise income tax at a rate of 10% when paying dividends to shareholders of overseas H-share non-resident enterprises.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

III. TAXATION (Continued)

(2) Tax incentives

(a) Enterprise income tax

In accordance with Cai Shui [2008] No. 116 and Cai Shui [2008] No. 46, Qingdao Port Haiye Dongjiakou Oil Products Co., Ltd. ("Dongjiakou Oil Products"), Qingdao Port Dongjiakou Liquid Chemical Terminal Co., Ltd. ("Liquid Chemical Terminal"), and Qingdao Port Multi-purpose Terminal Co., Ltd. ("QMT"), the subsidiaries of the Company, engaged in public infrastructure projects specially supported by the state, so the corresponding Datang Phase II terminal berth loading and unloading business to Dongjiakou Oil Products and Liquid Chemical Terminal would be exempted from enterprise income tax for three years starting from 2021 and eligible for a 50% tax reduction for the next three years. 2024 is the first year of income tax reduced by half. The corresponding terminal loading and unloading business to QMT would be exempted from enterprise income tax for three years starting from 2022 and eligible for a 50% tax reduction for the next three years. 2024 is the third year of income tax exemption.

According to relevant provisions of the *Announcement on Policies of Deducting Enterprise Income Tax for Equipment and Apparatus* (Cai Shui [2023] No. 37) issued by the Ministry of Finance and the State Taxation Administration, the newly purchased equipment and apparatus by the Group with a value of less than RMB5 million during the period between 1 January 2024 and 31 December 2027 are allowed to be included in the current period's expenses and deducted in calculating taxable income, and depreciation will no longer be calculated annually.

According to the first provision in the *Announcement on Further Improving the Pre-tax Additional Deduction Policy for R&D Expenses* ([2023] No. 7), if the actual R&D expenses incurred by the Group in carrying out R&D activities do not form intangible assets and are included in profit or loss for the current period, on the basis of the actual deduction according to the regulations, from 1 January 2023, 100% of the actual amount will be additionally deducted before tax; if an intangible asset is formed, from 1 January 2023, the expenses are amortized before tax at 200% of the cost of the intangible asset.

According to the *Announcement on Enterprise Income Tax Policies for Digital and Intelligent Reconstruction of Specialized Equipment for Energy and Water Conservation, Environmental Protection, and Safe Production* (Cai Shui [2024] No. 9), the portion of the inputs for digital and intelligent reconstruction of specialized equipment incurred by an enterprise during the period from 1 January 2024 to 31 December 2027 that does not exceed 50% of the original tax base of the specialized equipment at the time of its acquisition may be credited against the enterprise's tax payable for the year at 10%. If the enterprise's tax payable for the year is insufficient for credit, the credit may be carried forward to subsequent years, but the carry-forward period shall not exceed five years.

In 2024, according to the State Taxation Administration Announcement No. 12 of 2023, Qingdao Port Culture & Media Co., Ltd. ("Cultural & Media"), Qingdao Port Properties Management Co., Ltd. ("Qingdao Port Properties"), Qingdao Port Lianshun Shipping Co., Ltd. ("GLS Shipping"), Qingdao Port Yuntai Logistics Co., Ltd. ("Yuntai Logistics"), Qingdao Port Land Port (Jiaozhou) International Logistics Co., Ltd. ("Land Port Logistics"), Qingdao Port Eimskip Coldchain Logistics Co., Ltd. ("Eimskip Coldchain"), Qingdao Shengshi International Logistics Co., Ltd. ("Shengshi Logistics"), China Weihai Shipping Agency Co., Ltd. ("Shipping Agency"), Gangfeng Vessel Agency Co., Ltd. ("Gangfeng Vessel Agency"), and China Ocean Shipping Tally Weihai Co., Ltd. ("China Ocean Shipping Tally Weihai"), subsidiaries of the Company, are all small low-profit enterprises. The portion of the annual taxable income of the above enterprises not exceeding RMB3 million shall be included in the taxable income at the reduced percentage of 25%, and the enterprise income tax shall be prepaid at the rate of 20%.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

III. TAXATION (Continued)

(2) Tax incentives (Continued)

(b) VAT

Pursuant to the *Announcement on Relevant Policies for Deepening the Value-added Tax Reform* (the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs Announcement [2019] No. 39) jointly issued by the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs, the *Announcement on the Additional Deduction Policies of Value-added Tax for the Consumer Service Industry* (the Ministry of Finance and the State Taxation Administration Announcement [2019] No. 87) jointly issued by the Ministry of Finance and the State Taxation Administration, the *Announcement on VAT Policies for Promoting the Bailout and Development of Vulnerable Industries in the Service Sector* (the Ministry of Finance and the State Taxation Administration Announcement [2022] No. 11) jointly issued by the Ministry of Finance and the State Taxation Administration, and the *Announcement on Clarifying Policies on VAT Reduction and Exemption for VAT Small-scale Taxpayers* (the Ministry of Finance and the State Taxation Administration Announcement [2023] No. 1) jointly issued by the Ministry of Finance and the State Taxation Administration, Qingdao Port Properties, a subsidiary of the Company engaged in the consumer service industry, is eligible for a 10% additional VAT deduction based on deductible input VAT in the current period from 1 January 2023 to 31 December 2023. Qingdao Port International Logistics Co., Ltd. ("QDP Logistics"), Qingdao Port Lianjie International Logistics Co., Ltd. ("Lianjie Logistics"), QMT, and Dongjiakou Oil Products, subsidiaries of the Company engaged in the producer service industry, are eligible for a 5% additional VAT deduction based on deductible input VAT in the current period from 1 January 2023 to 31 December 2023.

Pursuant to the relevant provisions of the *Notice on Comprehensively Promoting the Pilot Project of Replacing Business Tax with VAT* (No. 36 [2016] of the State Taxation Administration and the Ministry of Finance) issued by the Ministry of Finance and the State Taxation Administration, Shandong Port Lianhua Pipeline Oil Transportation Co., LTD. ("Shandong Port Lianhua") and Qingdao Gangjia Logistics Co., Ltd. ("Gangjia Logistics"), subsidiaries of the Company, as a general taxpayer providing pipeline transportation services, for those whose actual VAT burden exceeds 3%, the policy of levy-and-refund will be implemented. QDP Logistics, GLS Shipping, Shipping Agency, Qingdao Port E-Link International Logistics Co., Ltd. ("Qingdao Port E-Link"), Shangang Luhai Quantai (Qingdao) Supply Chain Co., Ltd. ("Luhai Quantai"), Qingdao Port Jieyuntong Logistics Co., Ltd. ("Jieyuntong Logistics"), Qingdao Port Qianwan Port Area Bonded Logistics Center Co., Ltd. ("Bonded Logistics Center"), Qingdao Port Dongjiakou Bulk Cargo Center Co., Ltd. ("Dongjiakou Bulk Cargo"), Land Port Logistics, Qingdao Port Pulp Logistics Co., Ltd. ("Pulp Logistics"), Zhonglin Qinggang Supply Chain Co., Ltd. ("Qinggang Supply Chain"), Qingdao Port Jimo Port International Logistics Co., Ltd. ("Jimo Logistics"), subsidiaries of the Company, as taxpayers of international goods transportation agency services, are exempted from value-added tax ("VAT") on the direct or indirect international goods transportation agency services.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

III. TAXATION (Continued)

(2) Tax incentives (Continued)

(c) Land use tax for terminal land

In 2024, according to the *Announcement on Continuing the Implementation of the Preferential Urban Land Use Tax Policies for the Land Used by Logistics Enterprises for Bulk Commodity Storage Facilities* (the Ministry of Finance and the State Taxation Administration Announcement [2023] No. 5) issued by the Ministry of Finance and the State Taxation Administration, the Group's warehousing area owned (for self-using and leasing) or leased for bulk commodities was subject to 50% tax reduction of land use tax. According to the *Regulation of the State Taxation Administration on Issues of Land Use Tax Exemption of Port Land of Transport Departments* (Guo Shui Di Zi [1989] No. 123), the Group's land exclusively for ports (berths, including quayside, deep-water floating quay, embankment, dam, etc.) was exempted from land use tax.

(d) Land use tax for terminal land

In 2024, pursuant to the *Announcement of the Ministry of Finance and the State Taxation Administration on Tax Policies Related to Further Supporting the Development of Micro and Small Enterprises and Individual Businesses* (Cai Shui [2023] No. 12), from 1 January 2023 to 31 December 2027, VAT small-scale taxpayers, small low-profit enterprises, and individual businesses are subject to 50% tax reduction of the resource tax (excluding the water resource tax), city maintenance, and construction tax, property tax, urban land use tax, stamp duty (excluding securities transaction stamp duty), farmland occupation tax, educational surcharge, and local education surcharge. Cultural & Media, Qingdao Port Properties, GLS Shipping, Yuntai Logistics, Land Port Logistics, Eimskip Coldchain, Shengshi Logistics, Gangfeng Agency, Shipping Agency, and China Ocean Shipping Tally Weihai, subsidiaries of the Group, are small low-profit enterprises and are entitled to 50% surtax reduction for the current period.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Cash at bank and on hand

	31 December 2024	31 December 2023
Cash on hand	—	—
Cash at bank	326,502,875	1,340,826,676
Deposits of Shandong Port Finance Company	12,297,234,573	9,514,721,924
Other cash balances	30,929,676	58,275,997
Interest receivable	18,462,588	20,202,353
	<u>12,673,129,712</u>	<u>10,934,026,950</u>
Including: Amounts deposited abroad	<u>33,584,127</u>	<u>34,100,161</u>

As at 31 December 2024, other cash balances include deposits for the issuance of bank acceptance notes amounted to RMB6,108,047 (31 December 2023: RMB3,602,104), deposits for the issuance of letter of guarantee and other guarantees amounted to RMB11,821,629 (31 December 2023: RMB27,573,893), and litigation frozen capital amounted to RMB13,000,000, of which RMB7,000,000 has been unfrozen for reaching a settlement as of the date of this report. (Litigation frozen capital as at 31 December 2023: RMB27,100,000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) Financial assets held for trading

	31 December 2024	31 December 2023
Structured deposit	–	280,665,064
Stock investments	<u>8,050,643</u>	<u>3,897,019</u>
	<u>8,050,643</u>	<u>284,562,083</u>

(3) Notes receivable

	31 December 2024	31 December 2023
Bank acceptance notes	22,322,306	59,644,058
Trade acceptance notes	19,009,840	24,961,095
Less: Provision for bad debts	<u>(892,275)</u>	<u>(790,620)</u>
	<u>40,439,871</u>	<u>83,814,533</u>

(a) As at 31 December 2024, the Group had no pledged notes receivable (31 December 2023: nil).

(b) As at 31 December 2024, the Group's trade acceptance notes endorsed or discounted but not matured and the notes accepted by banks with lower credit ratings amounted to RMB8,641,798, and all of them were not derecognised.

(c) Provision for bad debts

For notes receivable arising from sales of goods and rendering of services in the ordinary course of operating activities, the Group measures the loss provision based on lifetime expected credit losses ("ECL"), regardless of whether or not there is a significant financing component.

Provisions for bad debts of notes receivable are analysed by category as follows:

	31 December 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Accrual ratio	Amount	% of total balance	Amount	Accrual ratio
Provision for bad debts on an individual basis	–	–	–	–	–	–	–	–
Provision for bad debts on a portfolio basis	<u>41,332,146</u>	<u>100.00%</u>	<u>(892,275)</u>	<u>2.16%</u>	<u>84,605,153</u>	<u>100.00%</u>	<u>(790,620)</u>	<u>0.93%</u>
	<u>41,332,146</u>	<u>100.00%</u>	<u>(892,275)</u>	<u>2.16%</u>	<u>84,605,153</u>	<u>100.00%</u>	<u>(790,620)</u>	<u>0.93%</u>

As at 31 December 2024, the Group had no notes receivable for which the provision for bad debts was made on an individual basis. No provision for bad debts was reversed, and no notes receivable and provision for bad debts were written off in the current year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(4) Accounts receivable

	31 December 2024	31 December 2023
Accounts receivable	2,228,642,440	2,103,632,270
Less: Provision for bad debts	(143,801,916)	(151,319,875)
	<u>2,084,840,524</u>	<u>1,952,312,395</u>

Certain businesses of the Group are dealt in the form of cash, advances from customers, bank acceptance notes, or trade acceptance notes. The remaining businesses are attached with credit terms of 30 to 90 days.

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

	31 December 2024	31 December 2023
Within 1 year	2,050,071,465	1,909,996,335
1 to 2 years	83,581,918	127,824,667
2 to 3 years	66,766,435	36,175,845
Over 3 years	28,222,622	29,635,423
	<u>2,228,642,440</u>	<u>2,103,632,270</u>

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

(b) As at 31 December 2024, accounts receivable and contract assets with top five closing balances, grouped by the party in arrears, are summarized and analyzed as follows:

	Balance of accounts receivable	Balance of contract assets	Provision for bad debts and impairment provisions	% of total balance of accounts receivable and contract assets
Total amount of top five accounts receivable and contract assets	<u>463,427,714</u>	<u>33,770,755</u>	<u>(28,247,618)</u>	<u>20.32</u>

(c) In 2024, the Group did not have any accounts receivable that were derecognized due to the transfer of financial assets (31 December 2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(4) Accounts receivable (Continued)

(d) Provision for bad debts

The Group measures the loss provision for accounts receivable based on lifetime expected credit losses, regardless of whether or not there is a significant financing component.

Provisions for bad debts of accounts receivable are analysed by category as follows:

	31 December 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Accrual ratio	Amount	% of total balance	Amount	Accrual ratio
Provision for bad debts on an individual basis (i)	50,000	-	(50,000)	100.00%	20,962,438	1.00%	(20,962,438)	100.00%
Provision for bad debts on a portfolio basis (ii)	<u>2,228,592,440</u>	<u>100.00%</u>	<u>(143,751,916)</u>	<u>6.45%</u>	<u>2,082,669,832</u>	<u>99.00%</u>	<u>(130,357,437)</u>	<u>6.26%</u>
	<u>2,228,642,440</u>	<u>100.00%</u>	<u>(143,801,916)</u>	<u>6.45%</u>	<u>2,103,632,270</u>	<u>100.00%</u>	<u>(151,319,875)</u>	<u>7.19%</u>

(i) Provisions for bad debts of accounts receivable on an individual basis are analyzed as follows:

Accounts receivable for which the related provision for bad debts was provided on an individual basis were receivables of RMB50,000 from Ningxia Lingwu Baota Dagu Warehousing and Transportation Co., Ltd. The Group considers the above receivables to be difficult to recover due to corresponding companies' difficulties in the business operations or being blacklisted for involvement of several litigations, thus a full provision for bad debts is made by the Group.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(4) Accounts receivable (Continued)

(d) Provision for bad debts (Continued)

(ii) Provisions for bad debts of accounts receivable on a portfolio basis are analyzed as follows:

Accounts receivable from related parties outside the scope of consolidation and third parties:

	31 December 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
		Lifetime ECL			Lifetime ECL	
	Amount	rate	Amount	Amount	rate	Amount
Within 1 year	2,050,071,465	4.54%	(92,984,387)	1,909,996,335	3.25%	(62,000,775)
1 to 2 years	83,581,918	10.00%	(8,358,060)	127,824,667	33.71%	(43,087,956)
2 to 3 years	66,766,435	30.00%	(20,029,931)	36,175,845	45.88%	(16,595,721)
Over 3 years	28,172,622	79.44%	(22,379,538)	8,672,985	100.00%	(8,672,985)
	<u>2,228,592,440</u>		<u>(143,751,916)</u>	<u>2,082,669,832</u>		<u>(130,357,437)</u>

(iii) No provision for bad debts was reversed in the current year, and the provision for bad debts on a portfolio basis amounted to RMB13,394,479.

(e) The accounts receivable that were actually written off were RMB20,912,438 in the current year. At the 16th meeting of the Party Committee of Qingdao Port International Logistics Co., Ltd, it was agreed that the subsidiary, Yuntai Logistics, would write off the original value of accounts receivable and the corresponding provision for bad debts of RMB20,656,092, separately, of Zhongshang Jiankai (Qingdao) Technology Development Co., Ltd., and no executable property is available in the subject of the above write-offs. At the 25th meeting of the Party Committee of Weihai International Logistics Park Development Co., Ltd., it was agreed that the subsidiary, Weihai International Logistics Park Development Co., Ltd. ("Logistics Park Development") would write off the original value of accounts receivable and the corresponding provision for bad debts of RMB256,346, separately, of Hangzhou Qianyue Network Technology Co., Ltd., and no executable property is available in the subject of the above write-offs.

(f) As at 31 December 2024, the Group had no pledged accounts receivable (31 December 2023: nil).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(5) Financing receivables

	31 December 2024	31 December 2023
Bank acceptance notes	<u>212,131,274</u>	<u>314,538,178</u>

- (a) Certain bank acceptance notes satisfied the derecognition criteria and were endorsed or discounted by the Group for the purpose of daily treasury management; thereby, these bank acceptance notes with good credit rating were categorised as financial assets at fair value through other comprehensive income.

In 2024, the Group transferred substantially all the risks and rewards of ownership of the endorsed and discounted bank acceptance notes to other parties. The book values of derecognised bank acceptance notes were RMB688,939,782 and RMB12,600,000 (2023: RMB797,870,814 and RMB159,441,293), respectively, and losses on discount of RMB100,178 were included in investment income (2023: RMB748,554) (Note IV.(49)).

As at 31 December 2024, as the credit risk characteristics of the bank acceptance notes held by the Group were similar, no provision for impairment was made individually. In addition, the Group expected that there was no significant credit risk associated with its bank acceptance notes and did not expect that there would be any significant losses from non-performance by these banks.

- (b) As at 31 December 2024, the Group had no pledged bank acceptance notes presented as financing receivables (31 December 2023: nil).
- (c) As at 31 December 2024, except for Note IV.(3)(b), the Group's bank acceptance notes endorsed or discounted but not matured amounted to RMB27,990,500 (31 December 2023: RMB279,617,030) and had been derecognized.

In 2024, the Group did not have any write-offs of significant financing receivables (2023: nil).

(6) Advances to suppliers

- (a) The aging of advances to suppliers is analyzed as follows:

	31 December 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	137,069,443	98.4%	126,611,960	100%
1 to 2 years	2,224,316	1.60%	–	–
	<u>139,293,759</u>	<u>100%</u>	<u>126,611,960</u>	<u>100%</u>

As at 31 December 2024, the advances to suppliers with aging over 1 year amounted to RMB2,224,316 (31 December 2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(6) Advances to suppliers (Continued)

- (b) As at 31 December 2024, advances to suppliers with top five closing balances, grouped by the party in arrears, are summarized and analyzed as follows:

	Amount	% of total balance of advances to suppliers
Total amount of top five accounts advances to suppliers	73,353,578	52.66%

(7) Other receivables

	31 December 2024	31 December 2023
Agency business receivables (i)	570,646,160	497,519,933
Land resumption compensation (ii)	83,435,139	–
Deposit and guarantee	62,296,437	51,364,460
Supplementary medical insurance pool (iii)	51,906,856	49,513,858
Dividend receivable	28,841,483	33,615,186
Advances for land use rights receivable (iv)	14,622,074	14,622,074
Advances for targeted procurement operations (v)	1,346,276	64,731,923
Others	46,029,938	41,301,190
	859,124,363	752,668,624
Less: Provision for bad debts	(23,595,313)	(84,609,753)
	835,529,050	668,058,871

- (i) Agency business receivables were mainly the amounts paid by the Group on behalf of other parties for accepting the entrustment from ship owners to go through the necessary procedures for the ship's access to the port.
- (ii) Land resumption compensation represented compensation receivable for three state-owned construction land use rights of QMT, a subsidiary of the Group, which were resumed by the Huangdao District Natural Resources Bureau of Qingdao City in the current year.
- (iii) Supplementary medical insurance pool represented the prepaid funds deposited into the account of Shandong Branch of Ping An Endowment Insurance Co., Ltd. for the payment of employees' supplementary medical welfare. The Group expects that the recovery risk is low.
- (iv) Advances for land use rights receivable are the prepayments to the People's Government of Manshan Town, Weihai Lingang Economic and Technological Development Zone and Weihai Lingang State Owned Assets Management Co., Ltd., in a prior year for the purchase of land, by Logistics Park Development, a subsidiary of the Company. Due to the change in government planning, Logistics Park Development will not purchase the piece of land, and the payment is to be recovered and the Group expects that the payment will be fully recovered.
- (v) Advances for targeted procurement operations represented the amounts to be recovered from the Group's targeted purchases of goods for customers.

The Group has no amounts aggregated to other items and presented in other receivables for centralised fund management.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) Other receivables (Continued)

(a) The aging of other receivables is analyzed as follows:

	31 December 2024	31 December 2023
Within 1 year	765,746,925	604,066,020
1 to 2 years	43,103,151	40,671,692
2 to 3 years	22,384,570	19,557,803
Over 3 years	27,889,717	88,373,109
	<u>859,124,363</u>	<u>752,668,624</u>

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

Provisions for bad debts of other receivables are analysed by category as follows:

	31 December 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	% of total		Accrual		% of total		Accrual	
	Amount	balance	Amount	ratio	Amount	balance	Amount	ratio
Provision for bad debts								
on an individual basis (i)	22,968,350	2.67%	(1,346,276)	5.86%	86,353,997	11.47%	(64,731,923)	74.96%
Provision for bad debts								
on a portfolio basis (ii)	836,156,013	97.33%	(22,249,037)	2.66%	666,314,627	88.53%	(19,877,830)	2.98%
	<u>859,124,363</u>	<u>100.00%</u>	<u>(23,595,313)</u>	<u>2.75%</u>	<u>752,668,624</u>	<u>100.00%</u>	<u>(84,609,753)</u>	<u>11.24%</u>
	Stage 1				Stage 3			
	ECL over the next 12 months		ECL over the next 12 months		Lifetime ECL (credit impaired)		Total	
	(portfolio)		(individual)		(individual)			
	Provision for		Provision for		Provision for		Provision for	
	Book balance	bad debts	Book balance	bad debts	Book balance	bad debts	Book balance	bad debts
31 December 2023	666,314,627	(19,877,830)	21,622,074	-	(19,877,830)	64,731,923	(64,731,923)	(84,609,753)
Increase in the current year	169,841,386	(2,371,207)	-	-	(2,371,207)	-	-	(2,371,207)
Decrease in the current year	-	-	-	-	-	(63,385,647)	63,385,647	63,385,647
31 December 2024	<u>836,156,013</u>	<u>(22,249,037)</u>	<u>21,622,074</u>	<u>-</u>	<u>(22,249,037)</u>	<u>1,346,276</u>	<u>(1,346,276)</u>	<u>(23,595,313)</u>

As at 31 December 2024, the Group did not have any other receivables that were at Stage 2 (31 December 2023: nil). Other receivables at Stage 1 and Stage 3 are analysed as follows:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) Other receivables (Continued)

(b) Loss provisions and the movement in the book balance (Continued)

(i) Provisions for bad debts of other receivables on an individual basis are analyzed as follows:

	Book balance	ECL rate over the next 12 months	Provision for bad debts	Reason
Stage 1				
Land compensation receivable	7,000,000	–	–	i)
Advances for land use rights receivable	<u>14,622,074</u>	–	<u>–</u>	ii)
	<u>21,622,074</u>		<u>–</u>	
	Book balance	Lifetime ECL rate	Provision for bad debts	Reason
Stage 3				
Receivables from Qingdao Huamin Shichuang International Trade Co., Ltd.	<u>1,346,276</u>	100%	<u>(1,346,276)</u>	iii)
	<u>1,346,276</u>		<u>(1,346,276)</u>	

- i) Land compensation receivable is the receivable of RMB7,000,000 of Logistics Park Development, a subsidiary of the Group, from the Weihai Lingang Economic and Technological Development Zone Finance and Capital Bureau, which represents the compensation payment granted by the Weihai Lingang District for using part of Logistics Park Development's logistics land for the railroad planning, which the Group expects to be fully recovered.
- ii) As at 31 December 2024, receivables from the People's Government of Manshan Town, Weihai Lingang Economic and Technological Development Zone and Weihai Lingang State Owned Assets Management Co., Ltd. totaled RMB14,622,074, which were the prepayments in a prior year for the purchase of land, by Weihai International Logistics Park Development Co., Ltd., a subsidiary of the Group. Due to the change in government planning, Logistics Park Development will not purchase the piece of land, and the payment is to be recovered and the Group expects that the payment will be fully recovered.
- iii) As at 31 December 2024, the receivable from Qingdao Huamin Shichuang International Trade Co., Ltd. amounted to RMB1,346,276. The company has ceased to operate and is involved in several litigations. The Group has made a full provision for bad debts in respect of the payment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) Other receivables (Continued)

(b) Loss provisions and the movement in the book balance (Continued)

- (ii) As at 31 December 2023, provisions for bad debts of other receivables on an individual basis are analyzed as follows:

	Book balance	ECL rate over the next 12 months	Provision for bad debts	Reason
Stage 1				
Land compensation receivable	7,000,000	–	–	Note IV.(7)(b)(i)
Advances for land use rights receivable	14,622,074	–	–	Note IV.(7)(iv)
	<u>21,622,074</u>		<u>–</u>	
	Book balance	Lifetime ECL rate	Provision for bad debts	Reason
Stage 3				
Receivables from Rongcheng Yinglu Pingxing Imported Automotive Co., Ltd.	63,379,156	100%	(63,379,156)	
Receivables from Qingdao Huamin Shichuang International Trade Co., Ltd.	1,352,767	100%	(1,352,767)	Note IV.(7)(b)(i)
	<u>64,731,923</u>		<u>(64,731,923)</u>	



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) Other receivables (Continued)

(b) Loss provisions and the movement in the book balance (Continued)

(iii) As at 31 December 2024 and 31 December 2023, other receivables for which the related provision for bad debts was made on a portfolio basis are all within Stage 1, which are analysed as follows:

	31 December 2024			31 December 2023		
	Book balance	Loss provisions		Book balance	Loss provisions	
	Amount	Amount	Accrual ratio	Amount	Amount	Accrual ratio
Agency business receivables portfolio	570,646,160	(15,539,485)	2.72%	497,519,933	(16,275,997)	3.27%
Deposit and guarantee portfolios	62,296,437	-	-	51,364,460	(735,538)	1.43%
Dividend receivable portfolio	28,841,483	-	-	33,615,186	-	-
Other portfolios	174,371,933	(6,709,552)	3.85%	83,815,048	(2,866,295)	3.42%
	<u>836,156,013</u>	<u>(22,249,037)</u>		<u>666,314,627</u>	<u>(19,877,830)</u>	

(c) The provision for bad debts in the current year amounted to RMB3,843,257, and the individual provision for bad debts reversed amounted to RMB2,172,444. Other receivables that were written off and the provision for bad debts amounted to RMB62,685,253 in the current year.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) Other receivables (Continued)

- (d) As at 31 December 2024, other receivables with top five closing balances, grouped by the party in arrears, are analyzed as follows:

	Nature	Balance	Aging	% of total balance of other receivables	Provision for bad debts
Qingdao Dongjiakou Economic Zone Management Committee	Land resumption payments	83,435,139	Within 1 year	9.71%	–
Shandong Branch of Ping An Endowment Insurance Co., Ltd.	Supplementary medical insurance fund	50,164,217	Within 1 year	5.84%	–
Shandong Luhai Equipment Group Qingdao Co., Ltd (“Luhai Equipment Group Qingdao”) (formerly known as “Qingdao Port Equipment Manufacturing Co., Ltd.”)	Agency business receivables	44,843,992	Within 1 year	5.22%	(1,209,754)
Qingdao Port Dongjiakou Ore Terminal Co., Ltd. (“QDOT”)	Agency business receivables	35,463,137	Within 1 year	4.13%	(899,148)
Wallem Shipping (China) Co., Ltd.	Agency business receivables	33,694,424	Within 1 year	3.92%	(1,010,833)
		<u>247,600,909</u>		<u>28.82%</u>	<u>(3,119,735)</u>

- (e) As at 31 December 2024, the Group did not recognize government grants at amounts receivable (31 December 2023: nil).

- (f) As at 31 December 2024, the Group had no pledged other receivables (31 December 2023: nil).

- (g) As at 31 December 2024, the Group had no overdue dividend receivable (31 December 2023: nil).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) Inventories

(a) Inventories are categorized as follows:

	31 December 2024			31 December 2023		
	Book balance	Provision for decline in value of inventories	Book value	Book balance	Provision for decline in value of inventories	Book value
Materials and finished goods	23,103,024	-	23,103,024	24,582,831	-	24,582,831
Fuel	5,268,804	-	5,268,804	9,445,023	-	9,445,023
Spare parts	1,220,974	-	1,220,974	2,129,064	-	2,129,064
Others	11,095,240	-	11,095,240	15,447,899	-	15,447,899
	<u>40,688,042</u>	<u>-</u>	<u>40,688,042</u>	<u>51,604,817</u>	<u>-</u>	<u>51,604,817</u>

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

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Materials and finished goods	24,582,831	917,926,809	(919,406,616)	23,103,024
Fuel	9,445,023	663,090,119	(667,266,338)	5,268,804
Spare parts	2,129,064	17,542,687	(18,450,777)	1,220,974
Others	15,447,899	404,267,500	(408,620,159)	11,095,240
	<u>51,604,817</u>	<u>2,002,827,115</u>	<u>(2,013,743,890)</u>	<u>40,688,042</u>

(c) As at 31 December 2024, the management of the Group considered that there was no impairment of the inventories, therefore, no provision for the decline in the value of inventories was required (31 December 2023: nil).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(9) Contract assets

	31 December 2024	31 December 2023
Contract assets	217,964,411	94,088,638
Less: Provision for impairment of contract assets	<u>(8,557,651)</u>	<u>(4,647,548)</u>
	<u>209,406,760</u>	<u>89,441,090</u>

The Group measures the loss provision for contract assets based on lifetime expected credit losses, regardless of whether or not there is a significant financing component. As at 31 December 2024 and 31 December 2023, none of the Group's contract assets were overdue, and there were no contract assets for which individual impairment provisions had been made.

In 2024, the Group did not have any write-offs of significant contract assets (2023: nil).

(10) Other current assets

	31 December 2024	31 December 2023
VAT input to be deducted	<u>320,558,682</u>	<u>197,410,270</u>

(11) Long-term receivables

	31 December 2024	31 December 2023
Receivables from Hunan Ccoop Commercial Management Co., Ltd. ("Hunan Ccoop")	32,486,581	35,401,782
Less: Current portion	<u>(1,835,461)</u>	<u>(4,184,479)</u>
	30,651,120	31,217,303
Less: Provision for bad debts	<u>-</u>	<u>-</u>
	<u>30,651,120</u>	<u>31,217,303</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) Long-term receivables (Continued)

(a) Loss provisions and the movement in the book balance

Provisions for bad debts of long-term receivables are analysed by category as follows:

	31 December 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	% of total		Accrual		% of total		Accrual	
	Amount	balance	Amount	ratio	Amount	balance	Amount	ratio
Provision for bad debts on an individual basis	<u>32,486,581</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>35,401,782</u>	<u>100%</u>	<u>-</u>	<u>-</u>
Stage 3								
Lifetime ECL (credit impaired)								
	Book balance				Provision for bad debts			
31 December 2023	35,401,782				-			
Increase in the current year	2,285,573				-			
Decrease in the current year	(5,200,774)				-			
31 December 2024	<u>32,486,581</u>				<u>-</u>			

- (b) As at 31 December 2024, the Group did not have long-term receivables at Stage 1 and Stage 2 (31 December 2023: nil). The receivable at Stage 3 of RMB32,486,581 was from Hunan Ccoop Commercial Management Co., Ltd. ("Hunan Ccoop") (31 December 2023: RMB35,401,782). Due to its poor performance, Hunan Ccoop was unable to pay the amount and therefore provided the property of its parent company, Supply and Marketing Cooperative Group, as collateral for the payment. According to the court's re-ruling, the amount was undertaken by Ccoop Group Co., Ltd. and would be repaid in installments within 10 years. RMB5,200,774 was repaid in 2024. The Group believed that the recovery risk was relatively low, and therefore, no provision for bad debts was made.

(12) Long-term equity investments

	31 December 2024	31 December 2023
Joint ventures (a)	<u>10,856,736,941</u>	10,536,478,054
Associates (b)	<u>3,654,216,301</u>	3,509,252,046
	<u>14,510,953,242</u>	14,045,730,100

As of 31 December 2024, the Group's management believed that there was no indication that long-term equity investments might be impaired, therefore, no provision for impairment was made (31 December 2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) Long-term equity investments (Continued)

(a) Joint ventures

Investments in joint ventures are set out below:

	31 December 2023	Movements in the current year					31 December 2024
		Share of net profit/(loss) under equity method	Adjustments to other comprehensive income	Changes in other equities	Cash dividends or profits declared	Unrealized gains or losses on intra-group transactions	
Qingdao Qianwan Container Terminal Co., Ltd. ("QQCT") (i)	7,603,178,693	1,184,360,945	(5,650,994)	568,452	(1,007,855,762)	7,082,468	7,781,683,802
Qingdao Shihua Crude Oil Terminal Co., Ltd. ("Qingdao Shihua")	1,222,838,426	161,717,416	(1,345,000)	1,941,417	-	4,456,811	1,389,609,070
QDOT	664,200,714	7,168,908	(3,903,000)	-	-	(699,888)	666,766,734
Qingdao Qianwan West Port United Terminal Co., Ltd. ("West United") (ii)	431,591,467	(4,823,016)	(5,763,000)	837,696	(15,300,000)	1,744,463	408,287,610
Qingdao PetroChina Storage Co., Ltd. ("PetroChina Storage")	169,656,519	(1,513,585)	-	-	(10,094,151)	-	158,048,783
Huaneng Qingdao Port Co., Ltd. ("Huaneng Qingdao")	126,038,667	5,299,503	-	-	-	1,489,699	132,827,869
Qingdao Port Dongjiakou Wanbang Logistics Co., Ltd. ("Dongjiakou Wanbang Logistics") (iii)	67,593,224	(171,399)	-	-	-	-	67,421,825
Qingdao Evergreen Container Storage & Transportation Co., Ltd. ("Evergreen Container")	55,348,057	28,655,614	-	-	(24,049,848)	-	59,953,823
Qingdao Port Dongjiakou Sinotrans Logistics Co., Ltd. ("Dongjiakou Sinotrans Logistics")	52,037,632	373,061	-	-	-	-	52,410,693
Qingdao Orient International Container Storage & Transportation Co., Ltd. ("Orient Container")	47,429,512	10,942,135	-	-	(9,047,051)	-	49,324,596
Qingdao United International Shipping Agency Co., Ltd. ("United Shipping Agency")	30,290,752	3,600,362	-	-	(2,831,175)	-	31,059,939
Qingdao Ganglianhai International Logistics Co., Ltd. ("Ganglianhai Logistics")	19,134,547	4,911,507	-	-	(2,786,283)	-	21,259,771
Qingdao Shenzhouxing International Freight Forwarder Co., Ltd. ("Shenzhouxing freight forwarder")	16,595,756	15,491,559	-	-	(27,923,386)	-	4,163,929
Qingdao China Shipping Agency Co., Ltd. ("China Shipping Agency")	11,890,181	1,338,239	-	-	-	-	13,228,420
Qingdao Ganglianrong International Logistics Co., Ltd. ("Ganglianrong Logistics")	11,539,403	5,954,941	-	-	(4,039,403)	-	13,454,941
Hailu International Port Operation Management Co., Ltd. ("Hailu International")	3,902,032	1,036,577	226,351	-	(725,320)	-	4,439,640
Qingdao Port (Linyi) High-speed Logistics Co., Ltd. ("Linyi Expressway")	3,212,472	(416,976)	-	-	-	-	2,795,496
	<u>10,536,478,054</u>	<u>1,423,925,791</u>	<u>(16,435,643)</u>	<u>3,347,565</u>	<u>(1,104,652,379)</u>	<u>14,073,553</u>	<u>10,856,736,941</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) Long-term equity investments (Continued)

(a) Joint ventures (Continued)

- (i) The Company's shareholding in QQCT is 51%, and the other party's shareholding is 49%. After QQCT's Articles of Association were revised on 3 December 2024, the Meeting of Shareholders serves as the highest authority of QQCT, and significant financial and operational decisions need to be approved by all directors. The Company cannot unilaterally exercise control over QQCT and, therefore, continues to account for QQCT as a joint venture.
- (ii) The Company holds 51% equity interest of West United. In accordance with the Articles of Association of West United, its highest authority is the Meeting of Shareholders but its significant operational decisions should be voted by the Board of Directors with the authorization of the Meeting of Shareholders. The Board of Directors of West United has five members, of which three are designated by the Company. The significant financial and operational decisions of West United need to be approved by all directors. The Company cannot unilaterally exercise control over West United, and therefore, West United is accounted for as a joint venture.
- (iii) The Company holds 51% equity interest of Dongjiakou Wanbang Logistics. In accordance with the Articles of Association of Dongjiakou Wanbang Logistics, its highest authority is the Board of Directors. The Board of Directors of Dongjiakou Wanbang Logistics has seven members, of which four are designated by the Company. The significant financial and operational decisions of Dongjiakou Wanbang Logistics need to be approved by all directors. The Company cannot unilaterally exercise control over Dongjiakou Wanbang Logistics, and therefore, it is accounted for as a joint venture.

Information of interests in joint ventures are set out in Note VI.(2).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) Long-term equity investments (Continued)

(b) Associates

Investments in associates are set out below:

		Movements in the current year					
	31 December 2023	Share of net profit/(loss) under equity method	Adjustments to other comprehensive income	Changes in other equities	Cash dividends or profits declared	Unrealized gains or losses on intra-group transactions	31 December 2024
Shandong Port Finance Company	1,653,772,493	112,485,597	(5,518,356)	-	(50,559,423)	-	1,710,180,311
Shandong Zhenhua Petroleum Energy Storage Co., Ltd. ("Zhenhua Petroleum Storage") (v)	480,200,000	1,366,895	-	-	-	-	481,566,895
Port Engineering	285,520,980	19,283,083	-	(10,084,964)	-	4,985,469	299,704,568
COSCO Shipping Ports (Abu Dhabi) Co., Ltd. ("COSCO Abu Dhabi")	269,107,636	(4,956,400)	-	-	-	-	264,151,236
Qingdao Qingyin Financial Leasing Co., Ltd. ("Qingyin Leasing")	161,067,668	26,849,483	-	(1,223,627)	(9,000,000)	-	177,693,524
Unitrans Group Co., Ltd. ("UG")	152,024,991	48,290,417	47,480	-	(22,407,595)	-	177,955,293
Luhai Equipment Group Qingdao	120,371,490	25,785,524	-	(1,417,501)	-	(1,416,003)	143,323,510
Gulf Liquid Chemical (iv)	111,734,541	1,595,476	-	-	-	-	113,330,017
Qingdao Port International Trade Logistics Co., Ltd. ("Qinggang International Trade Logistics")	92,027,281	14,982,234	-	-	(4,745,177)	-	102,264,338
Shandong Port Science and Technology Group Qingdao Co., Ltd. ("Technology Company")	59,464,926	6,118,259	-	-	(7,565,008)	-	58,018,177
Shangang Luhai International Logistics (Jinan) Co., Ltd. ("Shangang Luhai Jinan")	40,348,331	281,034	-	-	-	-	40,629,365
Xishuangbanna Natural Rubber Storage and Transportation Center Co., Ltd. ("Xishuangbanna Storage and Transportation")	34,000,000	(295,783)	-	-	-	-	33,704,217
Shandong Port Energy Co., Ltd. ("Shandong Port Energy")	14,477,810	2,338,064	-	1,416,884	-	-	18,232,758
Global Shipping Business Network Limited ("GSBN")	8,963,521	(3,711,319)	970,529	-	-	-	6,222,731
Qingdao Qianwan Xinhe International Supply Chain Service Co., Ltd. ("Qianwan Xinhe Supply Chain")	7,710,870	(40,928)	-	-	-	-	7,669,942
Weihai Hailian Container Co., Ltd. ("Hailian Container")	7,435,234	1,303,428	-	-	(1,197,039)	-	7,541,623
Shandong Port Overseas Development Group Qingdao Co., Ltd. ("Overseas Development")	6,124,274	998,630	-	-	-	-	7,122,904
Shangang Energy Development (Qingdao) Co., Ltd. ("Shangang Energy Development") (vi)	4,900,000	4,892	-	-	-	-	4,904,892
	<u>3,509,252,046</u>	<u>252,678,586</u>	<u>(4,500,347)</u>	<u>(11,309,208)</u>	<u>(95,474,242)</u>	<u>3,569,466</u>	<u>3,654,216,301</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) Long-term equity investments (Continued)

(b) Associates (Continued)

- (iv) The Company's original shareholding ratio in Gulf Liquid Chemical was 50%. In August 2023, the Company sold 15% of equity interests in Gulf Liquid Chemical to Qingdao Haiwan Group Co., Ltd. Upon the completion of the transaction, the Company held 35% of equity interests in Gulf Liquid Chemical and accounted for it as an associate.
- (v) In March 2023, the Company jointly established Zhenhua Petroleum Storage with North Petroleum International Company Limited and China Zhenhua Oil Co., Ltd., with a registered capital of RMB980,000,000. The Company contributed RMB480,200,000 and held 49% of the equity interest. The Company has significant influence over Zhenhua Petroleum Storage only, so the Company accounts for it as an associate.
- (vi) In March 2023, Qinggang Power Supply Co., Ltd. ("Qinggang Power Supply", a subsidiary of the Company) jointly established Shangang Energy Development with Beijing Lugang Holding Development Group Co., Ltd. with the registered capital of RMB10,000,000. Qinggang Power Supply contributed RMB4,900,000 and held 49% of the equity interest. Qinggang Power Supply has significant influence over Shangang Energy Development only, so Qinggang Power Supply accounts for it as an associate.

Information of interests in associates is set out in Note VI.(2).

(13) Other non-current financial assets

	31 December 2024	31 December 2023
Investments in financial assets at fair value through profit or loss	<u>357,184,402</u>	<u>393,840,402</u>

Other non-current financial assets represent the Group's investments in equity of unlisted companies, which are Shandong Harbor Construction Group Co., Ltd. ("Shandong Harbor Construction"), Shandong Binhai Hongrun Pipeline Stock Limited, Sinopec Qingdao, Sanya Yalong Bay Development Co., Ltd., and Luhai Equipment Group with shareholding of 9.29%, 10%, 0.8%, 0.06%, and 16.56%, respectively, over which the Group has no control, joint control or significant influence. The Group disposed of 2.58% of the equity investment in Shangang Shipping Group and recognized an investment income of RMB24,818,400 in the current period. There are no plans to dispose of the remaining equity investments and their changes in fair value are recognized in profit or loss. From January to December 2024, the Group received cash dividends of RMB11,000,000 and RMB19,500 from Sinopec Qingdao and Sanya Yalong Bay Development Co., Ltd., respectively.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(14) Investment properties

	Buildings and storage facilities	Land use rights	Total
Original cost			
31 December 2023	106,753,453	166,748,735	273,502,188
Transfer from fixed assets	26,785,684	–	26,785,684
Transfer from intangible assets	–	98,714,864	98,714,864
Transferred for self-use	–	(18,332,355)	(18,332,355)
31 December 2024	133,539,137	247,131,244	380,670,381
Accumulated depreciation			
31 December 2023	(36,059,076)	(29,131,742)	(65,190,818)
Current year accrual	(4,147,261)	(9,241,107)	(13,388,368)
Transfer from fixed assets	(8,563,134)	–	(8,563,134)
Transfer from intangible assets	–	(16,238,760)	(16,238,760)
Transferred for self-use	–	4,070,480	4,070,480
31 December 2024	(48,769,471)	(50,541,129)	(99,310,600)
Book value			
31 December 2024	84,769,666	196,590,115	281,359,781
31 December 2023	70,694,377	137,616,993	208,311,370



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(14) Investment properties (Continued)

	Buildings and storage facilities	Land use rights	Total
Original cost			
31 December 2022	68,187,971	114,799,758	182,987,729
Transfer from fixed assets	62,666,830	–	62,666,830
Transfer from intangible assets	–	51,948,977	51,948,977
Transferred for self-use	(24,101,348)	–	(24,101,348)
31 December 2023	106,753,453	166,748,735	273,502,188
Accumulated depreciation			
31 December 2022	(18,501,246)	(18,820,102)	(37,321,348)
Current year accrual	(2,876,890)	(2,182,392)	(5,059,282)
Transfer from fixed assets	(21,002,093)	–	(21,002,093)
Transfer from intangible assets	–	(8,129,248)	(8,129,248)
Transferred for self-use	6,321,153	–	6,321,153
31 December 2023	(36,059,076)	(29,131,742)	(65,190,818)
Book value			
31 December 2023	70,694,377	137,616,993	208,311,370
31 December 2022	49,686,725	95,979,656	145,666,381



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(14) Investment properties (Continued)

In 2024, the Group leased out a portion of self-used buildings, storage facilities, and land use rights (Note IV.(15)), Note IV.(18)) and had signed the lease contracts. The fixed assets and intangible assets involved in the above leases had been transferred to investment properties accordingly.

As at 31 December 2024, the management of the Group considered that there is no indication that the investment properties may be impaired, therefore, no provision for impairment is required (31 December 2023: nil).

In 2024, no borrowing costs were capitalized in investment properties by the Group (2023: nil).

As at 31 December 2024, the Group had no properties and land use rights without certificates (31 December 2023: nil).

(15) Fixed assets

	31 December 2024	31 December 2023
Fixed assets	24,579,422,167	23,725,974,820
Disposal of fixed assets	<u>4,769,650</u>	<u>2,505,477</u>
	<u>24,584,191,817</u>	<u>23,728,480,297</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) Fixed assets (Continued)

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office equipment and other equipment	Total
Original cost										
31 December 2023	1,268,166,633	14,505,729,626	11,674,958,983	4,257,050,821	1,468,173,803	1,885,141,345	190,416,066	373,846,053	97,914,603	35,721,397,933
Increase in the current year										
Purchase in the current year	125,874	1,228,673	377,755	30,578,334	56,508,212	-	16,158,095	24,770,991	2,762,282	132,510,216
Transfer from construction in progress	46,806,808	570,958,990	730,939,646	444,265,463	228,649,501	-	375,457	15,759,829	7,901	2,037,763,595
Others	2,371,101	18,799,246	25,915,264	10,865,521	10,411,062	-	321,426	3,666,693	50,912	72,401,225
Decrease in the current year										
Disposal and scrapping	-	(8,990,640)	(32,212,579)	(73,209,862)	(11,907,800)	(22,535,161)	(11,992,511)	(3,046,658)	(1,467,428)	(165,362,639)
Transfer to held-for-sale	-	-	-	-	(1,087,978)	(98,328,107)	-	-	-	(99,416,085)
Transfer to investment properties	(15,799,359)	-	(10,986,325)	-	-	-	-	-	-	(26,785,684)
Others	(10,148,004)	(68,306,950)	(23,988,861)	(2,523,586)	(203,272)	-	(2,149,600)	(8,889,016)	(73,362)	(116,282,651)
31 December 2024	1,291,523,053	15,019,418,945	12,365,003,883	4,667,026,691	1,750,543,528	1,764,278,077	193,128,933	406,107,892	99,194,908	37,556,225,910
Accumulated depreciation										
31 December 2023	(393,133,864)	(3,943,744,446)	(2,173,308,003)	(3,014,530,067)	(1,010,755,931)	(1,029,471,699)	(112,477,851)	(232,132,327)	(60,981,078)	(11,970,535,266)
Increase in the current year										
Accrual	(36,015,002)	(352,202,205)	(395,029,541)	(109,232,986)	(117,162,453)	(75,444,487)	(10,277,998)	(47,571,161)	(4,734,532)	(1,147,670,365)
Others	(230,836)	(79,011)	(11,920)	(2,063,616)	(1,015,360)	-	(321,426)	(265,865)	(27,395)	(4,015,429)
Decrease in the current year										
Disposal and scrapping	-	2,838,126	5,350,417	70,455,568	10,983,743	21,408,403	10,820,744	2,910,461	1,302,152	126,069,614
Transfer to held-for-sale	-	-	-	-	514,939	31,334,680	-	-	-	31,849,619
Transfer to investment properties	4,475,306	-	4,087,828	-	-	-	-	-	-	8,563,134
Others	13,271	111,016	678,410	-	1,545	-	2,063,616	866,505	88,434	3,822,797
31 December 2024	(424,891,125)	(4,293,076,520)	(2,558,232,809)	(3,055,371,101)	(1,117,433,517)	(1,052,173,103)	(110,192,915)	(276,192,387)	(64,352,419)	(12,951,915,896)
Impairment provision										
31 December 2023	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
Current year accrual	-	-	-	-	-	-	-	-	-	-
31 December 2024	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
Net book value										
31 December 2024	841,744,081	10,726,342,425	9,806,771,074	1,611,655,590	633,110,011	712,104,974	82,936,018	129,915,505	34,842,489	24,579,422,167
31 December 2023	850,144,922	10,561,985,180	9,501,650,980	1,242,520,754	457,417,872	855,669,646	77,938,215	141,713,726	36,933,525	23,725,974,820



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) Fixed assets (Continued)

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office equipment and other equipment	Total
Original cost										
31 December 2022	1,171,755,022	14,277,848,752	9,916,984,507	4,078,547,277	1,343,740,356	1,791,353,734	176,308,645	276,307,439	96,658,737	33,129,504,469
Increase in the current year										
Purchase in the current year	8,592,996	488,988	1,155,248	34,582,711	37,502,522	-	15,891,009	24,564,818	3,261,589	126,039,881
Transfer from construction in progress	95,735,432	229,634,275	1,765,855,808	205,951,326	133,913,364	93,787,611	8,243,363	79,481,230	286,314	2,612,888,723
Transfer from investment properties	12,336,998	-	11,764,350	-	-	-	-	-	-	24,101,348
Transfer from intangible assets	-	-	42,517,650	-	-	-	-	-	-	42,517,650
Business combinations not under common control	-	-	24,663	-	19,758	-	90,240	442,245	24,205	601,111
Others (Note IV.(7))	49,019,535	-	-	-	-	-	-	-	-	49,019,535
Decrease in the current year										
Disposal and scrapping	-	(1,777,402)	(676,413)	(62,030,493)	(42,223,233)	-	(9,394,278)	(6,930,373)	(2,070,964)	(125,103,156)
Disposal of subsidiaries	-	-	-	-	(371,884)	-	(722,913)	(19,306)	(245,278)	(1,359,381)
Transfer to held-for-sale	(69,273,350)	(464,987)	-	-	(4,407,080)	-	-	-	-	(74,145,417)
Transfer to investment properties	-	-	(62,666,830)	-	-	-	-	-	-	(62,666,830)
31 December 2023	1,268,166,633	14,505,729,626	11,674,958,983	4,257,050,821	1,468,173,803	1,885,141,345	190,416,066	373,846,053	97,914,603	35,721,397,933
Accumulated depreciation										
31 December 2022	(352,789,791)	(3,569,759,812)	(1,799,912,530)	(2,955,805,587)	(924,952,637)	(957,135,412)	(106,561,491)	(196,521,525)	(57,516,624)	(10,920,955,409)
Increase in the current year										
Accrual	(45,518,764)	(374,549,476)	(386,493,714)	(119,164,437)	(110,041,709)	(72,336,287)	(10,574,543)	(41,033,050)	(5,206,688)	(1,164,918,668)
Transfer from investment properties	(1,391,091)	-	(4,930,062)	-	-	-	-	-	-	(6,321,153)
Transfer from intangible assets	-	-	(3,079,189)	-	-	-	-	-	-	(3,079,189)
Decrease in the current year										
Disposal and scrapping	-	496,024	105,399	60,439,957	22,724,266	-	4,339,034	5,409,508	1,580,616	95,094,804
Disposal of subsidiaries	-	-	-	-	209,653	-	319,149	12,740	161,618	703,160
Transfer to held-for-sale	6,565,782	68,818	-	-	1,304,496	-	-	-	-	7,939,096
Transfer to investment properties	-	-	21,002,093	-	-	-	-	-	-	21,002,093
31 December 2023	(393,133,864)	(3,943,744,446)	(2,173,308,003)	(3,014,530,067)	(1,010,755,931)	(1,029,471,699)	(112,477,851)	(232,132,327)	(60,981,078)	(11,970,535,266)
Impairment provision										
31 December 2022	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
Current year accrual	-	-	-	-	-	-	-	-	-	-
31 December 2023	(24,887,847)	-	-	-	-	-	-	-	-	(24,887,847)
Net book value										
31 December 2023	850,144,922	10,561,985,180	9,501,650,980	1,242,520,754	457,417,872	855,669,646	77,938,215	141,713,726	36,933,525	23,725,974,820
31 December 2022	794,077,384	10,708,088,940	8,117,071,977	1,122,741,690	418,787,719	834,218,322	69,747,154	79,785,914	39,142,113	22,183,661,213

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) Fixed assets (Continued)

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

	Buildings	Port facilities	Storage facilities	Loading equipment	Total
Original cost					
31 December 2023	33,940,133	2,231,001,397	924,917,845	28,155,136	3,218,014,511
Increase in the current year	11,281,909	238,182	–	126,798	11,646,889
Decrease in the current year	(514,134)	–	–	(9,365,732)	(9,879,866)
31 December 2024	44,707,908	2,231,239,579	924,917,845	18,916,202	3,219,781,534

Accumulated depreciation

31 December 2023	(14,270,446)	(588,701,797)	(225,752,678)	(15,813,954)	(844,538,875)
Current year accrual	(866,861)	(36,576,427)	(13,203,958)	(1,297,963)	(51,945,209)
Increase in the current year	(2,799,062)	(72,361)	–	(121,726)	(2,993,149)
Decrease in the current year	82,271	–	–	8,755,595	8,837,866
31 December 2024	(17,854,098)	(625,350,585)	(238,956,636)	(8,478,048)	(890,639,367)

Net book value

31 December 2024	26,853,810	1,605,888,994	685,961,209	10,438,154	2,329,142,167
31 December 2023	19,669,687	1,642,299,600	699,165,167	12,341,182	2,373,475,636

- (i) The lease contracts signed by the Group as lessor have no residual value guarantee clauses.
- (ii) In 2024, the depreciable amount of fixed assets was RMB1,147,670,365 (2023: RMB1,164,918,668), of which RMB1,104,754,251, RMB36,605,963, and RMB5,467,186 were charged to the cost of sales, general and administrative expenses, and research and development expenses, respectively (2023: RMB1,123,459,997, RMB37,965,388, and RMB3,493,283). In 2024, the depreciable amounts charged to construction in progress and selling and distribution expenses were RMB768,333 and RMB74,632, respectively.
- (iii) In 2024, the original value transferred from construction in progress to fixed assets was RMB2,037,763,595 (2023: RMB2,612,888,723).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) Fixed assets (Continued)

- (iv) As at 31 December 2024, the port facilities with a book value of RMB157,837,293 (original cost of RMB201,418,699) (31 December 2023: book value of RMB162,890,131 and original cost of RMB201,139,492) were used as collateral for the sale-leaseback arrangement of RMB120,000,000 (Note IV.(34)).
- (v) The amount of the provision for the impairment of fixed assets of the subsidiary, Logistics Park Development, was RMB24,887,847 (31 December 2023: RMB24,887,847).
- (vi) As at 31 December 2024 and 31 December 2023, the Group had no temporarily idle fixed assets.
- (vii) Fixed assets without the certificate of ownership:

As at 31 December 2024, properties with a book value of RMB25,443,174 (original cost: RMB27,911,462) (31 December 2023: book value of RMB33,308,973 and original cost of RMB35,712,932) were located on non-ownership land. Properties with the book value of RMB254,051,790 (original cost: RMB291,554,282) (31 December 2023: book value of RMB227,028,424 and original cost of RMB244,640,090) had not yet completed the financial accounts for the completion of the projects or not yet completed the necessary procedures before obtaining the certificates of ownership. The certificates of ownership had not been processed.

- (viii) In December 2024, according to the business plan, the Group entered into an asset transfer agreement with New Unite Marine Co., Ltd. for the proposed sale of the vessel “Qingdao Port Dagang”, with a net book value of fixed assets of RMB67,566,466 and an agreed transfer price of RMB94,340,000, and the asset transfer transaction is expected to be completed in 2025 (already completed in January 2025), which meets the conditions for held-for-sale and is classified as held for sale assets.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) Construction in progress

	31 December 2024	31 December 2023
Construction in progress (a)	1,244,424,571	1,754,938,891
Construction materials	3,418,574	2,400,397
	<u>1,247,843,145</u>	<u>1,757,339,288</u>

(a) Construction in progress

	31 December 2024			31 December 2023		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Qilu Fuhai Crude Oil Depot Project	-	-	-	508,336,752	-	508,336,752
Dongjiakou Port Oil Products Phase I, Phase II, and Phase III Project	325,616,474	-	325,616,474	455,355,556	-	455,355,556
Dongjiakou General Wharf Grain Silo Phase III Project	5,425,152	-	5,425,152	241,347,147	-	241,347,147
Liquid Chemical Terminal Tank Farm Project	641,744,200	-	641,744,200	160,775,158	-	160,775,158
Other units	271,638,745	-	271,638,745	389,124,278	-	389,124,278
	<u>1,244,424,571</u>	<u>-</u>	<u>1,244,424,571</u>	<u>1,754,938,891</u>	<u>-</u>	<u>1,754,938,891</u>



IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) Construction in progress (Continued)

(a) Construction in progress (Continued)

The book value of the Group's projects under construction or major projects under construction with an additional amount greater than RMB100 million are listed as follows:

(i) Changes in significant construction in progress

Project name	Budget	31 December 2023	Increase in the current year	Transfer to fixed assets	Other decreases	31 December 2024	Percentage of progress investment to the budget	Project progress	Accumulative amount of capitalized borrowing costs	Including Borrowing costs capitalized in the current year	Capitalization rate in the current year	Sources of capital
Qilu Fuha Crude Oil Depot Project	678,650,000	508,336,752	41,574,256	(549,711,008)	-	-	100%	100%	4,703,407	4,411,988	2.87	Internal capital, borrowings from banks
Dongjiakou Port Oil Products Phase I, Phase II, and Phase III Project	825,755,775	455,355,556	128,237,651	(254,518,011)	(3,458,722)	325,616,474	71%	71%	-	-	-	Internal capital
Dongjiakou General Wharf Grain Silo Phase III Project	1,132,850,000	241,347,147	602,345,999	(838,267,994)	-	5,425,152	98%	98%	3,507,507	2,916,823	2.86	Internal capital, borrowings from the Finance Company, borrowings from banks
Liquid Chemical Terminal Tank Farm Project	1,886,900,000	160,775,158	480,969,042	-	-	641,744,200	75%	75%	1,251,931	1,251,931	2.83	Internal capital, borrowings from the Finance Company
Other projects	-	389,124,278	292,173,611	(395,266,582)	(14,392,562)	271,638,745	-	-	-	-	-	Internal capital
		1,754,988,891	1,545,100,559	(2,037,763,595)	(17,851,284)	1,244,424,571			9,462,845	8,580,742		

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) Construction in progress (Continued)

(a) Construction in progress (Continued)

(i) Changes in significant construction in progress (Continued)

Project name	Budget	31 December 2022	Increase in the current year	Transfer to fixed assets	Other decreases	31 December 2023	Percentage of progress investment to the budget	Project progress	Accumulative amount of capitalized borrowing costs	Including Borrowing costs capitalized in the current year	Capitalization rate in the current year	Sources of capital
Qilu Fuhat Crude Oil Depot Project	678,650,000	81,555,395	426,781,357	-	-	508,336,752	77%	77%	291,419	291,419	3.20	Internal capital, borrowings from banks
Dongjiakou Port Oil Products Phase I, Phase II, and Phase III Project	825,755,775	461,705,404	471,698	-	(6,821,546)	455,355,556	56%	56%	-	-	-	Internal capital Internal capital, borrowings from the Finance Company, borrowings from banks
Dongjiakou General Wharf Grain Silo Phase III Project	1,132,850,000	28,113	241,319,034	-	-	241,347,147	22%	22%	590,684	590,684	2.68	Internal capital Internal capital, borrowings from the Finance Company, borrowings from banks
Liquid Chemical Terminal Tank Farm Project	1,886,900,000	3,166,003	161,645,475	(4,036,320)	-	160,775,158	36%	36%	-	-	-	Internal capital Internal capital and borrowings from the Finance Company
Dongjiakou Zhenhua Crude Oil Depot Project	799,890,000	490,817,464	103,350,646	(594,168,110)	-	-	100%	100%	1,655,585	1,523,942	4.07	Internal capital and borrowings from the Finance Company
No. 1 and 2 Berths Project of Dongjiakou North No. 2 Causeway	1,267,950,000	364,153,852	3,586,540	(367,740,392)	-	-	100%	100%	-	-	-	Internal capital and raised funds
Dongjiakou Crude Oil Commercial Reserve Project	4,480,000,000	276,859,627	437,466,932	(714,326,559)	-	-	100%	100%	-	-	-	Internal capital
Dongjiakou port area north three embankment rear yard project	300,000,000	130,799,248	97,671,867	(228,471,115)	-	-	100%	100%	-	-	-	Internal capital
Dongjiakou Port Area Front Expansion Project	194,850,000	114,095,106	35,071,547	(149,166,653)	-	-	100%	100%	-	-	-	Internal capital Internal capital and raised funds
Datang Terminal Project Dongjiakou Huangeng wharf phase II project	1,084,850,000	76,956,981	176,511,977	(253,468,958)	-	-	100%	100%	-	-	-	Internal capital Internal capital raised funds
Other projects	1,000,500,000	(68,073,842)	494,047	(68,567,889)	-	-	100%	100%	-	-	-	Internal capital Internal capital
	-	421,727,965	200,339,040	(232,942,727)	-	389,124,278	-	-	-	-	-	
		2,489,939,000	1,884,710,160	(2,612,888,723)	(6,821,546)	1,754,938,891			2,537,688	2,406,045		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) Construction in progress (Continued)

(a) Construction in progress (Continued)

(i) Changes in significant construction in progress (Continued)

As at 31 December 2024, the management of the Group considered that there is no indication that the construction in progress may be impaired, therefore, no provision for impairment is recorded (31 December 2023: nil).

The Group's self-built buildings, port facilities, and warehouse facilities will be transferred to fixed assets after completion and acceptance and readiness for their intended use in 2024, while machinery, and equipment will be transferred to fixed assets after installation, commissioning, and acceptance in 2024 and readiness for their intended use in 2024.

(17) Right-of-use assets

	Buildings	Port facilities	Storage facilities	Machinery and equipment	Total
Original cost					
31 December 2023	235,069,683	96,187,617	497,650,884	47,567,533	876,475,717
Increase in the current year					
New lease contracts	1,248,739	–	48,020,131	10,044,291	59,313,161
Lease changes	22,847,789	–	29,384,664	32,966,849	85,199,302
Decrease in the current year					
Lease changes	(23,669,262)	–	(5,551,417)	(685,531)	(29,906,210)
Expiration of lease	(14,789,126)	–	(108,893,589)	(700,453)	(124,383,168)
31 December 2024	220,707,823	96,187,617	460,610,673	89,192,689	866,698,802
Accumulated depreciation					
31 December 2023	(120,575,450)	(14,268,973)	(167,201,027)	(18,712,852)	(320,758,302)
Increase in the current year					
Accrual	(52,024,746)	(3,468,111)	(87,016,452)	(23,441,175)	(165,950,484)
Lease changes	–	–	(30,690,475)	(6,859,157)	(37,549,632)
Decrease in the current year					
Lease changes	102,794,064	–	–	201,753	102,995,817
Expiration of lease	14,789,126	–	108,860,651	700,453	124,350,230
31 December 2024	(55,017,006)	(17,737,084)	(176,047,303)	(48,110,978)	(296,912,371)
Book value					
31 December 2024	165,690,817	78,450,533	284,563,370	41,081,711	569,786,431
31 December 2023	114,494,233	81,918,644	330,449,857	28,854,681	555,717,415

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	Buildings	Port facilities	Storage facilities	Machinery and equipment	Total
Original cost					
31 December 2022	220,436,764	96,187,617	475,132,180	47,567,533	839,324,094
Increase in the current year					
New lease contracts	16,157,909	–	74,367,104	–	90,525,013
Decrease in the current year					
Lease changes	(1,524,990)	–	(12,556,395)	–	(14,081,385)
Expiration of lease	–	–	(39,292,005)	–	(39,292,005)
31 December 2023	235,069,683	96,187,617	497,650,884	47,567,533	876,475,717
Accumulated depreciation					
31 December 2022	(67,540,702)	(10,352,312)	(118,465,534)	(13,361,111)	(209,719,659)
Increase in the current year					
Accrual	(53,339,746)	(3,916,661)	(96,273,392)	(5,351,741)	(158,881,540)
Decrease in the current year					
Lease changes	304,998	–	8,245,894	–	8,550,892
Expiration of lease	–	–	39,292,005	–	39,292,005
31 December 2023	(120,575,450)	(14,268,973)	(167,201,027)	(18,712,852)	(320,758,302)
Book value					
31 December 2023	114,494,233	81,918,644	330,449,857	28,854,681	555,717,415
31 December 2022	152,896,062	85,835,305	356,666,646	34,206,422	629,604,435



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(18) Intangible assets

	Land use rights	Software	Sea area use right	Others	Data resources	Total
Original cost						
31 December 2023	3,361,157,236	260,890,694	82,059,560	48,228,848	–	3,752,336,338
Increase in the current year						
Purchase	16,518,610	21,680,144	–	–	–	38,198,754
Internal research and development	–	74,957,149	–	–	258,518	75,215,667
Others	5,606,413	3,207,547	–	–	–	8,813,960
Decrease in the current year						
Scrapping and disposal	(53,557,209)	–	(12,994,800)	–	–	(66,552,009)
Transfer to investment properties	(80,382,509)	–	–	–	–	(80,382,509)
31 December 2024	3,249,342,541	360,735,534	69,064,760	48,228,848	258,518	3,727,630,201
Accumulated amortization						
31 December 2023	(476,166,481)	(150,441,374)	(8,290,600)	(47,124,805)	–	(682,023,260)
Increase in the current year						
Accrual	(63,517,041)	(48,831,155)	(1,434,890)	(996,877)	(71,811)	(114,851,774)
Others	–	(561,509)	–	–	–	(561,509)
Decrease in the current year						
Scrapping and disposal	12,447,935	–	–	–	–	12,447,935
Transfer to investment properties	12,168,280	–	–	–	–	12,168,280
31 December 2024	(515,067,307)	(199,834,038)	(9,725,490)	(48,121,682)	(71,811)	(772,820,328)
Book value						
31 December 2024	2,734,275,234	160,901,496	59,339,270	107,166	186,707	2,954,809,873
31 December 2023	2,884,990,755	110,449,320	73,768,960	1,104,043	–	3,070,313,078



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(18) Intangible assets (Continued)

	Land use rights	Software	Sea area use right	Others	Total
Original cost					
31 December 2022	3,423,123,141	193,626,780	124,577,210	50,307,510	3,791,634,641
Increase in the current year					
Purchase	12,043,200	39,404,203	–	–	51,447,403
Internal research and development	–	28,947,699	–	–	28,947,699
Decrease in the current year					
Disposal of subsidiaries	–	(53,356)	–	–	(53,356)
Scrapping and disposal	–	(1,034,632)	–	(2,078,662)	(3,113,294)
Transfer to held-for-sale	(22,060,128)	–	–	–	(22,060,128)
Transfer to investment properties	(51,948,977)	–	–	–	(51,948,977)
Transfer to fixed assets	–	–	(42,517,650)	–	(42,517,650)
31 December 2023	3,361,157,236	260,890,694	82,059,560	48,228,848	3,752,336,338
Accumulated amortization					
31 December 2022	(416,636,454)	(115,573,408)	(9,934,899)	(47,312,152)	(589,456,913)
Increase in the current year					
Accrual	(70,999,822)	(35,557,330)	(1,434,890)	(1,891,315)	(109,883,357)
Decrease in the current year					
Disposal of subsidiaries	–	28,786	–	–	28,786
Scrapping and disposal	–	660,578	–	2,078,662	2,739,240
Transfer to held-for-sale	3,340,547	–	–	–	3,340,547
Transfer to investment properties	8,129,248	–	–	–	8,129,248
Transfer to fixed assets	–	–	3,079,189	–	3,079,189
31 December 2023	(476,166,481)	(150,441,374)	(8,290,600)	(47,124,805)	(682,023,260)
Book value					
31 December 2023	2,884,990,755	110,449,320	73,768,960	1,104,043	3,070,313,078
31 December 2022	3,006,486,687	78,053,372	114,642,311	2,995,358	3,202,177,728

Amortization charged on intangible assets for 2024 amounted to RMB114,851,774 (2023: RMB109,883,357), of which amortization charged to land use rights in construction in progress amounted to RMB4,666,193 (2023: RMB5,889,744).

As at 31 December 2024, the Group had no land without certificates (31 December 2023: nil).

As at 31 December 2024, the Group had no pledged intangible assets (31 December 2023: nil).

As at 31 December 2024, the management of the Group considered that there is no indication that the intangible assets may be impaired, therefore, no provision for impairment is recorded (31 December 2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(18) Intangible assets (Continued)

As at 31 December 2024, the proportion of intangible assets generated from internal research and development of the Group to the book value of intangible assets was 4.27% (31 December 2023: 2.38%).

Data resources: the useful life of the Dry Bulk Terminal Cargo Transhipment Analysis dataset is 3 years, and the amortization uses the straight-line method with no residue value.

(19) Development costs

In 2024, the Group's total costs for research and development were presented by nature as follows:

	Year ended 31 December 2024		
	Research and development expenses	Development costs	Total
Consumed materials	16,057,966	–	16,057,966
Employee benefits	77,425,094	266,425	77,691,519
Depreciation and amortization	5,467,204	–	5,467,204
Technical services	4,612,639	89,768,076	94,380,715
Others	1,421,622	311,321	1,732,943
	<u>104,984,525</u>	<u>90,345,822</u>	<u>195,330,347</u>

In 2023, the Group's total costs for research and development were presented by nature as follows:

	Year ended 31 December 2023		
	Research and development expenses	Development costs	Total
Consumed materials	24,905,175	621,990	25,527,165
Employee benefits	59,590,188	390,761	59,980,949
Depreciation and amortization	3,493,283	–	3,493,283
Design expenses	–	566,038	566,038
Technical services	15,820,363	37,886,051	53,706,414
Others	1,129,464	957,547	2,087,011
	<u>104,938,473</u>	<u>40,422,387</u>	<u>145,360,860</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

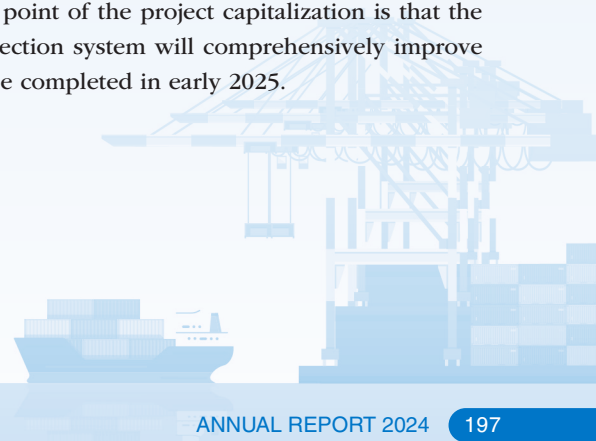
(19) Development costs (Continued)

(a) In 2024, changes in development costs eligible for capitalisation of the Group were analysed as follows:

	Increase in the current year			Transfer to intangible assets in the current year			31 December 2024
	31 December 2023	Internal development costs	Others	Recognized as intangible assets	Transferred to the current profit or loss	Others	
Integration and Demonstration of Key Technologies in Hydrogen Port Project (i)	10,444,248	-	-	-	-	-	10,444,248
Research and Application of Key Technologies and Equipment of Ship-coast Integrated Intelligent Collaboration Project (ii)	1,981,132	4,234,245	-	(6,215,377)	-	-	-
Research and Application of Intelligent Control Technologies for Large Dry Bulk Terminals Project (iii)	1,769,369	5,668,348	-	(2,830,189)	-	-	4,607,528
Others	28,084,780	71,403,733	9,039,496	(66,170,101)	-	(1,098,380)	41,259,528
Total	42,279,529	81,306,326	9,039,496	(75,215,667)	-	(1,098,380)	56,311,304

The criteria for the Group's important capitalized R&D projects are national and provincial key R&D projects, which are listed as follows:

- (i) The Integration and Demonstration of Key Technologies in Hydrogen Port Project has completed the first hydrogen refueling station in the port area, the construction of four hydrogen rail cranes, and other related facilities, and the starting point of project capitalization is the completion of the project through the review. After the completion of the project, it is expected to be used for the demonstration and application of key technologies such as the hydrogen energy supply system and hydrogen energy power system, and the project acceptance is expected to be completed by the end of 2025.
- (ii) The Research and Application of Key Technologies and Equipment of Ship-coast Integrated Intelligent Collaboration Project has carried out the shipbuilding operation of green intelligent tugboats, and the intelligent inspection system has been put into operation, and the functions of the intelligent inspection system are still being developed and upgraded. The starting point of the project capitalization is that the project is completed through the review, and the smart inspection system will comprehensively improve the efficiency of port inspection. The project is expected to be completed in early 2025.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) Development costs (Continued)

- (iii) The Research and Application of Intelligent Control Technologies for Large Dry Bulk Terminals Project has completed the research and development of the project and is undergoing governmental and financial audit and acceptance, and the starting point of project capitalization is that the project is completed through the review, and the project is built based on the data-driven operation process of the whole process automation to create an unmanned dry bulk terminal demonstration area, and the project is expected to complete the overall construction and put into use by mid-2025.

In 2024, the Group had no impairment of development expenditure items (2023: nil).

(20) Goodwill

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Goodwill –				
Qingdao Red Star Logistics Industry Co., Ltd. (“Red Star Logistics”)	27,996,716	–	–	27,996,716
Qingdao Haiye Mercuria Logistics Co., Ltd. (“Mercuria Logistics”)	10,129,085	–	–	10,129,085
QMT	8,706,923	–	–	8,706,923
Yantai Logistics	4,686,830	–	–	4,686,830
Liquid Chemical Terminal	1,850,485	–	–	1,850,485
	<u>53,370,039</u>	<u>–</u>	<u>–</u>	<u>53,370,039</u>
Less: Impairment provision –				
Red Star Logistics	(20,668,521)	–	–	(20,668,521)
Yantai Logistics	(4,686,830)	–	–	(4,686,830)
	<u>(25,355,351)</u>	<u>–</u>	<u>–</u>	<u>(25,355,351)</u>
	<u>28,014,688</u>	<u>–</u>	<u>–</u>	<u>28,014,688</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(20) Goodwill (Continued)

The Group's goodwill was all allocated to related asset groups or groups of asset groups on the acquisition date, without any change of goodwill allocation in 2024. The allocation was summarised by the minimum asset group as follows:

	31 December 2024	31 December 2023
Liquid bulk cargo ancillary services		
– Red Star Logistics	27,996,716	27,996,716
– Liquid Chemical Terminal	1,850,485	1,850,485
Metal ore, coal and other cargo handling and ancillary services		
– Mercuria Logistics	10,129,085	10,129,085
Container loading and unloading		
– QMT	8,706,923	8,706,923
Logistics, and transportation business		
– Yuntai Logistics	4,686,830	4,686,830
	<u>53,370,039</u>	<u>53,370,039</u>

During the goodwill impairment test, the Group compares the book value of the relevant assets or combinations of asset groups (including goodwill) with their recoverable amount. If the recoverable amount is lower than the book value, the difference shall be recognised in profit or loss for the current period. The recoverable amount in the impairment test of all asset groups of the Company was higher than the book value, so no provision for impairment was required.

For the goodwill impairment test of the Liquid Chemical Terminal, Mercuria Logistics, and QMT, the Group determines the revenue growth rate and gross profit margin based on historical experience and market development forecasts, the growth rate in the forecast period is based on the profit forecast for the next five years, the growth rate in the stable period is the growth rate adopted after the forecast period, which does not exceed the long-term average growth rate of each business, and the discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group or asset group combination. The discount rate is 9% (2023: 11%). Gross profit margins were 41%, 49%, and 35%, respectively (2023: 44%, 43%, and 36%, respectively). The growth rate for the forecast period is determined using the average growth rate of the five-year budget approved sales revenue of the relevant asset group, which is 26%, 4%, and 11%, respectively (2023: 38%, 4%, and 17% respectively). The growth rate in the stable period is a fixed growth rate of 2% (2023: 3%) with reference to the historical price index.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(20) Goodwill (Continued)

For the goodwill impairment test of the Red Star Logistics, the Group determines the revenue growth rate and gross profit margin based on historical experience and market development forecasts, the growth rate in the forecast period is based on the profit forecast for the next five years, the growth rate in the stable period is the growth rate adopted after the forecast period, which does not exceed the long-term average growth rate of each business, and the discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group or asset group combination. The discount rate is 9% and the gross profit margins is 36%. The growth rate for the forecast period uses the average growth rate of the five-year budget approved sales revenue of the relevant asset group, which is 10%, and the growth rate in the stable period is a fixed growth rate of 2% with reference to the historical price index.

(21) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets before offsetting

	31 December 2024		31 December 2023	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Assets revaluation surplus	2,448,958,519	612,239,630	2,537,879,396	634,469,849
Lease liabilities	453,060,059	113,265,015	211,334,632	52,833,658
Elimination of intra-group unrealized profit	722,416,358	180,604,090	708,974,776	177,243,694
Accrued expenses	187,558,751	46,870,972	177,479,680	44,369,920
Provision for asset impairment	172,306,977	43,068,195	155,673,435	38,918,359
Early retirement benefits	105,975,949	26,493,987	111,600,000	27,900,000
Deductible losses	56,486,262	14,121,565	86,948,204	21,737,051
Government Grants	63,751,325	15,937,831	66,375,240	16,593,810
	<u>4,210,514,200</u>	<u>1,052,601,285</u>	<u>4,056,265,363</u>	<u>1,014,066,341</u>
Including:				
Expected to be recovered within one year		110,496,696		116,653,499
Expected to be recovered after one year		<u>942,104,589</u>		<u>897,412,842</u>
		<u>1,052,601,285</u>		<u>1,014,066,341</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(21) Deferred tax assets and deferred tax liabilities (Continued)

(b) Deferred tax liabilities before offsetting

	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Right-of-use assets	469,786,431	117,446,608	221,587,980	55,396,995
Depreciation of fixed assets	208,572,469	52,143,117	214,715,584	53,678,896
Business combinations not under common control	193,076,033	48,269,008	199,055,116	49,763,779
Changes in fair value of wealth management products	-	-	1,665,064	416,266
	<u>871,434,933</u>	<u>217,858,733</u>	<u>637,023,744</u>	<u>159,255,936</u>
Including:				
Expected to be recovered within one year		46,951,133		51,861,290
Expected to be recovered after one year		<u>170,907,600</u>		<u>107,394,646</u>
		<u>217,858,733</u>		<u>159,255,936</u>

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

	31 December 2024	31 December 2023
Deductible temporary differences	30,458,361	110,582,208
Deductible losses	<u>126,417,465</u>	<u>83,597,406</u>
	<u>156,875,826</u>	<u>194,179,614</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(21) Deferred tax assets and deferred tax liabilities (Continued)

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

	31 December 2024	31 December 2023
2024	–	14,697,404
2025	13,523,024	40,757,992
2026	5,269,613	7,649,149
2027	20,492,861	20,492,861
2028	–	–
2029 (i)	87,131,967	–
	<u>126,417,465</u>	<u>83,597,406</u>

(i) The increase in deductible losses that are not recognized as deferred tax assets for the period was mainly due to the write-off of bad debts of other receivables of RMB62,685,253 and the write-off of bad debts of accounts receivable of RMB20,912,438.

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

	31 December 2024		31 December 2023	
	Offsetting amount	Amount after offsetting	Offsetting amount	Amount after offsetting
Deferred tax assets	(161,089,040)	891,512,245	(103,883,977)	910,182,364
Deferred tax liabilities	(161,089,040)	56,769,693	(103,883,977)	55,371,959

(22) Other current assets

	31 December 2024	31 December 2023
Foundation oil (i)	290,316,583	290,316,583
Construction and equipment expenditures prepaid	149,422,326	212,203,010
Taxes for advance receipt of port facilities rental payments (ii)	107,445,059	118,930,072
Prepaid VAT	5,041,890	–
	<u>552,225,858</u>	<u>621,449,665</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(22) Other current assets (Continued)

- (ii) Taxes for advance receipt of port facilities rental payments are mainly the related taxes paid in advance for the rental received in full for the lease of the Group's certain land use rights, port facilities, storage facilities, and other assets (collectively "Port Facilities") in Qianwan Port Area to QQCT, a joint venture of the Group with a lease term of 30 years. By the end of 2010, the Group had received the rental payments in full. The Group calculated the taxes relating to the lease payments already made for the Port Facilities and recorded them as other non-current assets. The amount of taxes paid had been amortized to taxes and surcharges pursuant to rental income recognized in each period.

(23) Short-term borrowings

	Currency	31 December 2024	31 December 2023
Unsecured borrowings	RMB	95,250,000	126,250,000
Interest on borrowings	RMB	82,649	161,604
		<u>95,332,649</u>	<u>126,411,604</u>

As at 31 December 2024, the Group had no overdue short-term borrowings with interest rates ranging from 2.05% to 3.85% (31 December 2022: 2.7% to 3.95%).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(24) Provision for impairment of assets and losses

	31 December 2023	Increase in the current year	Decrease in the current year		31 December 2024
			Reversal	Disposal of subsidiaries	
Provision for bad debts of notes receivable	790,620	101,655	-	-	892,275
Including: Provision for bad debts on an individual basis	-	-	-	-	-
Provision for bad debts on a portfolio basis	790,620	101,655	-	-	892,275
Provisions for bad debts of accounts receivable	151,319,875	13,394,479	(20,912,438)	-	143,801,916
Including: Provision for bad debts on an individual basis	20,962,438	-	(20,912,438)	-	50,000
Provision for bad debts on a portfolio basis	130,357,437	13,394,479	-	-	143,751,916
Provisions for bad debts of other receivables	84,609,753	3,843,257	(64,857,697)	-	23,595,313
Including: Provision for bad debts on an individual basis	64,731,923	-	(63,385,647)	-	1,346,276
Provision for bad debts on a portfolio basis	19,877,830	3,843,257	(1,472,050)	-	22,249,037
Subtotal	236,720,248	17,339,391	(85,770,135)	-	168,289,504
Provision for impairment of fixed assets	24,887,847	-	-	-	24,887,847
Provision for impairment of goodwill	25,355,351	-	-	-	25,355,351
Provision for impairment of contract assets	4,647,548	3,910,103	-	-	8,557,651
Subtotal	54,890,746	3,910,103	-	-	58,800,849
	291,610,994	21,249,494	(85,770,135)	-	227,090,353



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(24) Provision for impairment of assets and losses (Continued)

	31 December 2022	Increase in the current year	Decrease in the current year		31 December 2023
			Reversal	Disposal of subsidiaries	
Provision for bad debts of notes receivable	1,944,426	–	(1,153,806)	–	790,620
Including: Provision for bad debts on an individual basis	–	–	–	–	–
Provision for bad debts on a portfolio basis	1,944,426	–	(1,153,806)	–	790,620
Provisions for bad debts of accounts receivable	207,915,041	37,028,240	(93,523,117)	(100,289)	151,319,875
Including: Provision for bad debts on an individual basis	20,962,438	–	–	–	20,962,438
Provision for bad debts on a portfolio basis	186,952,603	37,028,240	(93,523,117)	(100,289)	130,357,437
Provisions for bad debts of other receivables	76,437,471	8,601,035	(428,753)	–	84,609,753
Including: Provision for bad debts on an individual basis	56,130,888	8,601,035	–	–	64,731,923
Provision for bad debts on a portfolio basis	20,306,583	–	(428,753)	–	19,877,830
Subtotal	286,296,938	45,629,275	(95,105,676)	(100,289)	236,720,248
Provision for impairment of fixed assets	24,887,847	–	–	–	24,887,847
Provision for impairment of goodwill	4,686,830	20,668,521	–	–	25,355,351
Provision for impairment of contract assets	1,997,755	2,649,793	–	–	4,647,548
Subtotal	31,572,432	23,318,314	–	–	54,890,746
	317,869,370	68,947,589	(95,105,676)	(100,289)	291,610,994



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(25) Notes payable

	31 December 2024	31 December 2023
Trade acceptance notes	469,976,452	901,775,760
Bank acceptance notes	15,914,798	15,848,545
	<u>485,891,250</u>	<u>917,624,305</u>

As at 31 December 2024, the Group did not have any notes payable due and unpaid (31 December 2023: nil).

(26) Accounts payable

	31 December 2024	31 December 2023
Subcontract handling expenses payable	576,592,030	731,135,637
Repair expenses payable	201,184,179	218,940,240
Transportation expenses payable	177,485,359	254,000,724
Subcontract agency fee payable	160,632,964	223,852,316
Material expenditure payable	158,076,217	136,915,940
Warehousing expenses payable	143,504,088	94,346,218
Subcontract costs payable	59,295,512	111,725,076
Rental expenses payable	30,548,477	36,712,204
Others	105,587,465	62,493,781
	<u>1,612,906,291</u>	<u>1,870,122,136</u>

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

	31 December 2024	31 December 2023
Within 1 year	1,213,498,690	1,638,349,762
Over 1 year	399,407,601	231,772,374
	<u>1,612,906,291</u>	<u>1,870,122,136</u>

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

As at 31 December 2024, accounts payable aged over one year amounted to RMB399,407,601 (December 31, 2023: RMB231,772,374), which mainly represented subcontracted stevedoring fees and subcontracted payments for works not yet reached the agreed payment period or the works had not yet been settled, and the amount had not yet been finally settled.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(27) Contract liabilities

	31 December 2024	31 December 2023
Loading fee received in advance	249,001,382	278,867,025
Subcontract agency fee received in advance	4,747,241	23,491,929
Material and equipment fees received in advance	4,292,222	8,625,213
Construction fee received in advance	3,948,768	713,547
Others	16,872,385	3,712,746
	<u>278,861,998</u>	<u>315,410,460</u>

Contract liabilities, including the book value of RMB315,410,460 as at 31 December 2023, were fully transferred to revenue in 2024 (2023: RMB273,592,129).

(28) Employee benefits payable

	31 December 2024	31 December 2023
Short-term employee benefits (a)	582,776,871	509,823,035
Defined contribution plans (b)	11,124,788	7,915,834
Termination benefits payable (c)	25,550,000	30,250,000
Defined benefit plans payable (d)	124,220,000	121,300,000
	<u>743,671,659</u>	<u>669,288,869</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(28) Employee benefits payable (Continued)

(a) Short-term employee benefits

	31 December 2023	Business combinations not under common control	Increase in the current year	Decrease in the current year	Disposal of subsidiaries	31 December 2024
Wages and salaries, bonuses, allowances, and subsidies	425,441,351	-	1,870,598,489	(1,796,335,527)	-	499,704,313
Employee welfare	570,372	-	161,934,742	(162,476,004)	-	29,110
Social security contributions	2,556	-	188,128,323	(182,777,545)	-	5,353,334
Including: Medical insurance	2,492	-	173,231,855	(167,881,013)	-	5,353,334
Work injury insurance	64	-	14,896,468	(14,896,532)	-	-
Housing fund	-	-	177,102,683	(177,102,683)	-	-
Labor union funds and employee education funds	12,732,047	-	53,347,785	(54,372,048)	-	11,707,784
Outsourcing costs	70,396,745	-	638,303,435	(642,717,850)	-	65,982,330
Others	679,964	-	-	(679,964)	-	-
	<u>509,823,035</u>	<u>-</u>	<u>3,089,415,457</u>	<u>(3,016,461,621)</u>	<u>-</u>	<u>582,776,871</u>

(b) Defined contribution plans

	31 December 2023	Increase in the current year	Decrease in the current year	Disposal of subsidiaries	31 December 2024
Basic pensions	3,989	241,393,178	(241,397,167)	-	-
Unemployment insurance	124	10,544,875	(10,544,999)	-	-
Corporate annuity	7,911,721	126,813,355	(123,600,288)	-	11,124,788
	<u>7,915,834</u>	<u>378,751,408</u>	<u>(375,542,454)</u>	<u>-</u>	<u>11,124,788</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(28) Employee benefits payable (Continued)

(b) Defined contribution plans (Continued)

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

(c) Termination benefits payable

	31 December 2024	31 December 2023
Early retirement benefits payable (Current portion)	<u>25,550,000</u>	<u>30,250,000</u>

Early retirement benefits borne by the Group are recognized as long-term employee benefits payable (Note IV.(36)), the current portion of which is presented as employee benefits payable.

(d) Defined benefit plans

	31 December 2024	31 December 2023
Supplemental retirement benefits (Current portion)	<u>124,220,000</u>	<u>121,300,000</u>

Supplemental retirement benefits borne by the Group are recognized as long-term employee benefits payable (Note IV.(36)), the current portion of which is presented as employee benefits payable.

(29) Taxes payable

	31 December 2024	31 December 2023
Enterprise income tax	294,014,112	274,473,179
Value-added tax ("VAT")	31,122,434	46,973,513
Land use tax	17,789,205	17,889,685
Individual income tax	7,762,224	2,600,933
Property tax	4,760,084	3,997,678
Stamp duty	2,100,675	3,967,851
Others	<u>4,728,692</u>	<u>3,980,050</u>
	<u>362,277,426</u>	<u>353,882,889</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(30) Other payables

	31 December 2024	31 December 2023
Construction and equipment expenditures payable (i)	2,762,743,135	2,786,706,343
Payables and advances from agent business (ii)	1,033,742,728	515,612,658
Supplemental retirement benefits payable to related parties (iii)	196,695,657	202,238,504
Guarantees and deposits payable	33,655,785	144,307,793
Dividend payable	8,298,733	42,676,147
Others	189,623,228	124,429,022
	<u>4,224,759,266</u>	<u>3,815,970,467</u>

- (i) Construction and equipment expenditures payable are mainly payables for project construction, which remain outstanding as relevant projects have not been completed.
- (ii) Payables and advances from agent business are mainly payables and advances received on behalf of other parties by the Group relating to the entrustment from ship owners to go through the necessary procedures for the ship's access to the port and agent procurement businesses.
- (iii) Supplemental retirement benefits payable to related parties mainly represent supplemental retirement benefits paid by the related parties on behalf of the Group, which should be paid to related parties. Such an amount has not been paid yet.
- (a) As at 31 December 2024, other payables over 1 year of RMB1,616,999,207 (31 December 2023: RMB1,429,458,027) were mainly construction and equipment expenditures payable, which remain outstanding and are not due.

(31) Non-current liabilities due within one year

	31 December 2024	31 December 2023
Long-term borrowings due within one year (Note IV.(32))	427,607,386	179,900,758
Lease liabilities due within one year (Note IV.(33))	134,142,264	129,401,625
Long-term payables due within one year (Note IV.(34))	2,690,648	142,921,940
	<u>564,440,298</u>	<u>452,224,323</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(32) Long-term borrowings

	Currency	31 December 2024	31 December 2023
Unsecured borrowings	RMB	2,422,893,183	1,969,277,579
Interest on borrowings	RMB	2,606,693	2,606,799
Less: Long-term borrowings due within one year (Note IV.(31))		(427,607,386)	(179,900,758)
		<u>1,997,892,490</u>	<u>1,791,983,620</u>

As at 31 December 2024, the Group does not have overdue long-term borrowings, interest rate of the long-term borrowings is 2.25% to 4.9% (31 December 2023: 2.9% to 4.9%).

(33) Lease liabilities

	31 December 2024	31 December 2023
Lease liabilities	453,060,060	418,513,561
Less: Lease liabilities due within one year (Note IV.(31))	(134,142,264)	(129,401,625)
	<u>318,917,796</u>	<u>289,111,936</u>

As at 31 December 2024, there was no variable lease payment based on a certain percentage of sales and no lease payments related to signed but not yet started lease contracts.

As at 31 December 2024, the future minimum lease payments of short-term leases and low-value asset leases adopting the practical expedient are RMB2,408,007 (31 December 2023: RMB1,691,008), which should be paid within one year.

(34) Long-term payables

	31 December 2024	31 December 2023
Sale-leaseback arrangement deemed as mortgage loan	120,572,284	120,870,833
Less: Current portion	(572,284)	(120,870,833)
Entrusted borrowings	136,925,069	196,117,132
Less: Current portion	(425,069)	(20,417,132)
Payment of welfare expenses	29,616,705	31,310,000
Less: Current portion of welfare	(1,693,295)	(1,633,975)
	<u>284,423,410</u>	<u>205,376,025</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(35) Deferred income

	31 December 2023	Increase in the current period	Decrease in the current period	Other decreases	31 December 2024
Government grants (a)	<u>336,794,453</u>	<u>20,471,460</u>	<u>(20,869,904)</u>	<u>-</u>	<u>336,396,009</u>

(a) Government grants

	31 December 2023	Increase in the current period	Recorded in other income in the current period	Other decreases	31 December 2024
Government grants related to assets	334,655,328	20,025,466	(20,809,405)	-	333,871,389
Government grants related to income	<u>2,139,125</u>	<u>445,994</u>	<u>(60,499)</u>	<u>-</u>	<u>2,524,620</u>
	<u>336,794,453</u>	<u>20,471,460</u>	<u>(20,869,904)</u>	<u>-</u>	<u>336,396,009</u>

(36) Long-term employee benefits payable

	31 December 2024	31 December 2023
Early retirement benefits payable (a)	105,960,000	111,600,000
Supplemental retirement benefits (b)	2,725,120,000	2,434,080,000
Less: Current portion	<u>(149,770,000)</u>	<u>(151,550,000)</u>
	<u>2,681,310,000</u>	<u>2,394,130,000</u>

Early retirement benefits payable represent the liabilities recognized by the Group for salaries and social security contributions to be paid for the period from the date an employee ceases to provide services to the normal retirement date. Supplemental retirement benefits payable represent the liabilities recognized by the Group through the actuarial valuation of the benefits to be assumed in the future and by discounting the expected future cash outflows using the interest rate of treasury bonds with the same terms as that of the supplemental retirement benefits. On 13 September 2024, the Standing Committee of the Fourteenth National People's Congress adopted the *Decision of the Standing Committee of the National People's Congress on the Implementation of a Gradual Delay in the Mandatory Retirement Age* at its eleventh meeting, and the delayed retirement policy was formally implemented from 1 January 2025 onwards. The policy provides for a gradual delay in the statutory retirement age for male employees from the original age of 60 to 63 and for female employees from the original ages of 50 and 55 to 55 and 58, respectively, and the change in policy will have a significant impact on long-term employee benefits payable.

Early retirement benefits payable and supplemental retirement benefits payable that will be paid within one year are presented as employee benefits payable (Note IV.(28)).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(36) Long-term employee benefits payable (Continued)

(a) Early retirement benefit liabilities of the Group:

	31 December 2024	31 December 2023
Early retirement benefit liabilities	105,960,000	111,600,000
Less: Current portion (Note IV.(28))	(25,550,000)	(30,250,000)
	<u>80,410,000</u>	<u>81,350,000</u>

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

	Year ended 31 December 2024	Year ended 31 December 2023
Opening balance	111,600,000	117,490,000
Amount recognized in the current profit or loss		
– Service cost	27,120,000	35,530,000
– Net interest on the net liabilities	2,170,000	2,410,000
– Remeasurement amount	90,000	6,030,000
Personnel transfer-out	–	(8,150,000)
Payment of benefits	(35,020,000)	(41,710,000)
Closing balance	<u>105,960,000</u>	<u>111,600,000</u>

(ii) The key assumptions adopted by the Group for the early retirement benefits payable at the balance sheet date are as follows:

	31 December 2024	31 December 2023
Discount rate – early retirement benefits	1.25%	2.25%

(iii) Early retirement benefits included in the current profit or loss:

	Year ended 31 December 2024	Year ended 31 December 2023
General and administrative expenses	27,210,000	41,560,000
Financial expenses	2,170,000	2,410,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(36) Long-term employee benefits payable (Continued)

(b) Supplemental retirement benefit liabilities of the Group:

	31 December 2024	31 December 2023
Supplemental retirement benefit liabilities	2,725,120,000	2,434,080,000
Less: Current portion (Note IV.(28))	(124,220,000)	(121,300,000)
	<u>2,600,900,000</u>	<u>2,312,780,000</u>

(i) Movements for the Group's supplemental retirement benefits are analyzed as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Opening balance	2,434,080,000	2,472,890,000
Amount recognized in the current profit or loss		
– Current service cost	37,440,000	52,870,000
– Past service cost	(61,130,000)	–
– Net interest on the net liabilities	65,270,000	70,250,000
Remeasurement amount		
– Actuarial losses for the period	379,460,000	160,610,000
Personnel transfer-out	–	(197,830,000)
Payment of benefits	(130,000,000)	(124,710,000)
Closing balance	<u>2,725,120,000</u>	<u>2,434,080,000</u>

The deferred retirement policy resulted in changes to the original defined benefit plans, affecting past service cost by RMB61,130,000.

(ii) The Group's supplemental retirement benefit liabilities payable as at the balance sheet date are calculated using the projected unit credit method. The key actuarial assumptions used to assess the liabilities are as follows:

	31 December 2024	31 December 2023
Discount rate – supplemental retirement benefits	2.00%	2.75%
Annual rate of increase in respect of old-age and welfare benefits and hospitalization claims	0-5%	0-5%

The supplemental retirement benefits expose the Group to various risks, among which the main risk is the risk of interest rate fluctuations of treasury bonds. A fall in interest rates of treasury bonds will lead to an increase in liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(36) Long-term employee benefits payable (Continued)

(b) Supplemental retirement benefit liabilities of the Group: (Continued)

For the year ended 31 December 2024 and 2023, the assumption for future mortality rate is based on the statistics of the China Life Annuitant Mortality Table (2010-2013) translated forward by three years. The actuarial assumptions are analyzed as follows: The related actuarial assumptions are as follows:

	31 December 2024	31 December 2023
Supplemental retirement benefits –		
Average age	51.98	51.66
Expected future average remaining life expectancy	31.52	31.52

(iii) The sensitivity analysis of the principal actuary assumptions adopted in the present value of the supplemental retirement benefits of the Group is as follows:

	Change in assumption	Impact on the present value of defined benefit plan obligation	
		Increase in assumption	Decrease in assumption
Discount rate – supplemental retirement benefits	25 basis points	3.87% down	4.15% up
Annual rate of increase in respect of hospitalization claims	100 basis points	6.14% up	4.53% down

The above sensitivity analysis is based on a change in an assumption while holding other assumptions constant. In practice, however, all assumptions are usually correlated. When calculating the present value of the defined benefit obligation in the sensitivity analysis, the projected unit credit method has been applied.

(iv) As at 31 December 2024, the maturity analysis of undiscounted defined benefit obligations is as follows:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Supplemental retirement benefits	<u>124,220,000</u>	<u>123,690,000</u>	<u>365,200,000</u>	<u>5,723,270,000</u>	<u>6,336,380,000</u>

(v) Supplemental retirement benefits included in the current profit or loss:

	Year ended 31 December 2024	Year ended 31 December 2023
General and administrative expenses	(23,690,000)	52,870,000
Financial expenses	65,270,000	70,250,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(37) Other non-current liabilities

	31 December 2024	31 December 2023
Lease payments collected in advance	<u>1,879,239,822</u>	<u>2,080,390,497</u>

Lease payments collected in advance mainly comprise port facilities lease payments collected in advance from related party QQCT, dock basin lease payments collected in advance from Qingdao Qianwan Container Terminal Co., Ltd (“QQCTN”) and Qingdao Qianwan United Container Terminal Co., Ltd (“QQCTU”) with a period of 30 years and Qianwan Port area storage yard lease payment collected in advance from Kubo International Mining Co., Ltd with a period of 30 years.

(38) Share capital

	31 December 2023	Movements in the current year	31 December 2024
Foreign shares issued overseas	1,099,025,000	–	1,099,025,000
RMB-denominated common stock	<u>5,392,075,000</u>	<u>–</u>	<u>5,392,075,000</u>
	<u>6,491,100,000</u>	<u>–</u>	<u>6,491,100,000</u>

	31 December 2022	Movements in the current year	31 December 2023
Foreign shares issued overseas	1,099,025,000	–	1,099,025,000
RMB-denominated common stock	<u>5,392,075,000</u>	<u>–</u>	<u>5,392,075,000</u>
	<u>6,491,100,000</u>	<u>–</u>	<u>6,491,100,000</u>

The Company issued 705,800,000 foreign-listed H-shares to overseas investors at its Initial Public Offering on 6 June 2014. The issuing price per share was HKD3.76 (approximately RMB2.98), and the share capital increased to 4,705,800,000 shares after the issue.

The Company exercised the over-allotment option on 2 July 2014 and issued an additional 72,404,000 foreign-listed H shares overseas. The issuing price per share was HKD3.76 (approximately RMB2.99), and the share capital increased to 4,778,204,000 shares after the exercise of the over-allotment option. Furthermore, 77,821,000 state-owned shares held by Qingdao Port Group (equivalent to 10% of the issued H-shares) were converted to H-shares and transferred to the National Council for Social Security Fund of the PRC as a portion of shares in the IPO and over-allotment for sale. The above funds were verified by ShineWing Certified Public Accountants (LLP), along with the issue of a capital verification report No. XYZH/2014QDA2002.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(38) Share capital (Continued)

The Company completed the placement of 243,000,000 new H-shares on 18 May 2017 at a placing price of HKD4.32 per share (approximately RMB3.81). The share capital increased to 5,021,204,000 shares upon the completion of the placement. The above funds were verified by PricewaterhouseCoopers Zhong Tian LLP, along with the issue of a capital verification report of PwC ZT Yan Zi (2017) No. 527.

The Company made a private placement of 1,015,520,000 ordinary shares denominated in RMB to Shanghai China Shipping Terminal on 22 May 2017 at a subscription price of RMB5.71 per share. After the completion of the private placement of the Domestic Shares, the share capital increased to RMB6,036,724,000. The above funds were verified by PricewaterhouseCoopers Zhong Tian LLP, along with the issue of a capital verification report of PwC ZT Yan Zi (2017) No. 526.

Pursuant to the China Securities Regulatory Commission's Securities Regulatory Approval [2018] No. 1839 issued on 14 November 2018, "Approval of the Initial Public Offering of Qingdao Port International Co., Ltd.", the Company was approved to issue 454,376,000 ordinary shares denominated in RMB to the public at an issuing price of RMB4.61 per share on 21 January 2019. The above funds were received in January 2019 and verified by PricewaterhouseCoopers Zhong Tian LLP, along with the issue of a capital verification report of PwC ZT Yan Zi (2019) No. 0026. The total amount of funds raised this time was RMB2,094,673,360. The Company's share capital increased by RMB454,376,000. After deducting the issue cost of RMB115,743,592, the remaining was RMB1,524,553,768 and included in capital surplus (share premium).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(39) Capital surplus

	31 December 2023	Increase in the current period	Decrease in the current period	31 December 2024
Share premium				
Capital premium contributed by Qingdao Port Group (i)	7,052,279,474	–	–	7,052,279,474
Capital premium contributed by Other Promoters (i)	783,586,608	–	–	783,586,608
Issue of new shares (ii)	8,652,856,972	–	–	8,652,856,972
Shares issue expenses (ii)	(242,175,098)	–	–	(242,175,098)
Reversal of revaluation appreciation effect from business combination under common control	(4,830,045,213)	–	–	(4,830,045,213)
Income tax effect recognized from revaluation appreciation	887,819,497	–	–	887,819,497
Business combinations under common control	(416,942,220)	–	–	(416,942,220)
Subsidiary minority shareholders paid a premium	15,245,576	–	–	15,245,576
Acquisition of minority interests	(181,192,815)	–	–	(181,192,815)
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method	13,330,798	–	(7,961,643)	5,369,155
Effect of the disposal of 49% equity interest in Yuntai Logistics (v)	–	–	(1,181,134)	(1,181,134)
	<u>11,734,763,579</u>	<u>–</u>	<u>(9,142,777)</u>	<u>11,725,620,802</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

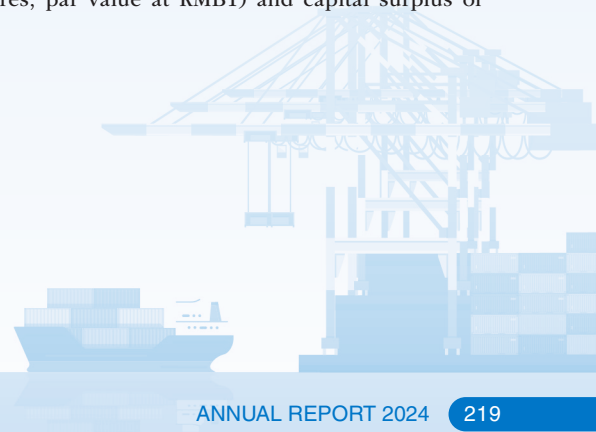
Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(39) Capital surplus (Continued)

	31 December 2022	Increase in the current period	Decrease in the current period	31 December 2023
Share premium				
Capital premium contributed by Qingdao Port Group (i)	7,052,279,474	–	–	7,052,279,474
Capital premium contributed by Other Promoters (i)	783,586,608	–	–	783,586,608
Issue of new shares (ii)	8,652,856,972	–	–	8,652,856,972
Shares issue expenses (ii)	(242,175,098)	–	–	(242,175,098)
Reversal of revaluation appreciation effect from business combination under common control	(4,830,045,213)	–	–	(4,830,045,213)
Income tax effect recognized from revaluation appreciation	887,819,497	–	–	887,819,497
Business combinations under common control	(416,942,220)	–	–	(416,942,220)
Subsidiary minority shareholders paid a premium	15,245,576	–	–	15,245,576
Acquisition of minority interests (iii)	(36,737,621)	–	(144,455,194)	(181,192,815)
Other capital surplus – Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method	12,500,677	830,121	–	13,330,798
	<u>11,878,388,652</u>	<u>830,121</u>	<u>(144,455,194)</u>	<u>11,734,763,579</u>

- (i) The Company is a stock limited company jointly established by Qingdao Port Group and Other Promoters. The assets and liabilities, as well as cash at bank and on hand, contributed by Qingdao Port Group amounted to RMB10,252,279,474 and RMB400,000,000 respectively, which were approved by Qingdao SASAC. Cash at bank and on hand contributed by Other Promoters amounted to RMB1,183,586,608. The contributions totaled RMB11,835,866,082, including share capital of RMB4,000,000,000 (4,000,000,000 shares, par value at RMB1) and capital surplus of RMB7,835,866,082.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(39) Capital surplus (Continued)

- (ii) The Company issued 705,800,000 foreign-listed H-shares to overseas investors at its Initial Public Offering on 6 June 2014. The amount of raised capital less capitalized issue cost was RMB1,995,921,171, including share capital of RMB705,800,000 (705,800,000 shares, par value at RMB1) and capital surplus of RMB1,290,121,171. The Company exercised the over-allotment option on 2 July 2014 and issued an additional 72,404,000 foreign-listed H shares overseas. The amount of raised capital was RMB216,167,727, including share capital of RMB72,404,000 (72,404,000 shares, par value at RMB1) and capital surplus of RMB143,763,727.

The Company completed the placement of 243,000,000 new H-shares on 18 May 2017. The amount of raised capital less capitalized issue cost was RMB912,553,972, including share capital of RMB243,000,000 (243,000,000 shares, par value at RMB1) and capital surplus of RMB669,553,972.

The Company made a private placement of 1,015,520,000 Domestic Shares on 22 May 2017. The consideration for issuing the Domestic Shares less capitalized issue cost was RMB5,798,209,236, including share capital of RMB1,015,520,000 (1,015,520,000 shares, par value at RMB1) and capital surplus of RMB4,782,689,236.

The Company issued 454,376,000 ordinary shares denominated in RMB (A-shares) at its Initial Public Offering on 21 January 2019. The amount of raised capital less capitalized issue cost was RMB1,978,929,768, including share capital of RMB454,376,000 (454,376,000 shares, par value at RMB1) and capital surplus of RMB1,524,553,768.

- (iii) In January 2023, the Company purchased 5% of the equity interests of Dongjiakou Oil Products, a subsidiary of the Company, from Mercuria Energy Asia Investment Pte Ltd. After the transaction, the Company held 70% equity interests of Dongjiakou Oil Products. Capital surplus was adjusted by RMB7,737,484 as a result of this transaction.

QDP Logistics is a wholly-owned subsidiary of the Company, and Shandong Weihai Port Development Co., Ltd. ("Weihai Port Development") is a 51%-owned subsidiary of the Company. In September 2023, QDP Logistics purchased 51%, 55% and 100% of the equity interests of Logistics Park Development, Shipping Agency and Gangfeng Shipping Agency, respectively, from Weihai Port Development. Capital surplus was adjusted by RMB(112,608,296) as a result of this transaction.

In October 2023, the Company purchased 2% and 51% of equity interests in Qingwei Container and China Ocean Shipping Tally Weihai, respectively, from Weihai Port Development. Capital surplus was adjusted by RMB(39,584,382) as a result of this transaction.

- (iv) Changes in capital surplus during the period represent changes of RMB(7,961,643) in equity in investees accounted for under the equity method other than other comprehensive income and profit distribution.
- (v) In September 2024, QDP Logistics, a wholly-owned subsidiary of the Company, sold 49% of the equity interest in its subsidiary, Yuntai Logistics. Upon the completion of this transaction, QDP Logistics held 51% of the equity interest in Yuntai Logistics, and the adjustments to the capital surplus resulting from this transaction are as follows:

Disposal consideration	13,617,639
Less: Share of net assets of subsidiaries in proportion to equity interests disposed of	(14,798,773)
Adjustments to capital surplus	(1,181,134)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(40) Other comprehensive income

	Other comprehensive income in the balance sheet				Other comprehensive income in the income statement for the year ended 31 December 2023				
	31 December 2023	Attributable to the parent company after tax	Impact of disposal of subsidiaries	31 December 2024	Amount incurred before income tax	Less: Other comprehensive income transferred out in the current year	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority interests, net of tax
Other comprehensive income items that will not be subsequently reclassified to profit or loss									
Changes in remeasurement of defined benefit plan obligations (i)	(181,184,718)	(365,358,725)	-	(546,543,443)	(379,460,000)	-	-	(365,358,725)	(14,101,275)
Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method (ii)	(4,901,998)	(15,691,466)	-	(20,593,464)	(15,691,466)	-	-	(15,691,466)	-
Other comprehensive income items which will be subsequently reclassified to profit or loss									
Other comprehensive income that will be transferred subsequently to profit or loss under the equity method (ii)	137,764	(5,244,524)	-	(5,106,760)	(5,244,524)	-	-	(5,244,524)	-
	<u>(185,948,952)</u>	<u>(386,294,715)</u>	<u>-</u>	<u>(572,243,667)</u>	<u>(400,395,990)</u>	<u>-</u>	<u>-</u>	<u>(386,294,715)</u>	<u>(14,101,275)</u>

- (i) In fiscal year 2024, changes in Treasury yields caused the Group's selected discount rate for post-employment benefit liabilities to change to 2%, a decrease of 0.75% from the prior period (the selected discount rate for post-employment benefit liabilities in fiscal year 2023 was 2.75%), and therefore resulted in a change in the Group's net liability for remeasurement of defined benefit plans during the period, which had an impact of RMB(379,460,000).
- (ii) Changes in other comprehensive income of investees accounted for under the equity method of accounting for the current year amounted to RMB(20,935,990), of which RMB(15,691,466) was other comprehensive income that could not be transferred to profit or loss under the equity method and RMB(5,244,524) was other comprehensive income that could be transferred to profit or loss under the equity method.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(40) Other comprehensive income (Continued)

	Other comprehensive income in the balance sheet				Other comprehensive income in the income statement for the year ended 31 December 2023				
	31 December 2022	Attributable to the parent company after tax	Impact of disposal of subsidiaries	31 December 2023	Amount incurred before income tax	Less: Other comprehensive income transferred out in the current year	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority interests, net of tax
Other comprehensive income items that will not be subsequently reclassified to profit or loss									
Changes in remeasurement of defined benefit plan obligations	(40,551,764)	(148,332,954)	7,700,000	(181,184,718)	(160,610,000)	-	-	(148,332,954)	(12,277,046)
Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method	1,683,736	(6,585,734)	-	(4,901,998)	(6,585,734)	-	-	(6,585,734)	-
Other comprehensive income items which will be subsequently reclassified to profit or loss									
Other comprehensive income that will be transferred subsequently to profit or loss under the equity method	(4,633,200)	4,770,964	-	137,764	4,770,964	-	-	4,770,964	-
	<u>(43,501,228)</u>	<u>(150,147,724)</u>	<u>7,700,000</u>	<u>(185,948,952)</u>	<u>(162,424,770)</u>	<u>-</u>	<u>-</u>	<u>(150,147,724)</u>	<u>(12,277,046)</u>

(41) Surplus reserve

	31 December 2023	Withdrawal in the current year	Decrease in the current period	31 December 2024
Statutory surplus reserve	<u>2,802,635,193</u>	<u>431,534,509</u>	<u>-</u>	<u>3,234,169,702</u>
	31 December 2022	Withdrawal in the current year	Decrease in the current period	31 December 2023
Statutory surplus reserve	<u>2,419,818,733</u>	<u>382,816,460</u>	<u>-</u>	<u>2,802,635,193</u>

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of the net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital after approval from the appropriate authorities. The Company withdraws statutory surplus reserve at RMB431,534,509 at 10% of net profit in 2024 (2023: withdraw at 10% of net profit, totaling RMB382,816,460).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(42) Undistributed profits

	Year ended 31 December 2024	Year ended 31 December 2023
Undistributed profits at the beginning of the period	19,426,032,436	16,641,280,437
Changes in accounting policies	–	–
Undistributed profits at the beginning of the period	19,426,032,436	16,641,280,437
Add: Net profit for the year attributable to shareholders of the parent company	5,234,897,470	4,923,321,689
Less: Withdrawal of statutory surplus reserve	(431,534,509)	(382,816,460)
Dividend payable on ordinary shares (a)	(2,636,035,710)	(1,748,053,230)
Impact of disposal of subsidiaries	–	(7,700,000)
Undistributed profits at the end of the year	<u>21,593,359,687</u>	<u>19,426,032,436</u>

In accordance with the resolution at the Board of Shareholders' meeting dated 6 June 2024, the Company paid a cash dividend for the year 2023 to all shareholders at RMB2.927 per 10 shares (including tax), amounting to RMB1,899,944,970, calculated by 6,491,100,000 issued shares.

In accordance with the resolution at the Board of Shareholders' meeting dated 8 November 2024, the Company paid an interim cash dividend for 2024 to all shareholders at RMB1.134 per 10 shares (including tax), amounting to RMB736,090,740, calculated by 6,491,100,000 issued shares.

In accordance with the resolution at the Board of Directors' meeting dated 28 March 2025, the Board of Directors proposed a cash dividend for the year 2024 to all shareholders at RMB3.141 per 10 shares (including tax), which, based on the 6,491,100,000 shares in issue, amounted to a total of RMB2,038,854,510 cash dividend to be distributed for the whole year, of which the Company had already distributed an interim dividend for 2024 of RMB736,090,740 on 30 December 2024. The remaining dividend of RMB1,302,763,770 (cash dividend of RMB2.007 (including tax) per 10 shares) will be payable on 25 August 2025 after consideration and approval by the shareholders' meeting.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(43) Revenue and cost of sales

	Year ended 31 December 2024	Year ended 31 December 2023
Revenue from main operations	17,596,120,045	16,820,882,823
Revenue from other operations	1,344,878,437	1,352,245,014
	<u>18,940,998,482</u>	<u>18,173,127,837</u>
	Year ended 31 December 2024	Year ended 31 December 2023
Cost of sales from main Operations	(11,329,844,146)	(10,796,002,114)
Cost of sales from other operations	(897,205,871)	(905,545,690)
	<u>(12,227,050,017)</u>	<u>(11,701,547,804)</u>

(a) Revenue and cost of sales from main operations

	Year ended 31 December 2024		Year ended 31 December 2023	
	Revenue from main operations	Cost of sales from main Operations	Revenue from main operations	Cost of sales from main Operations
Container handling and ancillary services	1,677,903,813	(384,709,945)	1,199,465,697	(238,268,346)
Metal ore, coal, and other cargo handling and ancillary services	4,481,813,817	(3,509,078,009)	4,307,175,113	(3,374,765,103)
Liquid bulk cargo handling and ancillary services	3,669,731,804	(1,511,588,212)	4,242,029,529	(1,779,361,563)
Logistics and port value-added services	7,571,462,312	(5,750,687,738)	6,949,379,422	(5,308,106,753)
Port ancillary services – engineering and other labor services	195,208,299	(173,780,242)	122,833,062	(95,500,349)
	<u>17,596,120,045</u>	<u>(11,329,844,146)</u>	<u>16,820,882,823</u>	<u>(10,796,002,114)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(43) Revenue and cost of sales (Continued)

(b) Revenue and cost of sales from other operations

	Year ended 31 December 2024		Year ended 31 December 2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Rental income (i)	395,245,292	(200,215,109)	376,068,389	(196,352,345)
Port ancillary service – sales of fuel, electricity, and others	949,633,145	(696,990,762)	976,176,625	(709,193,345)
	<u>1,344,878,437</u>	<u>(897,205,871)</u>	<u>1,352,245,014</u>	<u>(905,545,690)</u>

- (i) The Group's rental income is from leasing port facilities, storage facilities, buildings, machinery, equipment, and transportation equipment. For the year ended 31 December 2024, there's no variable rental income recognized based on a certain percentage of the lessee's sales amount.

For the year ended 31 December 2024, all of the above revenue types are performance obligations fulfilled within a certain period of time, with the exception of "Port ancillary service – sales of fuel, electricity and others", which is primarily performance obligations fulfilled at a point in time, and "Rental income".

As at 31 December 2024, the amounts of revenue corresponding to contract obligations that were signed but not fulfilled or not completely fulfilled were RMB278,861,998 (As at 31 December 2023: RMB315,410,460), all of which is expected to be recognized by the Group as revenue in 2025.

(44) Taxes and surcharges

	Year ended 31 December 2024	Year ended 31 December 2023	Calculation and payment standard
Land use tax	71,413,027	68,439,022	RMB3.2-11.2 per square meter per year
City maintenance and construction tax	31,160,086	22,057,574	7%
Educational surcharge	22,257,197	15,784,982	3%, 2%
Property tax	20,664,609	17,701,724	Levied on a rental or advertisement basis
Stamp duty	12,506,127	11,165,940	Proportional tax rate, norm quota tax rate
Others	13,772,944	14,152,343	
	<u>171,773,990</u>	<u>149,301,585</u>	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(45) General and administrative expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Employee benefits	625,296,191	663,637,527
Office expenses and travel expenses	69,936,660	77,315,864
Property management fees	66,204,204	39,562,891
Intermediary service fees	41,597,245	35,184,706
Depreciation of right-of-use assets	39,777,805	38,178,167
Amortisation of intangible assets	36,774,001	30,298,068
Depreciation of fixed assets	36,605,963	37,965,388
Rental expenses	21,592,244	16,348,523
Fuel and utility fees	18,528,892	12,341,060
Consumption of labor protection equipment and other raw materials	8,720,312	11,655,812
Repair expenses	7,887,759	10,865,692
Others	94,196,132	63,576,140
	<u>1,067,117,408</u>	<u>1,036,929,838</u>

(46) Financial expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Interest expenses on deposits	—	—
Borrowings and other interest expenses	108,203,307	133,626,610
Add: Interest expense on lease liabilities	24,283,766	30,125,026
Less: Capitalized interest	(8,580,742)	(1,989,787)
Interest expenses	123,906,331	161,761,849
Less: Interest income	(138,734,024)	(129,239,158)
Effect of actuarial calculation of employee benefits	67,440,000	72,660,000
Exchange gains or losses	5,594,905	2,010,302
Others	1,984,204	1,583,755
	<u>60,191,416</u>	<u>108,776,748</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(47) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses, and research and development expenses in the income statement are categorized by nature as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Subcontract cost	4,186,168,405	3,820,381,478
Employee benefits	3,477,710,802	3,355,349,430
Cost for outsourcing transportation	1,929,935,069	2,034,818,306
Depreciation of fixed assets	1,146,902,032	1,164,918,668
Cost of sales for purchasing fuel and electricity	653,527,618	624,310,680
Fuel and utility fees	449,150,715	467,775,681
Consumption of other materials	379,136,585	411,331,219
Rental expenses (ii)	217,816,714	193,942,923
Repair expenses (i)	193,835,353	200,680,761
Depreciation of right-of-use assets	165,950,484	158,881,540
Consumed materials for construction contracts	114,796,674	61,733,277
Amortisation of intangible assets	110,185,581	103,993,613
Office expenses and travel expenses	107,010,446	84,207,019
Property service fees	80,572,724	–
Consulting fee	30,170,381	26,024,874
Security service fees	29,665,204	–
Long-term prepaid expenses	13,816,886	44,362,175
Depreciation of investment properties	13,388,368	5,059,282
Auditor's fee	11,555,404	9,262,858
– Audit services for listed companies	4,770,944	5,104,406
– Other audit services within the Group	5,730,400	3,989,866
– Non-audit services	1,054,060	168,586
Others	152,891,192	152,527,208
	13,464,186,637	12,919,560,992

- (i) For the daily maintenance, and repair expenses of fixed assets that do not meet the criteria of capitalisation, the Group included the costs related to the production and processing of inventories in the costs of inventories and recognised as cost of sale accordingly, and included the costs related to the research and development department, the administrative department and the sale department in research and development expenses, general and administrative expenses and selling and distribution expenses, respectively.
- (ii) As stated in Note II. (25), the Group's lease expense incurred by short-term lease and low-value lease is recorded in profit or loss. For the year ended on 31 December 2024, the amount is RMB217,816,714 (For the year ended on 31 December 2023: RMB193,942,923).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

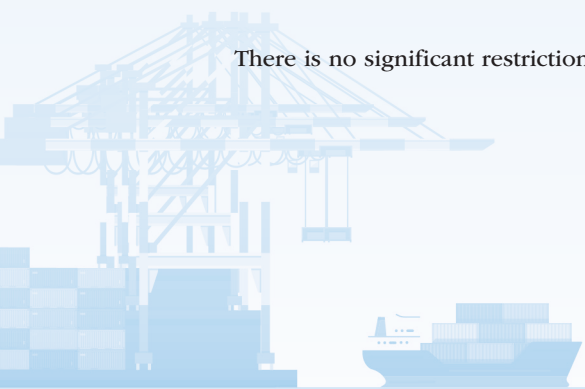
(48) Other income

	Year ended 31 December 2024	Year ended 31 December 2023
Additional deduction of VAT input	277,674	46,603,819
VAT refunded as soon as collected	36,543,131	32,185,326
Government Grants		
– Income related	56,137,599	41,371,023
– Asset related	20,809,405	21,243,035
Employment stabilization subsidies	5,795,857	2,868,241
Others	226,917	2,158,044
	<u>119,790,583</u>	<u>146,429,488</u>

(49) Investment income

	Year ended 31 December 2024	Year ended 31 December 2023
Income from long-term equity investments accounted for under the equity method	1,656,628,568	1,531,223,264
Investment income from holding of financial assets held for trading	2,576,061	20,205,845
Investment income from the disposal of long-term equity investments	–	19,652,995
Losses on discount of financing receivables qualifying for derecognition	(103,056)	(748,554)
Investment income from holding of other non-current financial assets	9,325,221	–
Investment income from disposal of other non-current financial assets	24,818,400	–
	<u>1,693,245,194</u>	<u>1,570,333,550</u>

There is no significant restriction on the Group's recovery of investment income.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(50) Credit impairment losses

	Year ended 31 December 2024	Year ended 31 December 2023
(Reversal of)/Provision for losses on bad debts of notes receivable	101,655	(1,153,806)
(Reversal of)/Provision for losses on bad debts of accounts receivable	13,394,479	(56,494,877)
Provision for/(Reversal of) losses on bad debts of other receivables	1,670,813	8,172,282
	<u>15,166,947</u>	<u>(49,476,401)</u>

(51) Income tax expense

	Year ended 31 December 2024	Year ended 31 December 2023
Current income tax calculated based on tax law and related regulations	1,315,453,611	1,216,448,738
Deferred income tax	20,067,853	55,630,846
	<u>1,335,521,464</u>	<u>1,272,079,584</u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses:

	Year ended 31 December 2024	Year ended 31 December 2023
Total profit	<u>7,067,785,849</u>	<u>6,789,743,655</u>
Income tax expenses calculated at applicable tax rates	1,766,946,462	1,697,435,914
The effect of preferential tax rates	(28,760,125)	(80,660,414)
Investment income not subject to tax	(416,488,447)	(382,805,816)
Additional deduction of employee benefits of the disabled	(1,033,994)	(853,514)
Costs, expenses, and losses not deductible	20,657,521	52,902,640
Deductible temporary differences for which no deferred tax asset was recognised in the current year	-	2,150,259
Deductible losses not recognised as deferred tax assets in the current year	21,634,635	-
Utilisation of deductible losses not recognized as deferred tax assets in prior periods	<u>(27,434,588)</u>	<u>(16,089,485)</u>
Income tax expense	<u>1,335,521,464</u>	<u>1,272,079,584</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(52) Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding of the parent company:

	Year ended 31 December 2024	Year ended 31 December 2023
Consolidated net profit attributable to ordinary shareholders of the parent company	5,234,897,470	4,923,321,689
Weighted average number of ordinary shares outstanding	6,491,100,000	6,491,100,000
Basic earnings per share	0.81	0.76
Including:		
– Basic earnings per share from continuing operations	0.81	0.76
– Basic earnings per share from discontinued operations	–	–

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding of the Company. As there were no dilutive potential ordinary shares for the year ended 31 December 2024 (for the year ended 31 December 2023: nil), diluted earnings per share equal to basic earnings per share.

(53) Notes to the cash flow statement

The Group's significant cash flow items are set out below:

(a) Cash received relating to other operating activities

	Year ended 31 December 2024	Year ended 31 December 2023
Recovery of advances for purchases	700,394	159,104,796
Lease payments received	258,982,362	187,059,796
Interest from cash at bank	138,734,024	134,080,096
Government Grants	82,344,417	83,180,478
Railway freight collected on behalf	14,666,827	62,578,898
Receipt of deposits and guarantees	–	11,006,823
Others	17,768,757	6,945,386
	513,196,781	643,956,273

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(53) Notes to the cash flow statement (Continued)

(a) Cash received relating to other operating activities (Continued)

The Group's collection and payment of agency procurement and other businesses are cash received or paid on behalf of customers, and cash flow is shown on a net basis.

(b) Cash paid relating to other operating activities

	Year ended 31 December 2024	Year ended 31 December 2023
Payment on behalf of logistics business	–	195,514,584
Payment for retirees	130,000,000	124,710,000
Office expenses and travel expenses	75,352,556	84,207,019
Payment of property management fees	66,204,204	39,562,891
Intermediary service fees	13,398,019	35,184,706
Payment of deposit and guarantee	38,457,555	32,811,558
Bank service charges	1,984,204	1,583,755
Others	138,906,904	55,448,139
	<u>464,303,442</u>	<u>569,022,652</u>

(c) Cash received from disposal of investments

	Year ended 31 December 2024	Year ended 31 December 2023
Cash receipts from the redemption of expired wealth management products	559,000,000	2,436,091,000
Cash received from withdrawal of fixed deposits over three months	788,510,585	127,540,000
Cash received from disposal of equity interest in Shangang Ocean Shipping	36,656,000	–
	<u>1,384,166,585</u>	<u>2,563,631,000</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(53) Notes to the cash flow statement (Continued)

(d) Cash paid to acquire investments

	Year ended 31 December 2024	Year ended 31 December 2023
Cash paid to purchase wealth management products	280,000,000	1,726,438,000
Cash paid for the purchase of fixed deposits over three months	481,010,585	724,500,000
Cash paid to acquire equity investments	—	519,100,000
	<u>761,010,585</u>	<u>2,970,038,000</u>

(e) Cash received relating to other investing activities

	Year ended 31 December 2024	Year ended 31 December 2023
Subsequent charges for recovery of equity and debt of Red Star Logistics	477,118	—
Recover the prepaid equity payment for the offshore oil terminal	—	—
Cash and cash equivalents held by subsidiaries on the consolidation date	—	5,410,315
	<u>477,118</u>	<u>5,410,315</u>

(f) Cash received relating to other financing activities

	Year ended 31 December 2024	Year ended 31 December 2023
Acquisition of entrusted loan from Qingdao Port Group		407,000,000
Receipt of the principal of borrowings under finance leases	120,000,000	—
	<u>120,000,000</u>	<u>407,000,000</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(53) Notes to the cash flow statement (Continued)

(g) Cash paid relating to other financing activities

	Year ended 31 December 2024	Year ended 31 December 2023
Repayment of entrusted borrowings from Qingdao Port Group	59,200,000	510,100,000
Repayments of lease liabilities	182,714,079	271,990,539
Acquisition of minority interests from Dongjiakou Oil Products	–	12,691,084
Refund of capital contributions to minority interests due to the cancellation of Zhonghang Industry	2,940,000	–
Interest from discounting notes receivable	103,056	–
Repayment of the principal of borrowings under finance leases	120,000,000	–
	<u>364,957,135</u>	<u>794,781,623</u>

For the year ended 31 December 2024, the total lease-related cash outflow paid by the Group was RMB400,530,793 (for the year ended 31 December 2023: RMB469,386,337). Except for the amount paid for the repayment of lease liabilities included in the financing activities, the remaining cash outflows were included in operating activities.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(54) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	Year ended 31 December 2024	Year ended 31 December 2023
Net profit	5,732,264,385	5,517,664,071
Add/Less: Asset impairment losses	3,910,103	23,318,314
Credit impairment losses (reversal)/provision	15,166,947	(49,476,401)
Depreciation of right-of-use assets	165,950,484	158,881,540
Depreciation of fixed assets and investment properties	1,160,290,400	1,169,977,950
Amortisation of intangible assets	110,185,581	103,993,613
Amortization of long-term prepaid expenses	28,597,197	44,362,175
Gains on disposal of fixed assets, intangible assets, and other long-term assets	(30,023,524)	(15,340,513)
(Gains)/Losses from scrapped fixed assets	6,250,793	(2,898,712)
Losses/(Gains) from changes in fair value	(4,630,742)	560,505
Financial expenses	129,501,236	238,628,029
Investment income	(1,693,245,194)	(1,571,082,104)
Decrease/(Increase) in deferred tax assets	18,670,119	49,270,215
Increase/(Decrease) in deferred tax liabilities	1,397,734	4,997,897
Amortization of deferred income	36,050,913	(21,243,035)
Decrease/(Increase) in inventories	10,916,775	2,541,732
Decrease in operating receivables	(226,595,087)	91,109,335
Increase in operating payables	(311,881,661)	406,133,034
Net cash flows from operating activities	<u>5,152,776,459</u>	<u>6,151,397,645</u>

Significant operating activities, investing activities, and operating activities that do not involve cash receipts and payments.

	Year ended 31 December 2024	Year ended 31 December 2023
Goods and services purchased by endorsement of notes receivable	770,371,664	836,465,161
Increase of right-of-use assets in the current period	59,313,161	90,525,013
Lease contracts that terminate early in the current period	—	36,946,451
Long-term assets acquired by endorsement of notes receivable	—	13,612,835
Swap of debt repayments receivable to fixed assets	—	49,019,535

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(54) Supplementary information to the cash flow statement (Continued)

(a) Supplementary information to the cash flow statement (Continued)

Net movements in cash

	Year ended 31 December 2024	Year ended 31 December 2023
Cash at the end of the period	12,207,737,448	10,132,048,600
Less: Cash at the beginning of the period	(10,132,048,600)	(9,021,244,964)
Net increase in cash	2,075,688,848	1,110,803,636

Cash and cash equivalents

	31 December 2024	31 December 2023
Cash at bank and on hand (Note IV.(1))	12,673,129,712	10,934,026,950
Less: Fixed deposits with a term of over 3 months	(416,000,000)	(723,500,000)
Other restricted cash balance	(30,929,676)	(58,275,997)
Interest receivable	(18,462,588)	(20,202,353)
Cash at the end of the year	12,207,737,448	10,132,048,600

As mentioned in Note IV.(1), as at 31 December 2024, fixed deposits of RMB416,000,000, other cash at bank and on hand of RMB30,929,676, and interest receivable of RMB18,462,588 (31 December 2023: RMB723,500,000, RMB58,275,997, and RMB20,202,353) are not cash and cash equivalents.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(54) Supplementary information to the cash flow statement (Continued)

(b) Acquisition or disposal of subsidiaries and other entities

Disposal of subsidiaries and other entities

	Year ended 31 December 2024	Year ended 31 December 2023
Cash received from disposal of subsidiaries in the current year	-	208,896,278
Including: International Trade Logistics	-	1,500,862
Qingdao Port (Group) Harbor Engineering Co., Ltd. ("Qingdao Port Engineering")	-	14,532,446
Gulf Liquid Chemical	-	57,258,645
Qingdao International Energy Exchange Co., Ltd. ("International Energy")	-	14,284,239
Luhai Equipment Group Qingdao	-	13,537,891
Vado Investment	-	107,782,194
Shangang Shanhai Security (Shandong) Co., Ltd. ("Shangang Shanhai Security")	-	1
Less: Cash held by subsidiaries at the date when control is lost	-	(16,031,590)
Including: International Trade Logistics	-	-
Qianwan Xinhe Supply Chain	-	-
Shandong Port Finance Company	-	-
Luhai Equipment Group Qingdao	-	-
Shangang Shanhai Security	-	(16,031,590)
Add: Amounts deposited at Shandong Port Finance Company by the subsidiaries at the date when control is lost	-	-
Including: International Trade Logistics	-	-
Add: Cash and cash equivalents deposited with Shandong Port Finance Company by the Group at the date of loss of control	-	-
Net cash received from disposal of subsidiaries	-	192,864,688



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(54) Supplementary information to the cash flow statement (Continued)

(c) Changes in liabilities arising from financing activities

	Bank borrowings (including current portion)	Long-term payables (including current portion)	Lease liabilities (including current portion)	Dividend payable (including current portion)	Total
31 December 2023	2,098,295,982	316,987,965	418,513,561	42,676,167	2,876,473,675
Cash inflows from financing activities	963,857,423	120,000,000	–	–	1,083,857,423
Cash outflows from financing activities	(632,066,721)	(190,021,006)	(183,585,467)	(571,118,220)	(1,576,791,414)
Interests accreted in the current year					
Changes that do not involve cash receipts and payments (Note IV.(54)(a))	90,755,631	10,530,391	218,131,965	–	319,417,987
Dividends accreted in the current year	–	–	–	536,740,806	536,740,806
31 December 2024	<u>2,520,842,315</u>	<u>257,497,350</u>	<u>453,060,059</u>	<u>8,298,733</u>	<u>3,239,698,457</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(55) Monetary items denominated in foreign currencies

	31 December 2024		
	Balance in foreign currencies	Conversion rate	RMB balance
Cash at bank and on hand –			
USD	51,444,788	7.1884	369,805,714
EUR	4,163,198	7.5257	31,330,979
HKD	4,517	0.92604	4,183
			<u>401,140,876</u>
Accounts receivable –			
USD	30,168,047	7.1884	216,859,989
EUR	12,959	7.5257	97,526
JPY	91,080	0.04623	4,211
			<u>216,961,726</u>
Other receivables –			
USD	16,282,542	7.1884	<u>117,045,425</u>
Accounts payable –			
USD	15,937,417	7.1884	114,564,528
JPY	240,502	0.04623	11,118
			<u>114,575,646</u>
Other payables –			
USD	15,317,913	7.1884	110,111,286
HKD	42,720	0.92604	39,560
			<u>110,150,846</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

V. CHANGES OF THE SCOPE OF CONSOLIDATION

On 22 February 2024, the Company's subsidiary, Qingdao Qinggang Zhonghang Industry Operation Service Co., Ltd. ("Zhonghang Operation"), was deregistered.

On 18 July 2024, the Company's subsidiary, Qingdao Ocean Shipping Repair Co., Ltd. ("Ocean Shipping Repair"), was deregistered.

On 25 October 2024, the Company's subsidiary of a subsidiary, Qingdao Ganghai International Logistics Co., Ltd. ("Ganghai Logistics"), was deregistered.

On 28 October 2024, the Company's subsidiary of a subsidiary, Qingdao Port International Shipping Agency Co., Ltd. ("International Shipping Agency"), was deregistered.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES

(1) Equity interest in subsidiaries

(a) Constitution of the enterprise group

Names of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding ratio		Acquisition method
						Direct	Indirect	
Qingdao Port International Oil Port Co., Ltd. ("International Oil Port")	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	10,000	100%	-	Set-up or investment
QDP Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Integrated logistics	50,000	100%	-	Set-up or investment
Jieyuntong Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	2,000	-	51%	Set-up or investment
Lianjie Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Depot business	5,000	-	58%	Set-up or investment
Qingdao Port E-Link	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	1,000	-	65%	Set-up or investment
Luhai Quantai	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	4,000	-	54%	Set-up or investment
GLS Shipping	Limited Liability Company	Qingdao, China	Qingdao, China	Shipping agency	2,250	-	100%	Set-up or investment
Bonded Logistics Center	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	5,000	-	100%	Business combinations involving enterprises not under common control
Qingdao Port Lianxin International Logistics Co., Ltd. ("Lianxin International Logistics")	Limited Liability Company	Qingdao, China	Qingdao, China	Depot business	2,000	-	58%	Set-up or investment
Logistics Park Development	Limited Liability Company	Weihai, China	Weihai, China	Logistics and warehousing	10,000	-	100%	Business combinations under common control
Qingdao Port Jiefeng International Logistics Co., Ltd. ("Jiefeng International Logistics")	Limited Liability Company	Qingdao, China	Qingdao, China	Depot business	1,500	-	51%	Set-up or investment
Pulp Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	1,000	-	55%	Set-up or investment

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(1) Equity interest in subsidiaries (Continued)

(a) Constitution of the enterprise group (Continued)

Names of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding ratio		Acquisition method
						Direct	Indirect	
Qinggang Supply Chain	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	5,000	-	65%	Set-up or investment
Yuntai Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	8,000	-	51%	Business combinations involving enterprises not under common control
Qingdao Port Lianhua International Logistics Co., Ltd. ("Lianhua International Logistics")	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	2,000	-	60%	Set-up or investment
Land Port Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	500	-	100%	Set-up or investment
Eimskip Coldchain (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Logistics and transportation	2,000	-	70%	Set-up or investment
Jimo Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	15,000	-	60%	Set-up or investment
Dongjiakou Bulk Cargo	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	10,000	-	51%	Set-up or investment
Shengshi Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Freight forwarder	1,000	-	58%	Set-up or investment
Gangfeng Shipping Agency	Limited Liability Company	Weihai, China	Weihai, China	Shipping agency	50	-	100%	Business combinations under common control
Shipping Agency	Limited Liability Company	Weihai, China	Weihai, China	Shipping agency	500	-	55%	Business combinations under common control
Shandong Port Lianhua	Limited Liability Company	Qingdao, China	Qingdao, China	Fuel storage	86,600	51%	-	Set-up or investment
Dongying Port Lianhua	Limited Liability Company	Dongying, China	Dongying, China	Fuel storage	38,000	-	70%	Set-up or investment
Weifang Port Lianhua	Limited Liability Company	Weifang, China	Weifang, China	Fuel storage	25,000	-	100%	Set-up or investment
Qinggang Power Supply	Limited Liability Company	Qingdao, China	Qingdao, China	Electricity, heat production, and supply	15,000	100%	-	Set-up or investment

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(1) Equity interest in subsidiaries (Continued)

(a) Constitution of the enterprise group (Continued)

Names of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding ratio		Acquisition method
						Direct	Indirect	
Dongjiakou Oil Products Company	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	41,479	70%	-	Business combinations involving enterprises not under common control
Weihai Port Development Company	Limited Liability Company	Weihai, China	Weihai, China	Loading and unloading, storage, logistics	10,035	51%	-	Business combinations under common control
Barge Limited	Limited Liability Company	Qingdao, China	Qingdao, China	Ship towing services	45,000	100%	-	Set-up or investment
Container Development Company	Limited Liability Company	Qingdao, China	Qingdao, China	Container cargo forwarder	3,000	100%	-	Set-up or investment
Qingdao Qinggang Tongda Energy Co., Ltd. ("Tongda Energy")	Limited Liability Company	Qingdao, China	Qingdao, China	Liquefied natural gas operations	14,250	100%	-	Set-up or investment
Qingdao Ocean Shipping Tally Co., Ltd.	Limited Liability Company	Qingdao, China	Qingdao, China	Qingdao OST	199	84%	-	Set-up or investment
Dongjiakou General Terminal (i) Company	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling	140,000	80%	-	Set-up or investment
Shandong Qingdong Pipeline Co., Ltd. ("Qingdong Pipeline")	Limited Liability Company	Qingdao, China	Qingdao, China	Pipeline oil transportation	50,000	51%	-	Set-up or investment
Qingwei Container Company	Limited Liability Company	Weihai, China	Weihai, China	Stevedore, unloading, handling, and warehousing	14,000	51%	49%	Business combinations under common control
QMT	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling	131,020	100%	-	Business combinations involving enterprises not under common control
Mercuria Logistics (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling	USD49.30 million	62%	-	Business combinations involving enterprises not under common control

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(1) Equity interest in subsidiaries (Continued)

(a) Constitution of the enterprise group (Continued)

Names of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding ratio		Acquisition method
						Direct	Indirect	
Qingdao Port Dongjiakou Liquid Chemical Terminal Co., Ltd. ("Liquid Chemical Terminal") (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Cargo handling	71,000	51%	-	Business combinations involving enterprises not under common control
Qingdao Qianwan Nangang Oil & Gas Co., Ltd. ("Nangang Oil & Gas")	Limited Liability Company	Qingdao, China	Qingdao, China	Liquefied natural gas operations	7,900	55%	-	Set-up or investment
Qingdao Port Properties	Limited Liability Company	Qingdao, China	Qingdao, China	Property management	800	100%	-	Set-up or investment
Emergency Rescue	Limited Liability Company	Qingdao, China	Qingdao, China	Emergency rescue services	5,000	100%	-	Set-up or investment
Qingdao Port Svitzer Towage Co., Ltd. ("Svitzer Towage") (i)	Limited Liability Company	Qingdao, China	Qingdao, China	Tug lighter	21,000	55%	-	Set-up or investment
Zhenhua Petroleum Storage	Limited Liability Company	Qingdao, China	Qingdao, China	Fuel storage	29,200	51%	-	Set-up or investment
Red Star Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Fuel handling	21,566	90%	-	Business combinations involving enterprises not under common control
Construction & Management Centre	Limited Liability Company	Qingdao, China	Qingdao, China	Engineering management	1,000	100%	-	Set-up or investment
Shandong Qingzi Logistics Co., Ltd. ("Qingzi Logistics")	Limited Liability Company	Qingdao, China	Zibo, China	Logistics services and pipeline transportation	20,000	100%	-	Set-up or investment
Port Service	Limited Liability Company	Qingdao, China	Qingdao, China	Storage service	8,000	100%	-	Set-up or investment
Qingdao Port Tongze Trading Co., Ltd. ("Tongze Trading")	Limited Liability Company	Qingdao, China	Qingdao, China	Merchandising	1,000	100%	-	Set-up or investment
Cultural & Media	Limited Liability Company	Qingdao, China	Qingdao, China	Promotional design	300	100%	-	Set-up or investment
Gangjia Logistics	Limited Liability Company	Qingdao, China	Qingdao, China	Logistics and transportation	500	51%	-	Set-up or investment

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(1) Equity interest in subsidiaries (Continued)

(a) Constitution of the enterprise group (Continued)

Names of subsidiaries	Category of entity	Major business location	Place of registration	Principal activities	Registered capital (Ten thousand yuan) (Unless otherwise noted)	Shareholding ratio		Acquisition method
						Direct	Indirect	
China Ocean Shipping Tally Weihai	Limited Liability Company	Weihai, China	Weihai, China	Tallying	130	51%	33%	Business combinations under common control
Qingdao Port International Development (HK) Co., Ltd. ("International Development")	Limited Liability Company	Hong Kong, China	Hong Kong, China	Investment management	46,057	100%	-	Business combinations under common control
Qingdao Port Dongjiakou Oil Storage Co., Ltd. ("Dongjiakou Oil Storage")	Limited Liability Company	Qingdao, China	Qingdao, China	Stevedore, unloading, handling, and warehousing	25,000	60%	-	Set-up or investment

- (i) The Company holds 62% of equity interests in Mercuria Logistics. The decisions on Mercuria Logistics' relevant operating activities are made by the resolution of the Board, which is subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 3 out of 5 board members in Mercuria Logistics, so the voting rights held by the Company is 60%.

The percentage of shareholding in Eimskip Coldchain held by the Company is 70%. The decisions on Eimskip Coldchain's relevant operating activities are made by the resolution of the Board, which is subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 3 out of 5 board members in Eimskip Coldchain, so the voting rights held by the Company is 60%.

The percentage of shareholding in DMT held by the Company is 80%. The decisions on DMT's relevant operating activities are made by the resolution of the Board, which is subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 4 out of 6 board members in DMT, so the voting rights held by the Company is 67%.

The actual percentage of shareholding in Svitzer Towage held by the Company is 55%. The decisions on Svitzer Towage's relevant operating activities are made by the Board of Directors. The resolution of the Board of Directors should be subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 3 out of 5 board members in Svitzer Towage, so the voting rights held by the Company is 60%.

The actual percentage of shareholding in Liquid Chemical Terminal held by the Company is 51%. The decisions on Liquid Chemical Terminal's relevant operating activities are made by the Board of Directors. The resolution of the Board of Directors should be subject to the approval of more than half of the directors who attend the Board's meeting. The Company can designate 3 out of 5 board members in Liquid Chemical Terminal, so the voting rights held by the Company is 60%.

In 2024, the Company's subsidiaries are all unlisted enterprises and have not issued stocks or bonds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(1) Equity interest in subsidiaries (Continued)

(b) Subsidiary with significant minority interests

The Group determines the subsidiaries with significant minority interests by considering factors such as whether the subsidiaries are listed companies, the proportion of their minority interests to the Group's consolidated shareholders' equity (more than 10%), and the proportion of minority interests to the Group's consolidated net profit (more than 20%), which are presented below:

Names of subsidiaries	Shareholding ratio of non-controlling interests	Gains and losses attributable to minority interests for the year ended 31 December 2024	Dividends declared to minority interests for the year ended 31 December 2024 (iii)	31 December 2024 Minority interests
Weihai Port Development (i)	49%	9,288,445	–	776,173,191
Shandong Port Lianhua (ii)	49%	245,222,582	(313,775,884)	1,188,389,032
Liquid Chemical Terminal	49%	23,661,276	(16,611,284)	398,461,221

(i) The main financial information of Weihai Port Development consists of Weihai Port Development and its subsidiaries.

(ii) The main financial information of Shandong Port Lianhua consists of Shandong Port Lianhua and its subsidiaries, Weifang Port Lianhua and Dongying Port Lianhua.

(iii) All dividends declared to minority shareholders in 2024 had been paid in that year.

The main financial information of the above important non-wholly owned subsidiaries is as follows:

	31 December 2024		
	Weihai Port Development	Shandong Port Lianhua	Liquid Chemical Terminal
Current assets	112,828,884	529,946,757	120,348,874
Non-current assets	1,712,456,207	2,629,328,332	1,378,865,249
Total assets	1,825,285,091	3,159,275,089	1,499,214,123
Current liabilities	(154,128,859)	(501,689,363)	(560,593,938)
Non-current liabilities	(87,129,310)	(375,701,828)	(124,221,452)
Total liabilities	(241,258,169)	(877,391,191)	(684,815,390)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(1) Equity interest in subsidiaries (Continued)

(b) Subsidiary with significant minority interests (Continued)

	31 December 2023		
	Weihai Port Development	Shandong Port Lianhua	Liquid Chemical Terminal
Current assets	151,458,262	882,149,596	92,152,039
Non-current assets	1,731,045,186	2,725,350,817	956,453,001
Total assets	<u>1,882,503,448</u>	<u>3,607,500,413</u>	<u>1,048,605,040</u>
Current liabilities	(187,246,630)	(572,152,484)	(245,234,045)
Non-current liabilities	(119,293,862)	(611,570,000)	(1,830,000)
Total liabilities	<u>(306,540,492)</u>	<u>(1,183,722,484)</u>	<u>(247,064,045)</u>

	Year ended 31 December 2024		
	Weihai Port Development	Shandong Port Lianhua	Liquid Chemical Terminal
Revenue	372,658,340	1,149,471,083	110,212,853
Net profit	18,956,011	491,156,581	48,288,318
Total comprehensive income	8,067,811	486,426,581	46,758,318
Cash flows from operating activities	<u>57,801,856</u>	<u>495,302,551</u>	<u>101,470,813</u>

	Year ended 31 December 2023		
	Weihai Port Development	Shandong Port Lianhua	Liquid Chemical Terminal
Revenue	795,261,733	1,415,947,606	95,103,850
Net profit	367,217,455	604,436,003	50,327,458
Total comprehensive income	370,603,531	601,676,003	49,587,458
Cash flows from operating activities	<u>77,187,985</u>	<u>976,512,455</u>	<u>71,579,875</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(2) Interests in joint ventures and associates

(a) General information of material joint ventures

The Group determines significant joint ventures and associates by considering factors such as whether the joint ventures and associates are listed companies, the proportion of their book value to the Group's consolidated total assets (more than 5%), and the proportion of long-term equity investment income under the equity method to the Group's consolidated net profit (more than 5%), which are presented below:

	Major business location	Place of registration	Principal activities	Whether strategic to the Group's activities	Shareholding ratio	
					Direct	Indirect
QQCT	Qingdao, China	Qingdao, China	Container handling and storage	Yes	51%	–
Qingdao Shihua	Qingdao, China	Qingdao, China	Handling and storage of liquid bulk cargoes	Yes	50%	–

The above equity investments are measured using the equity method by the Group.

(b) Summarized financial information of material joint ventures:

	31 December 2024		31 December 2023	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Current assets	1,097,549,125	3,852,066,359	1,526,411,348	4,024,751,793
Including: Cash	584,316,905	3,582,434,835	635,867,526	3,786,568,739
Non-current assets	2,148,653,703	12,067,734,675	2,243,228,367	12,395,665,436
Total assets	3,246,202,828	15,919,801,034	3,769,639,715	16,420,417,229
Current liabilities	(348,523,223)	(1,804,311,904)	(1,202,897,377)	(2,245,510,040)
Non-current liabilities	(23,889,600)	(1,724,911,475)	(17,580,000)	(2,174,966,516)
Total liabilities	(372,412,823)	(3,529,223,379)	(1,220,477,377)	(4,420,476,556)
Minority interests	–	324,160,497	–	285,225,048
Equity attributable to shareholders of the parent company	2,873,790,005	12,066,417,158	2,549,162,338	11,714,715,625

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(2) Interests in joint ventures and associates (Continued)

(b) Summarized financial information of material joint ventures: (Continued)

Considering the impact of the fair value of identifiable assets and liabilities at acquisition (i):

	31 December 2024		31 December 2023	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Current assets	1,097,549,125	3,852,066,359	1,526,411,348	4,024,751,793
Including: Cash	584,316,905	3,582,434,835	635,867,526	3,786,568,739
Non-current assets	2,148,653,703	12,304,276,481	2,243,228,367	12,685,174,847
Total assets	3,246,202,828	16,156,342,840	3,769,639,715	16,709,926,640
Current liabilities	(348,523,223)	(1,804,311,904)	(1,202,897,377)	(2,245,510,040)
Non-current liabilities	(23,889,600)	(1,784,046,927)	(17,580,000)	(2,247,343,869)
Total liabilities	(372,412,823)	(3,588,358,831)	(1,220,477,377)	(4,492,853,909)
Minority interests	–	330,750,535	–	291,815,086
Equity attributable to shareholders of the parent company	2,873,790,005	12,237,233,474	2,549,162,338	11,925,257,645
	31 December 2024		31 December 2023	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Share of net assets calculated based on the shareholding percentage (i)	1,436,895,002	6,188,036,015	1,274,581,169	6,016,613,374
Adjusting events				
– Goodwill	–	1,672,785,426	–	1,672,785,426
– Unrealized profits in internal transactions	(47,285,932)	(79,137,639)	(51,742,743)	(86,220,107)
Book value of investments in joint ventures	1,389,609,070	7,781,683,802	1,222,838,426	7,603,178,693

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(2) Interests in joint ventures and associates (Continued)

(b) Summarized financial information of material joint ventures: (Continued)

	Year ended 31 December 2024		Year ended 31 December 2023	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Revenue	971,358,430	6,116,277,842	1,403,975,630	5,238,416,108
Financial expenses	5,692,889	(33,957,018)	15,781,611	(55,965,397)
Income tax expense	(109,936,744)	(677,212,482)	(196,937,277)	(558,022,585)
Net profit	324,980,070	2,377,066,210	561,938,816	1,945,769,715
Net profit attributable to the parent company	324,980,070	2,337,855,070	561,938,816	1,915,296,483
Other comprehensive income	(2,690,000)	(11,080,380)	(4,050,000)	(8,942,616)
Total comprehensive income	<u>322,290,070</u>	<u>2,326,774,690</u>	<u>557,888,816</u>	<u>1,906,353,867</u>

Considering the impact of the fair value of identifiable assets and liabilities at acquisition (i):

	Year ended 31 December 2024		Year ended 31 December 2023	
	Qingdao Shihua	QQCT	Qingdao Shihua	QQCT
Net profit	324,980,070	2,337,340,505	561,938,816	1,898,711,371
Net profit attributable to the parent company	324,980,070	2,298,129,365	561,938,816	1,868,238,139
Other comprehensive income	(2,690,000)	(11,080,380)	(4,050,000)	(8,942,616)
Total comprehensive income	<u>322,290,070</u>	<u>2,287,048,985</u>	<u>557,888,816</u>	<u>1,859,295,523</u>
Dividends received by the Group from joint ventures	<u>-</u>	<u>1,007,855,762</u>	<u>642,556,544</u>	<u>-</u>

- (i) The Group calculates the corresponding share of net assets on the basis of the amounts attributed to the parent company in the consolidated financial statements of the joint ventures in proportion to its shareholding. The amounts in the consolidated financial statements of the joint ventures take into account the fair value of the identifiable assets and liabilities of the joint ventures at the time of acquisition of the investment and the impact of the harmonization of accounting policies. The assets involved in the transactions between the Group and joint ventures do not constitute a business.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(2) Interests in joint ventures and associates (Continued)

(c) General information of material associates

	Major business location	Place of registration	Principal activities	Whether strategic to the Group's activities	Shareholding ratio	
					Direct	Indirect
Shandong Port Finance Company	Qingdao, China	Qingdao, China	Financial Business	Yes	34.63%	–

(d) Key financial information on significant associates

	31 December 2024 Shandong Port Finance Company	31 December 2023 Shandong Port Finance Company
Current assets	21,136,537,832	19,252,231,517
Including: Cash	11,964,774,683	10,012,018,818
Non-current assets	12,967,063,944	10,700,951,674
Total assets	34,103,601,776	29,953,183,191
Current liabilities	(29,205,752,738)	(25,375,424,982)
Non-current liabilities	(229,300,602)	(72,096,917)
Total liabilities	(29,435,053,340)	(25,447,521,899)
Minority interests	–	–
Equity attributable to shareholders of the parent company	4,668,548,436	4,505,661,292
	31 December 2024 Shandong Port Finance Company	31 December 2023 Shandong Port Finance Company
Share of net assets calculated based on the shareholding percentage	1,616,718,324	1,560,310,506
Adjusting events		
– Goodwill	93,461,987	93,461,987
Book value of investments in associates	1,710,180,311	1,653,772,493

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VI. EQUITY INTEREST IN OTHER ENTITIES (Continued)

(2) Interests in joint ventures and associates (Continued)

(d) Key financial information on significant associates (Continued)

	Year ended 31 December 2024 Shandong Port Finance Company	Year ended 31 December 2023 Shandong Port Finance Company
Revenue	710,777,023	655,721,693
Financial expenses	2,404,891	2,046,002
Income tax expense	(108,421,372)	(109,428,260)
Net profit	324,821,244	324,442,028
Net profit attributable to the parent company	324,821,244	324,442,028
Other comprehensive income	(15,935,189)	13,776,967
Total comprehensive income	308,886,055	338,218,995
Dividends received from associates by the Group	50,559,423	118,828,431

(e) Summarized financial information of insignificant joint ventures and associates

	Year ended 31 December 2024	Year ended 31 December 2023
Joint ventures:		
Total book value of investments	1,685,444,069	1,710,460,935
Total of the following by percentage of shareholding		
Net profit (i)	77,847,430	97,422,137
Other comprehensive income (i)	-	-
Total comprehensive income	77,847,430	97,422,137
Associates:		
Total book value of investments	1,944,035,990	1,855,479,553
Total of the following by percentage of shareholding		
Net profit (i)	140,192,989	112,498,236
Other comprehensive income (i)	-	-
Total comprehensive income	140,192,989	112,498,236

- (i) The net profit and other comprehensive income have taken into account the impacts of both the fair value of the identifiable assets and liabilities upon the acquisition of investment in joint ventures and associates, and conformed to accounting policies of the Group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VII. SEGMENT INFORMATION

The Group's management assesses the Group's performance and determines reportable segments by service category. Different service categories require different technologies and marketing strategies. The Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions on resource allocation to these segments and to assess their performance.

The Group identified 5 reportable segments as follows:

- Container handling and ancillary services: loading and discharging of containers, storage and port management.
- Metal ores, coal and other cargo handling and ancillary services: loading and discharging of metal ore, coal, grains, break bulk cargo and other cargo, storage and port management.
- Liquid bulk handling and ancillary services: loading and discharging of liquid bulk, storage, transport and port management.
- Logistics, and port value-added services: CFS, provision of cargo logistics, agency, towing, tallying and other services.
- Port ancillary services: supplying electricity power, fuel and others.

The Group's major operational activities are carried out in Mainland China. The Group's management does not separately manage the production and operation by region. Therefore, segment performance is not separately presented by region.

Inter-segment transfer prices are mutually agreed with reference to the market price. The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VII. SEGMENT INFORMATION (Continued)

(a) Segment information for the year ended 31 December 2024 and as at 31 December 2024 is listed as follows:

	Container handling and ancillary services	Metal ore, coal, and other cargo handling and ancillary services	Liquid bulk cargo handling and ancillary services	Logistics, and port value-added services	Port ancillary services	Undistributed amount	Inter-segment offsetting	Total
Revenue from external transactions	1,677,903,813	4,481,813,817	3,669,731,804	7,571,462,312	1,540,086,736	-	-	18,940,998,482
Revenue from inter-segment transactions	239,823,633	162,182,157	837,130	75,226,589	1,039,091,568	-	(1,517,161,077)	-
External operating costs	(384,709,945)	(3,509,078,009)	(1,511,588,212)	(5,750,687,738)	(1,070,986,113)	-	-	(12,227,050,017)
Inter-segment transaction costs	(248,207,044)	(185,496,952)	(21,030,054)	(85,261,622)	(902,860,606)	-	1,442,856,278	-
Interest income	12,831,843	5,872,128	21,215,674	28,725,718	5,710,370	150,926,154	(86,547,863)	138,734,024
Interest expenses	(21,119,405)	(46,625,404)	(120,367,106)	(14,346,764)	(1,541,177)	(6,454,338)	86,547,863	(123,906,331)
Investment income from associates, and joint ventures	1,185,664,373	7,645,395	163,166,202	130,184,698	157,281,281	(4,956,400)	17,643,019	1,656,628,568
Asset impairment losses	-	-	-	(316,340)	(3,593,763)	-	-	(3,910,103)
Credit impairment losses	(1,462,481)	(1,607,311)	5,185,177	(10,393,918)	(6,888,414)	-	-	(15,166,947)
Depreciation and amortization	(51,357,450)	(322,852,044)	(514,605,707)	(274,305,339)	(229,862,786)	(55,781,591)	-	(1,448,764,917)
Total profit	2,389,907,019	687,712,010	2,122,596,204	1,694,448,573	575,332,573	(331,762,211)	(70,448,319)	7,067,785,849
Income tax expense	(280,034,603)	(16,053,740)	(369,922,191)	(379,333,095)	(46,421,657)	(243,756,178)	-	(1,335,521,464)
Net profit	<u>2,109,872,416</u>	<u>671,658,270</u>	<u>1,752,674,013</u>	<u>1,315,115,478</u>	<u>528,910,916</u>	<u>(575,518,389)</u>	<u>(70,448,319)</u>	<u>5,732,264,385</u>
Total assets	<u>11,669,960,005</u>	<u>11,197,191,244</u>	<u>17,653,057,883</u>	<u>7,396,277,281</u>	<u>8,077,955,959</u>	<u>8,813,426,960</u>	<u>(2,058,115,872)</u>	<u>62,749,753,460</u>
Total liabilities	<u>940,910,986</u>	<u>2,856,338,772</u>	<u>5,224,135,510</u>	<u>2,238,349,610</u>	<u>4,888,318,021</u>	<u>2,140,341,726</u>	<u>(2,330,727,564)</u>	<u>15,957,667,061</u>
Non-cash expenses other than Depreciation and amortization	<u>(572,358)</u>	<u>(25,380,000)</u>	<u>6,684,135</u>	<u>(355,567)</u>	<u>39,033,218</u>	<u>11,274,338</u>	<u>-</u>	<u>30,683,766</u>
Long-term equity investments in associates, and joint ventures	<u>8,053,376,660</u>	<u>1,207,882,214</u>	<u>2,142,554,766</u>	<u>683,519,317</u>	<u>2,159,469,049</u>	<u>264,151,236</u>	<u>-</u>	<u>14,510,953,242</u>
Increase in non-current assets (i)	<u>19,419,540</u>	<u>629,061,378</u>	<u>573,868,961</u>	<u>169,233,632</u>	<u>417,435,703</u>	<u>8,064,942</u>	<u>(14,000,173)</u>	<u>1,803,083,983</u>

(i) Non-current assets exclude financial assets, long-term equity investments, and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VII. SEGMENT INFORMATION (Continued)

(b) Segment information for the year ended 31 December 2023 and as at 31 December 2023 is listed as follows:

	Container handling and ancillary services	Metal ore, coal, and other cargo handling and ancillary services	Liquid bulk cargo handling and ancillary services	Logistics, and port value-added services	Port ancillary services	Undistributed amount	Inter-segment offsetting	Total
Revenue from external transactions	1,199,465,697	4,307,175,113	4,242,029,529	6,949,379,422	1,475,078,076	-	-	18,173,127,837
Revenue from inter-segment transactions	214,613,801	217,802,812	5,582,302	41,555,032	1,063,869,738	-	(1,543,423,685)	-
External operating costs	(238,268,346)	(3,374,765,103)	(1,779,361,563)	(5,308,106,753)	(1,001,046,039)	-	-	(11,701,547,804)
Inter-segment transaction costs	(175,864,876)	(239,387,383)	(33,798,838)	(50,219,111)	(971,826,958)	-	1,471,097,166	-
Interest income	8,520,723	5,778,993	26,183,573	29,684,109	7,955,306	147,145,975	(96,029,521)	129,239,158
Interest expenses	(26,173,677)	(62,097,142)	(143,559,796)	(19,327,505)	(1,343,287)	(5,289,963)	96,029,521	(161,761,849)
Investment income from associates, and joint ventures	964,606,306	26,810,941	295,347,407	98,885,136	154,428,950	(21,863,858)	13,008,382	1,531,223,264
Asset impairment losses	-	-	(20,668,521)	(2,519,001)	(140,856)	-	-	(23,328,378)
Credit impairment losses	1,009,112	58,603	1,348,437	(9,769,229)	56,839,542	-	-	49,486,465
Depreciation and amortization	(48,411,234)	(314,219,916)	(538,420,711)	(283,184,061)	(240,062,033)	(52,917,323)	-	(1,477,215,278)
Total profit	1,888,786,513	670,917,851	2,538,959,505	1,522,301,870	548,329,394	(321,531,629)	(58,019,849)	6,789,743,655
Income tax expense	(172,599,052)	(68,038,576)	(409,090,340)	(353,276,897)	(43,595,690)	(225,479,029)	-	(1,272,079,584)
Net profit	<u>1,716,187,461</u>	<u>602,879,275</u>	<u>2,129,869,165</u>	<u>1,169,024,973</u>	<u>504,733,704</u>	<u>(547,010,658)</u>	<u>(58,019,849)</u>	<u>5,517,664,071</u>
Total assets	<u>10,880,889,095</u>	<u>10,797,874,117</u>	<u>18,427,906,683</u>	<u>6,773,634,249</u>	<u>8,510,665,494</u>	<u>7,565,589,323</u>	<u>(2,710,698,318)</u>	<u>60,245,860,643</u>
Total liabilities	<u>773,717,021</u>	<u>2,517,017,537</u>	<u>5,721,313,002</u>	<u>2,031,147,339</u>	<u>4,736,310,838</u>	<u>2,691,813,178</u>	<u>(2,764,120,962)</u>	<u>15,707,197,953</u>
Non-cash expenses other than depreciation and amortization	<u>470,000</u>	<u>2,794,078</u>	<u>17,174,774</u>	<u>23,422,499</u>	<u>50,229,087</u>	<u>14,724,588</u>	<u>-</u>	<u>108,815,026</u>
Long-term equity investments in associates, and joint ventures	<u>7,610,613,926</u>	<u>1,221,830,848</u>	<u>1,984,429,487</u>	<u>650,146,530</u>	<u>2,309,601,673</u>	<u>269,107,636</u>	<u>-</u>	<u>14,045,730,100</u>
Increase in non-current assets (i)	<u>1,262,758</u>	<u>460,233,507</u>	<u>1,465,590,485</u>	<u>164,266,288</u>	<u>291,779,646</u>	<u>17,775,074</u>	<u>(19,376,493)</u>	<u>2,381,531,265</u>

(i) Non-current assets exclude financial assets, long-term equity investments, and deferred tax assets.

The Group's total revenue from major external transactions and the Group's non-current assets, other than financial assets and deferred tax assets, are predominantly acquired or located in China.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(1) The parent company

(a) General information of the parent company

	Category of entity	Place of registration	Legal representative	Principal activities
Qingdao Port Group	Limited Liability Company	Qingdao, China	Su Jianguang	Port operations and management

The Company's ultimate controlling party is the Shandong Provincial State-owned Assets Supervision and Administration Commission.

(b) Registered capital and changes in registered capital of the parent company

	31 December 2023	Increase in the current period	Decrease in the current period	31 December 2024
Qingdao Port Group	<u>1,860,000,000</u>	<u>—</u>	<u>—</u>	<u>1,860,000,000</u>

(c) The percentages of shareholding and voting rights in the Company held by the parent company

	31 December 2024		31 December 2023	
	Shareholding ratio	Voting right ratio	Shareholding ratio	Voting right ratio
Qingdao Port Group	<u>55.77%</u>	<u>55.77%</u>	<u>55.77%</u>	<u>55.77%</u>

(2) Subsidiaries

The general information and other related information of the subsidiaries are set out in Note VI.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(3) Information of joint ventures and associates

Except for the information of significant joint ventures and associates disclosed in Note VI, joint ventures and associates with which the Group has related party transactions are as follows:

Name of company	Relationship with the Group
Qingdao Shihua	Joint venture
Western Union	Joint venture
Huaneng Qingdao	Joint venture
Dongjiakou Wanbang Logistics	Joint venture
QDOT	Joint venture
Dongjiakou Sinotrans Logistics	Joint venture
PetroChina Storage	Joint venture
QQCT	Joint venture
Linyi Expressway	Joint venture
United Shipping Agency	Joint venture
Shenzhouxing Freight Forward	Joint venture
China Shipping Agency	Joint venture
Evergreen Container	Joint venture
Orient Container	Joint venture
Ganglianrong Logistics	Joint venture
Ganglianhai Logistics	Joint venture
Sea Route International	Joint venture
Gulf Liquid Chemical	Associates
Shangang Luhai Jinan	Associates
Qingyin Leasing	Associates
Overseas Development Qingdao	Associates
Qingdao Port Engineering Technology Company	Associates
GSBN	Associates
Luhai Equipment Group Qingdao	Associates
Shandong Port Finance Company	Associates
Zhenhua Petroleum Storage	Associates
Shangang Energy Development	Associates
UG	Associates
Qianwan Xinhe Supply Chain	Associates
Qinggang International Trade Logistics	Associates
Xishuangbanna Storage and Transportation	Associates
Hailian Container	Associates
Shandong Port Energy	Associates
COSCO Abu Dhabi	Associates

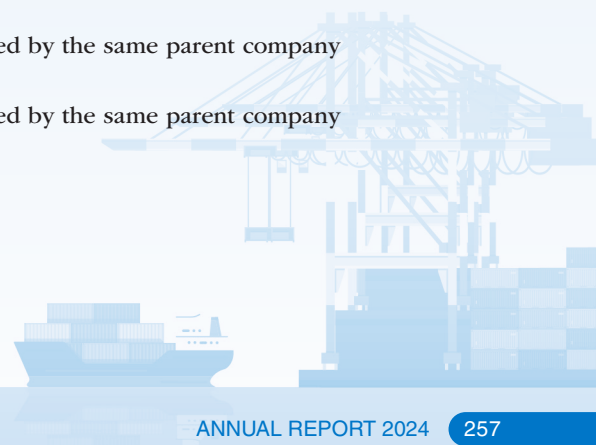
NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(4) Other related parties

Name of company	Relationship with the Group
Qingdao Cardiovascular Hospital Co., Ltd. ("Cardiovascular Hospital") (former name: Qingdao Fuwai Cardiovascular Hospital Co., Ltd.)	Controlled by the same parent company
Shandong Weihai Port International Passenger Transport Co., Ltd. ("Weihai Port International Passenger Transport")	Controlled by the same parent company
Shandong Port Weihai Port Co., Ltd. ("Weihai Port Group")	Controlled by the same parent company
Qingdao Port Investment and Construction (Group) Co., Ltd. ("QDP Investment Group")	Controlled by the same parent company
Qingdao Qinggang International Travel Service Co., Ltd. ("Qinggang Travel Service")	Controlled by the same parent company
Qingdao International Cruise Line Co., Ltd. ("International Cruises")	Controlled by the same parent company
Weihai Gangtong Information Technology Co., Ltd. ("Weihai Gangtong Technology")	Controlled by the same parent company
Qingdao Hongyu Catering Co., Ltd. ("Hongyu Catering")	Controlled by the same parent company
Weihai Port Union Logistics Co., Ltd. ("Weihai Port Union Logistics")	Controlled by the same parent company
Weihai Jiaodong International Container Shipping Co., Ltd. ("Jiaodong International Container Shipping")	Controlled by the same parent company
Shandong Ocean Shipping Group Bohai Bay Co., Ltd. ("Weihai Port International Logistics") (former name: Shandong Weihai Port International Logistics Co., Ltd.)	Controlled by the same parent company
Weihai Dingxin Construction Engineering Co., Ltd. ("Weihai Dingxin Construction")	Controlled by the same parent company
Weihai Weigang Property Management Co., Ltd. ("Weigang Property")	Controlled by the same parent company
Weihai Gangsheng Shipping Co., Ltd. ("Weihai Gangsheng Shipping")	Controlled by the same parent company
Qingdao Port Financing Guarantee Co., Ltd. ("Financing Guarantee")	Controlled by the same parent company
Qingdao Harbour Vocational And Technical College ("Harbour Vocational College")	Controlled by the same parent company



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Shandong Port Qinggang Shihua Energy Development Co., Ltd. ("Qinggang Shihua")	Controlled by the same parent company
Qingdao Port Pilot Station Co., Ltd. ("Qingdao Port Pilot Station")	Controlled by the same parent company
Qingdao Port Investment Asset Management Co., Ltd. ("Qingdao Port Investment Asset Management")	Controlled by the same parent company
Qingdao Huanhai Bay Development and Construction Co., Ltd. ("Huanhai Bay Development and Construction")	Controlled by the same parent company
Qingdao International Cruise Port Development and Construction Co., Ltd. ("International Cruise Port Development and Construction")	Controlled by the same parent company
Shandong Port Investment Holding Co., Ltd. ("Shandong Port Investment")	Controlled by the same parent company
Shandong Commodities Trading Center Co., Ltd. ("Shandong Commodities")	Controlled by the same parent company
Shandong Gangyun Digital Technology Co., Ltd. ("Shangangyun Digital Technology")	Controlled by the same parent company
Shandong Gangxin Futures Co., Ltd. ("Shandong Gangxin Futures")	Controlled by the same parent company
Shandong Gangxin Capital Investment Co., Ltd. ("Gangxin Capital Investment")	Controlled by the same parent company
Shandong Port Insurance Brokers Co., Ltd. ("Shangang Insurance Brokers")	Controlled by the same parent company
Shandong Port Commercial Factoring Co., Ltd. ("Commercial Factoring")	Controlled by the same parent company
Shandong Port International Supply Chain Management Co., Ltd. ("Shandong Port Supply Chain")	Controlled by the same parent company
Shandong Port Fund Management Co., Ltd. ("Shangang Fund Management")	Controlled by the same parent company
Shandong Port Microfinance Co., Ltd. ("Microfinance")	Controlled by the same parent company
Shandong Port Group Ship Service Co., Ltd. ("Shandong Port Ship Service")	Controlled by the same parent company
Yantai Gangrong Commercial Factoring Co., Ltd. ("Yantai Gangrong Commercial Factoring")	Controlled by the same parent company
Qingdao Port International Financial Leasing Co., Ltd. ("Qinggang Leasing Company")	Controlled by the same parent company
Weihai Yufeng Energy Co., Ltd. ("Weihai Yufeng Energy")	Controlled by the same parent company

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Qingdao Wynn Insurance Agency Co., Ltd. ("Wynn Insurance")	Controlled by the same parent company
Hainan Port Huiyida Supply Chain Management Co., Ltd. ("Hainan Port Huiyida Supply Chain") (former name: Rizhao Commodity Supply Chain Management Co., Ltd.)	Controlled by the same parent company
Rizhao Port Group Shanghai Commercial Factoring Co., Ltd. ("Rizhao Port Commercial Factoring")	Controlled by the same parent company
North Oil & Gas (Shandong) Industry Development Co., Ltd. ("North Oil & Gas")	Controlled by the same parent company
Weihai Shichang Liquor Co., Ltd. ("Weihai Shichang Liquor")	Controlled by the same parent company
Beijing Zhonggang Jinyuan Financial Leasing Co., Ltd. ("Zhonggang Jinyuan")	Controlled by the same parent company
Qingdao Dongjiakou Railway Co., Ltd. ("Dongjiakou Railway")	An associate of the parent company
Qingdao Cruise Home Port China Duty Free Goods Co., Ltd. ("Cruise Home Port Duty Free Goods")	An associate of the parent company
Qingdao New Qianwan United Container Terminal Co., Ltd. ("QQCTN")	A subsidiary of QQCT
Qingdao Qianwan United Advance Container Terminal Co., Ltd. ("QQCTUA")	A joint venture of QQCTU with the same key management personnel as the Company
Qingdao Qianwan United Container Terminal Co., Ltd. ("QQCTU")	A joint venture of QQCTN with the same key management personnel as the Company
Shenzhen Zoomlion International Shipping Agency Co., Ltd. ("Shenzhen Zoomlion International Shipping Agency")	A subsidiary of an associate of the Group
Shandong Port Group Co., Ltd. ("Shandong Port Group")	Shareholder of Qingdao Port Group
Shandong CCIC Testing Technology Co., Ltd. ("Shandong CCIC")	A joint venture of Shandong Port Group
Weifang Weida Container Service Co., Ltd. ("Weida Container")	A joint venture of Shandong Port Group
Qingdao Yigang Digital Intelligence Park Operation Management Co., Ltd. ("Yigang Digital Intelligence")	An associate of Shandong Port Group
Shandong Trading Market Clearing House Co., Ltd. ("Shandong Trading Market Clearing House")	An associate of Shandong Port Group
Qingdao New International Trade Comprehensive Service Co., Ltd. ("Qingdao New International Trade")	An associate of Shandong Port Group
Shandong Port Rizhao Port Group Co., Ltd. ("Rizhao Port Group")	A subsidiary of Shandong Port Group

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Shangang Shanhai Car Rental (Shandong) Co., Ltd. ("Shanghai Car Rental")	A subsidiary of Shandong Port Group
Shangang Shanhai Property (Qingdao) Co., Ltd. ("Shanghai Property Qingdao")	A subsidiary of Shandong Port Group
Technology Company	A subsidiary of Shandong Port Group
Shandong Port International Trade Group Co., Ltd. ("Shangang International Trade")	A subsidiary of Shandong Port Group
Shandong Port Group Culture Media Co., Ltd. ("Shangang Culture Media")	A subsidiary of Shandong Port Group
Shandong Land Sea Service Development Group Co., Ltd. ("Shangang Service Development") (former name: Shandong Port Group Service Development Group Co., Ltd.)	A subsidiary of Shandong Port Group
Shangang Shanhai Production Guarantee (Shandong) Co., Ltd. ("Shangang Production Guarantee")	A subsidiary of Shandong Port Group
Shangang Shanhai Property (Weihai) Co., Ltd. ("Shanghai Property Weihai")	A subsidiary of Shandong Port Group
Shandong Port Medical Care and Health Management Group Co., Ltd. ("Shangang Medical Care")	A subsidiary of Shandong Port Group
Shangang Shipping Group	A subsidiary of Shandong Port Group
Shandong Port Luhai International Logistics Rizhao Co., Ltd. ("Luhai Logistics Rizhao") (former name: Rizhao Port Ship Machinery Industrial Co., Ltd.)	A subsidiary of Shandong Port Group
Shandong Port Luhai International Logistics Group Development Co., Ltd. ("Shangang Luhai Logistics Development")	A subsidiary of Shandong Port Group
Shandong Port Luhai International Logistics Group Co., Ltd. ("Luhai International Logistics")	A subsidiary of Shandong Port Group
Shandong Lujian Technology Co., Ltd. ("Shandong Lujian")	A subsidiary of Shandong Port Group
Shangang Express (Qingdao) Shipping Co., Ltd. ("Shangang Express")	A subsidiary of Shandong Port Group
Rizhao Port Information Technology Co., Ltd. ("Rizhao Information Technology")	A subsidiary of Shandong Port Group
Rizhao Port Container Development Co., Ltd. ("Rizhao Port Container Development")	A subsidiary of Shandong Port Group
Zibo Inland Port Management and Operation Co., Ltd. ("Zibo Inland Port")	A subsidiary of Shandong Port Group
Xinjiang Rizhao Port Logistics Park Co., Ltd. ("Xinjiang Rizhao Port Logistics Park")	A subsidiary of Shandong Port Group
Shandong Port Sunshine Huicai Service Co., Ltd. ("Shangang Sunshine Huicai")	A subsidiary of Shandong Port Group

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Shangang Luhai International Logistics (Lanzhou) Co., Ltd. ("Shangang Luhai Lanzhou")	A subsidiary of Shandong Port Group
Shangang Luhai International Logistics (Hainan) Co., Ltd. ("Shangang Luhai Hainan")	A subsidiary of Shandong Port Group
Shandong Ocean Shipping Group Weihai Co., Ltd. ("Shangang Shipping Weihai") (former name: Shandong Port Shipping Group Weihai Co., Ltd.)	A subsidiary of Shandong Port Group
Shandong Ocean Shipping Group Yantai Co., Ltd. ("Shangang Shipping Yantai") (former name: Shandong Port Shipping Group Yantai Container Shipping Co., Ltd.)	A subsidiary of Shandong Port Group
Shandong Land Sea Equipment Group Yantai Co., Ltd. ("Luhai Heavy Industry") (former name: Shandong Luhai Heavy Industry Co., Ltd.)	A subsidiary of Shandong Port Group
Shandong Port Group Weifang Port Co., Ltd. ("Shandong Port Weifang Port")	A subsidiary of Shandong Port Group
Weifang Port Bulk Cargo Terminal Co., Ltd. ("Weifang Bulk Terminal")	A subsidiary of Shandong Port Group
Shangang Luhai (Jinan) Hotel Management Co., Ltd. ("Shangang Luhai Hotel Management")	A subsidiary of Shandong Port Group
Shangang Shanhai Security (Shandong) Co., Ltd. ("Shangang Shanhai Security")	A subsidiary of Shandong Port Group
Shandong Port Technology Group Co., Ltd. ("Shangang Technology Group")	A subsidiary of Shandong Port Group
Shandong Port Overseas Development Group Co., Ltd. ("Shandong Port Overseas Development")	A subsidiary of Shandong Port Group
Luhai Equipment Group (former name: Shandong Port Equipment Group Co., Ltd.)	A subsidiary of Shandong Port Group
Shandong Port Luhai International Logistics Yantai Co., Ltd. ("Luhai Logistics Yantai")	A subsidiary of Shandong Port Group
Shangang Overseas Supply Chain (Qingdao) Co., Ltd. ("Shangang Overseas Supply Chain")	A subsidiary of Shandong Port Group
Yantai Port Ro-Ro Logistics Co., Ltd. ("Yantai Port Ro-Ro Logistics")	A subsidiary of Shandong Port Group
Yantai Port Holdings Co., Ltd. ("Yantai Port Holdings")	A subsidiary of Shandong Port Group
Longkou Port Shipping Agency Co., Ltd. ("Longkou Port Shipping Agency")	A subsidiary of Shandong Port Group
Rizhao Gangda Shipbuilding Heavy Industry Co., Ltd. ("Gangda Shipbuilding Heavy Industry")	A subsidiary of Shandong Port Group
Shandong Port Vocational Education Group Co., Ltd. ("Shangang Vocational Education")	A subsidiary of Shandong Port Group



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Shandong Port Luhai International Logistics Bohai Bay Co., Ltd. ("Luhai Logistics Bohai Bay")	A subsidiary of Shandong Port Group
Shandong Port Group International Investment Development Co., Ltd. ("Shangang International Investment")	A subsidiary of Shandong Port Group
Shangang Luhai Jinan	A subsidiary of Shandong Port Group
Shangang Luhai International Logistics (Zhengzhou) Co., Ltd. ("Shangang Luhai Zhengzhou")	A subsidiary of Shandong Port Group
Shandong Port & Shipping Lianfa Shipping Co., Ltd. ("Port & Shipping Lianfa")	A subsidiary of Shandong Port Group
Shandong Port Group Binzhou Port Co., Ltd. ("Shangang Group Binzhou Port")	A subsidiary of Shandong Port Group
Shandong Port Engineering Management Consulting Co., Ltd. ("Shandong Port Engineering Management")	A subsidiary of Shandong Port Group
Beijing Lugang Holding Development Group Co., Ltd. ("Lugang Holding Development")	A subsidiary of Shandong Port Group
Shandong Port Luhai International Logistics Liaocheng Co., Ltd. ("Shangang Luhai Liaocheng")	A subsidiary of Shandong Port Group
Shandong Port Overseas Development Group Rizhao Co., Ltd. ("Shangang Overseas Development Rizhao Company")	A subsidiary of Shandong Port Group
Shandong Port Overseas Development Group Yantai Co., Ltd. ("Shangang Overseas Development Yantai Company")	A subsidiary of Shandong Port Group
Shangang Luhai International Logistics (Xinjiang) Co., Ltd. ("Shangang Luhai Xinjiang")	A subsidiary of Shandong Port Group
Yantai Port International Shipping Agency Co., Ltd. ("Yantai Port International Shipping Agency")	A subsidiary of Shandong Port Group
Rizhao Jinqiao Energy Saving Technology Co., Ltd. ("Jinqiao Energy Saving")	A subsidiary of Shandong Port Group
Shandong Harbor Construction	A subsidiary of Shandong Port Group
Rizhao Port Machinery Engineering Co., Ltd. ("Rizhao Port Machinery Engineering")	A subsidiary of Shandong Port Group
Qingdao Shangang Creative Industry Co., Ltd. ("Shangang Creative")	A subsidiary of Shandong Port Group
Shandong Port Group Dongying Port Co., Ltd. ("Shandong Port Dongying Port") (former name: Dongying Guangli Port Terminal Construction Co., Ltd.)	A subsidiary of Shandong Port Group
China Digital Technology (Qingdao) Co., Ltd. ("China Digital Technology")	A subsidiary of Shandong Port Group

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Shandong Port Industry-City Integration Development Bohai Bay Co., Ltd. ("Shangang Industry-City Integration Bohai Bay Company")	A subsidiary of Shandong Port Group
Shandong Port Industry-City Integration Development Group Weihai Co., Ltd. ("Shangang Industry-City Integration Weihai")	A subsidiary of Shandong Port Group
Shandong Port International Trade Group Rizhao Co., Ltd. ("Shangang International Trade Rizhao Company")	A subsidiary of Shandong Port Group
Shandong Port International Trade Group Yantai Co., Ltd. ("Shangang International Trade Yantai Company")	A subsidiary of Shandong Port Group
Shandong Port Engineering Senior Technical School Co., Ltd. ("Shangang Senior Technical School")	A subsidiary of Shandong Port Group
Shandong Port Yantai Port Group Co., Ltd. ("Yantai Port Group")	A subsidiary of Shandong Port Group
Shandong Port & Shipping Oil Transportation Co., Ltd. ("Port & Shipping Oil Transportation")	A subsidiary of Shandong Port Group
Shangang Industry and Finance Industry Development (Rizhao) Co., Ltd. ("Shangang Industry and Finance Industry Development Rizhao")	A subsidiary of Shandong Port Group
Rizhao Haitong Liner Co., Ltd. ("Haitong Liner")	A subsidiary of Shandong Port Group
Rizhao Harbor Engineering Testing Co., Ltd. ("Rizhao Harbor Engineering Testing")	A subsidiary of Shandong Port Group
Rizhao Port Co., Ltd. ("Rizhao Port Co., Ltd.")	A subsidiary of Shandong Port Group
Shandong Land Sea Equipment Group Rizhao Co., Ltd. ("Land Sea Equipment Group Rizhao") (former name: Rizhao Port Marine Machinery Industry Co., Ltd.)	A subsidiary of Shandong Port Group
Rizhao Port Jifa Yuanda International Logistics Co., Ltd. ("Rizhao Port Jifa Yuanda")	A subsidiary of Shandong Port Group
Yantai International Container Terminal Co., Ltd. ("Yantai Container")	A subsidiary of Shandong Port Group
Yantai Port Barge Co., Ltd. ("Yantai Port Barge")	A subsidiary of Shandong Port Group
Yellow River Delta Construction Engineering Co., Ltd. ("Yellow River Delta Construction")	A subsidiary of Shandong Port Group
Longkou Port Group Co., Ltd. ("Longkou Port Group")	A subsidiary of Shandong Port Group
Shandong Port International Trade Group Qingdao Co., Ltd. ("Shandong Port International Trade Qingdao Company")	A subsidiary of Shandong Port Group
Shandong Port Cruise Development Group Co., Ltd. ("Shandong Port Cruise Culture & Tourism") (former name: Shandong Port Cruise Culture & Tourism Group Co., Ltd.)	A subsidiary of Shandong Port Group

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Rongcheng Jiutai Tourism Development Co., Ltd. ("Jiutai Tourism")	A subsidiary of Shandong Port Group
Shandong Port Industry-City Integration Development Group Co., Ltd. ("Shandong-Port Industry-City Integration Development")	A subsidiary of Shandong Port Group
Shandong Land-Sea Linkage Fund Management Co., Ltd. ("Land-Sea Linkage Fund Management")	A subsidiary of Shandong Port Group
Rizhao Lingang International Logistics Co., Ltd. ("Rizhao Lingang International Logistics")	A subsidiary of Shandong Port Group
Shandong Bohai Bay Ocean Shipping Co., Ltd. ("Weifang Outer Tally") (former name: Weifang Outer Shipping Tally Co., Ltd.)	A subsidiary of Shandong Port Group
Dongying Linghang Port Co., Ltd. ("Dongying Linghang Port")	A subsidiary of Shandong Port Group
Shandong Bohai Bay Port Barge Co., Ltd. ("Bohai Bay Barge")	A subsidiary of Shandong Port Group
Bpspg Energy Trading Co., Ltd. ("Bpspg Energy")	A subsidiary of Shandong Port Group
Shandong Port & Shipping Changlong Shipping Co., Ltd. ("Port & Shipping Changlong")	A subsidiary of Shandong Port Group
Yantai Port Supply Chain Logistics Co., Ltd. ("Yantai Port Supply Chain")	A subsidiary of Shandong Port Group
Shandong Gangyi Commercial Development Co., Ltd. ("Shangangyi Commercial")	A subsidiary of Shandong Port Group
Henan Rizhao Port Logistics Co., Ltd. ("Henan Rizhao Port Logistics")	A subsidiary of Shandong Port Group
Shandong Port Technology Group Rizhao Co., Ltd. ("Shangang Technology Rizhao Company")	A subsidiary of Shandong Port Group
Shandong Port & Shipping Energy Trading Co., Ltd. ("Port & Shipping Energy")	A subsidiary of Shandong Port Group
Shandong Gangtong Engineering Management Consulting Co., Ltd. ("Shangangtong Engineering Management Consulting")	A subsidiary of Shandong Port Group
Shandong Rizhao Bibo Tea Industry Co., Ltd. ("Rizhao Bibo Tea Industry")	A subsidiary of Shandong Port Group
Shandong Port Rizhao Port Group Co., Ltd. Bibo Hotel ("Bibo Hotel")	A subsidiary of Shandong Port Group
Weihai Lujian Technology Service Co., Ltd. ("Weihai Lujian")	A subsidiary of Shandong Port Group
Shandong Luhaitong Digital Technology Co., Ltd. ("Shandong Luhaitong Digital")	Other companies of Shandong Port Group

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Qingdao Port Lianyung International Logistics Co., Ltd. ("Lianyung International Logistics")	Other companies of Shandong Port Group
Shandong Shangang Zhoudao Wubo Information Technology Co., Ltd. ("Shangang Zhoudao Wubo Information")	Other companies of Shandong Port Group
Shangang Shanhai Property (Weifang) Co., Ltd. ("Shanghai Property (Weifang)")	Other companies of Shandong Port Group
Shangang Living Materials Guarantee (Shandong) Co., Ltd. ("Shangang Living Guarantee")	Other companies of Shandong Port Group
China COSCO Shipping Corporation Limited ("COSCO SHIPPING Group") (i)	Minority shareholders with significant influence over the Group
Orient Overseas Container Line (China) Co., Ltd. ("OOCL Containers")	A company controlled by COSCO Shipping Group
China Ocean Shipping Agency Co., Ltd. ("China Ocean Shipping Agency")	A company controlled by COSCO Shipping Group
Xiamen Yuanda International Freight Forwarding Co., Ltd. ("Xiamen Yuanda Cargo")	A company controlled by COSCO Shipping Group
Rizhao Zhongli Outer Shipping Tally Co., Ltd. ("Rizhao Zhongli Outer Shipping Tally")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Logistics Supply Chain Co., Ltd. ("COSCO SHIPPING Logistics Supply Chain")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Container Lines Co., Ltd. ("Qingdao COSCO SHIPPING Containers")	A company controlled by COSCO Shipping Group
Tianjin COSCO Shipping Container Lines Co., Ltd. ("Tianjin Shipping Containers")	A company controlled by COSCO Shipping Group
China Marine Fuel Qingdao Co., Ltd. ("CSSC Fuel Qingdao")	A company controlled by COSCO Shipping Group
China Rizhao Shipping Agency Co., Ltd. ("Rizhao Shipping Agency")	A company controlled by COSCO Shipping Group
China Qingdao Shipping Agency Co., Ltd. ("Qingdao Shipping Agency")	A company controlled by COSCO Shipping Group
Xin Sanli Container Service Co., Ltd. ("Xin Sanli Container")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Air Freight Forwarding Co., Ltd. ("Qingdao COSCO SHIPPING Air Freight Forwarding")	A company controlled by COSCO Shipping Group



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Shanghai COSCO Weizhi Tank Logistics Co., Ltd. ("COSCO Weizhi Tank Container Logistics")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Engineering Logistics Co., Ltd. ("Qingdao COSCO SHIPPING Engineering Logistics")	A company controlled by COSCO Shipping Group
Orient Overseas Logistics (China) Co., Ltd. ("OOCL Logistics")	A company controlled by COSCO Shipping Group
Tianjin Waidai Freight Co., Ltd. ("Tianjin Waidai")	A company controlled by COSCO Shipping Group
Henan COSCO SHIPPING Container Lines Co., Ltd. ("Henan COSCO SHIPPING Containers")	A company controlled by COSCO Shipping Group
China Lianyungang Shipping Agency Co., Ltd. ("Lianyungang Shipping Agency")	A company controlled by COSCO Shipping Group
COSCO SHIPPING Lines Co., Ltd. ("COSCO SHIPPING Containers")	A company controlled by COSCO Shipping Group
Ningbo COSCO SHIPPING Xintuo International Freight Co., Ltd. ("Xintuo International Freight")	A company controlled by COSCO Shipping Group
Guangzhou COSCO SHIPPING Container Lines Co., Ltd. ("Guangzhou Shipping Containers")	A company controlled by COSCO Shipping Group
Tianjin Binhai COSCO Container Logistics Co., Ltd. ("Tianjin Container Logistics")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Navigation Technology Co., Ltd. ("COSCO SHIPPING Navigation Technology")	A company controlled by COSCO Shipping Group
Qingdao China Gas Industrial Co., Ltd. ("China Gas Industry")	A company controlled by COSCO Shipping Group
COSCO SHIPPING Bulk Lines Limited ("COSCO SHIPPING Bulk")	A company controlled by COSCO Shipping Group
China Shipping Bulk Shipping Company Limited ("China Shipping Bulk")	A company controlled by COSCO Shipping Group
COSCO SHIPPING Logistics Supply Chain Co., Ltd. ("COSCO Logistics Supply Chain")	A company controlled by COSCO Shipping Group
COSCO SHIPPING Special Lines Co., Ltd. ("COSCO SHIPPING Special Lines")	A company controlled by COSCO Shipping Group
COSCO Shipping (Hong Kong) Investment Development Co., Ltd. ("COSCO Shipping Investment Development")	A company controlled by COSCO Shipping Group
Hainan Haisheng Shipping Co., Ltd. ("Hainan Haisheng Shipping")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Logistics Co., Ltd. ("COSCO SHIPPING Logistics")	A company controlled by COSCO Shipping Group
Tianjin Yuanchang Refrigerated Container Service Co., Ltd. ("Yuanchang Refrigerated Container")	A company controlled by COSCO Shipping Group

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
COSCO SHIPPING Passenger Transport Company Limited ("COSCO Passenger Transport")	A company controlled by COSCO Shipping Group
Yancheng Runyang Supply Chain Management Co., Ltd. ("Jiangsu COSCO Supply Chain") (former name: Jiangsu COSCO Supply Chain Management Co., Ltd.)	A company controlled by COSCO Shipping Group
Shanghai Puhai Shipping Co., Ltd. ("Shanghai Puhai Shipping")	A company controlled by COSCO Shipping Group
Xinxinhai Shipping Co., Ltd. ("Xinxinhai Shipping")	A company controlled by COSCO Shipping Group
Qingdao Ocean & Great Asia Bonded Logistics Co., Ltd. ("Ocean & Great Asia Bonded Logistics")	A company controlled by COSCO Shipping Group
Shanghai Beihai Shipping Co., Ltd. ("Shanghai Beihai Shipping")	A company controlled by COSCO Shipping Group
China Marine Bunker (Lianyungang) Co., Ltd. ("China Marine Bunker (Lianyungang)")	A company controlled by COSCO Shipping Group
COSCO Datang Shipping Co., Ltd. ("COSCO Datang Shipping")	A company controlled by COSCO Shipping Group
COSCO Logistics (Nanjing) Co., Ltd. ("COSCO Logistics (Nanjing)")	A company controlled by COSCO Shipping Group
Ningbo COSCO Shipping Agency Co., Ltd. ("Ningbo COSCO Shipping Agency")	A company controlled by COSCO Shipping Group
Guangzhou Ocean Special Transportation Co., Ltd. ("Ocean Special Transportation")	A company controlled by COSCO Shipping Group
Xi'an COSCO SHIPPING Container Line Co., Ltd. ("Xi'an COSCO SHIPPING Containers")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Customs Brokerage Co., Ltd. ("COSCO SHIPPING Customs Brokerage")	A company controlled by COSCO Shipping Group
Qingdao COSCO SHIPPING Lines International Logistics Co., Ltd. ("Qingdao COSCO Lines International Logistics")	A company controlled by COSCO Shipping Group
Qingdao Harbour International Logistics Co., Ltd. ("Harbour Logistics")	A company controlled by COSCO Shipping Group
Qingdao Ocean Shipping Supply Co., Ltd. ("Qingdao Ocean Shipping")	A company controlled by COSCO Shipping Group
Dalian COSCO SHIPPING Logistics Supply Chain Co., Ltd. ("Dalian COSCO SHIPPING Logistics")	A company controlled by COSCO Shipping Group
Qingdao Ocean & Great Asia Logistics Co., Ltd. ("Ocean & Great Asia")	A company controlled by COSCO Shipping Group
Shanghai Pan Asia Shipping Co., Ltd. ("Shanghai Pan Asia Shipping")	A company controlled by COSCO Shipping Group
Qingdao COSCO Hongchi Logistics Co., Ltd. ("COSCO Hongchi Logistics")	A company controlled by COSCO Shipping Group

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Other related parties (Continued)

Name of company	Relationship with the Group
Zhejiang Xinggang International Freight Forwarding Co., Ltd. ("Xinggang International Freight")	A company controlled by COSCO Shipping Group
Eshipping Global Supply Chain Management (Shenzhen) Co., Ltd. ("Eshipping Global Supply Chain")	A company controlled by COSCO Shipping Group
Zhanjiang COSCO SHIPPING Logistics Co., Ltd. ("Zhanjiang COSCO Logistics")	A company controlled by COSCO Shipping Group
COSCO SHIPPING Lines Xiamen Co., Ltd. ("COSCO SHIPPING Containers Xiamen")	A company controlled by COSCO Shipping Group
Xiamen COSCO SHIPPING Logistics Co., Ltd. ("Xiamen COSCO SHIPPING Logistics")	A company controlled by COSCO Shipping Group
Shanghai COSCO SHIPPING Port Investment Co., Ltd. ("Shanghai COSCO SHIPPING Port Investment")	A company controlled by COSCO Shipping Group
Guangzhou Haijian Engineering Consultants Co., Ltd. ("Haijian Engineering Consultants")	A company controlled by COSCO Shipping Group
COSCO (Lianyungang) Liquid Loading & Unloading Equipment Co., Ltd. ("Lianyungang COSCO Fluid")	A company controlled by COSCO Shipping Group
Qingdao Zhongran Yinda Gas Station Co., Ltd. ("Qingdao Zhongran")	A company controlled by COSCO Shipping Group
(i) China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING Group") indirectly holds 21.54% equity interests in the Company through Shanghai China Shipping Terminal, China Shipping Terminal, Qingdao COSCO and COSCO SHIPPING Ports Development, and COSCO SHIPPING Group has a significant influence on the Company.	



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions

Pricing policy

The Group's purchases, sales, provision, or receipt of services with related parties are conducted in accordance with the pricing and settlement terms agreed with the other party in the ordinary course of business. The rents collected and paid to related parties shall be determined after negotiation between the two parties. The interest rates for deposits and loans with Shandong Port Finance Company are determined after negotiation between both parties based on the benchmark interest rate of the People's Bank of China for the same period or the quoted market rate loans released by the National Interbank Funding Center.

(a) Purchase and sale of goods, provision and receipt of services

(i) Purchase of goods, receipt of services:

		Year ended 31 December 2024	Year ended 31 December 2023
Contents of related transactions			
Shandong Port Group and its subsidiaries*		1,507,770,806	1,870,361,945
Shandong Harbor Construction	Engineering, design services	214,477,352	57,536,003
Qingdao Port Engineering	Procurement of engineering materials, engineering, design services	210,537,099	916,521,718
Shangang Luhai Logistics Development	Loading and unloading, logistics, and other services	159,203,051	77,877,644
Shanghai Property Qingdao	Property, catering, and other services	135,158,476	86,166,501
Technology Company	Software development, information operation, and maintenance services	130,382,972	69,489,937
Luhai Equipment Group Qingdao	Procurement of engineering materials, engineering, design services	101,899,690	187,537,086
QDP Investment Group	Procurement of engineering materials, engineering labor, etc.	69,416,049	29,813,547
Shangang Express	Loading and unloading, logistics, and other services	54,275,883	12,248,675
Rizhao Port Container Development	Loading and unloading, logistics, and other services	35,691,242	3,230,397
Shanghai Property Weihai	Property, catering, and other services	35,661,380	18,131,189
Shangang Shanghai Security	Security, property services	33,218,985	17,601,186
Shanghai Car Rental	Security, property services	30,019,882	80,024
Shangang International Investment	Loading and unloading, logistics, and other services	26,867,554	2,908,491
Shangang Zhoudao Wubo Information	Loading and unloading, logistics, and other services	24,171,846	4,587,156

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(i) Purchase of goods or services: (Continued)

		Year ended 31 December 2024	Year ended 31 December 2023
	Contents of related transactions		
Shangang Luhai Liaocheng	Loading and unloading, logistics, and other services	19,920,209	54,216,854
Shangang Service Development	Procurement of materials, promotional services, etc.	16,867,947	12,097,241
Shangang Luhai Zhengzhou	Loading and unloading, logistics, and other services	15,993,933	7,471,542
Port & Shipping Lianfa	Loading and unloading, logistics, and other services	14,942,791	3,456,658
Cardiovascular Hospital	Medical services	11,773,264	13,422,619
Weihai Gangtong Technology	Information operations and maintenance, technical services	11,238,475	5,906,226
Shangang Production Guarantee	Procurement of materials, labor services	10,010,461	5,091,758
Shangang Shipping Group	Loading and unloading, logistics, and other services	8,481,869	13,920,847
Overseas Development Qingdao	Loading and unloading, logistics, and other services	8,432,899	44,665,190
Shangang Culture Media	Procurement of materials, promotional services, etc.	8,369,315	6,109,449
Qinggang Travel Service	Security, property services	7,560,170	112,684
Shandong Luhaitong Digital	Security, property services	6,991,752	186,766
Shandong Port Engineering Management	Procurement of engineering materials, engineering, design services	6,680,331	4,045,069
Shangang Overseas Supply Chain	Loading and unloading, logistics, and other services	6,636,495	661,295
Shandong Lujian	Loading and unloading, logistics, and other services	6,539,282	1,110,489
Shangang Luhai Xinjiang	Loading and unloading, logistics, and other services	6,313,385	4,363,363
Shandong Port Finance	Loan services and others	5,207,588	411,249
Weihai Dingxin Construction	Procurement of engineering materials, engineering labor, etc.	4,556,406	8,188,605
Shanghai Property (Weifang)	Security, property services	4,377,311	–
Longkou Port Group	Loading and unloading, logistics, and other services	4,218,724	–
Luhai Heavy Industry	Procurement of engineering materials, engineering, design services	2,637,861	7,489,820

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(i) Purchase of goods or services: (Continued)

		Year ended 31 December 2024	Year ended 31 December 2023
Contents of related transactions			
Luhai Logistics Rizhao	Loading and unloading, logistics, and other services	1,379,236	10,823,615
Gangda Shipbuilding Heavy Industry	Engineering, design services	835,037	104,085,725
Luhai International Logistics	Loading and unloading, logistics, and other services	583,463	4,283,496
Luhai Logistics Bohai Bay	Loading and unloading, logistics, and other services	98,316	3,744,147
Qinggang Shihu	Loading and unloading, logistics, and other services	20,268	18,014,924
Shangang Overseas Development Yantai Company	Loading and unloading, logistics, and other services	–	5,248,759
Other companies of Shandong Port Group	Loading and unloading, logistics, and other services	56,122,557	47,504,001
COSCO Shipping Group and its subsidiaries**		262,329,237	198,064,860
Qingdao COSCO SHIPPING Containers	Loading and unloading, logistics, and other services	104,539,773	55,173,934
CSSC Fuel Qingdao	Procurement of fuel	94,861,728	102,722,815
OOCL Containers	Loading and unloading, logistics, and other services	30,013,600	17,198,423
China Ocean Shipping Agency	Loading and unloading, logistics, and other services	19,609,789	12,758,070
Xi'an COSCO SHIPPING Containers	Loading and unloading, logistics, and other services	2,995,981	–
Ganglianhai Logistics	Loading and unloading, logistics, and other services	2,494,574	1,047,044
Shenzhouxing Freight Forward	Logistics and other services	1,796,916	5,736,957
Eshipping Global Supply Chain	Loading and unloading, logistics, and other services	1,471,413	–
United Shipping Agency	Logistics and other services	450,491	1,117,660
Shanghai Pan Asia Shipping	Loading and unloading, logistics, and other services	327,872	324,297
Other subsidiaries of COSCO Shipping Group	Loading and unloading, logistics, and other services	3,767,100	1,985,660

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(i) Purchase of goods or services: (Continued)

		Year ended 31 December 2024	Year ended 31 December 2023
	Contents of related transactions		
Joint ventures, associates, and other companies		<u>966,397,466</u>	<u>1,022,298,099</u>
Qingdao Shihua	Loading and unloading, logistics, and other services	448,994,122	682,075,455
Dongjiakou Railway	Loading and unloading, logistics, and other services	134,648,856	9,518,976
QDOT	Loading and unloading, logistics, and other services	112,934,785	21,656,753
Huaneng Qingdao	Loading and unloading, logistics, and other services	91,636,073	86,220,482
Western Union	Loading and unloading, logistics, and other services	76,925,991	129,849,978
Qianwan Xinhe Supply Chain	Loading and unloading, logistics, and other services	64,973,719	48,994,210
QQCT	Loading and unloading, logistics, and other services	6,623,892	7,343,949
Evergreen Container	Loading and unloading, logistics, and other services	6,262,636	4,011,233
QQCTU	Loading and unloading, logistics, and other services	5,557,978	14,189,410
Other related parties	Loading and unloading, logistics, training, tourism, and other services	<u>17,839,414</u>	<u>18,437,653</u>
		<u>2,736,497,509</u>	<u>3,090,724,904</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(ii) Sales of goods, provision of services

		Year ended 31 December 2024	Year ended 31 December 2023
Contents of related transactions			
Shandong Port Group and its subsidiaries*		662,738,778	777,531,795
Shangang Luhai Logistics Development	Transportation, loading and unloading, maintenance, and other labor services	334,902,738	285,701,436
Shangang Express	Transportation, loading and unloading, maintenance, and other labor services	60,094,672	25,390,591
Overseas Development Qingdao	Transportation, loading and unloading, maintenance, and other labor services	35,572,225	38,514,278
Lianyung International Logistics	Transportation, loading and unloading, maintenance, and other labor services	31,043,324	–
Jiaodong International Container Shipping	Transportation, loading and unloading, maintenance, and other labor services	27,027,605	9,661,231
Shangang Luhai Zhengzhou	Transportation, loading and unloading, maintenance, and other labor services	15,011,222	6,340,345
Shangang Shipping Weihai	Transportation, loading and unloading, maintenance, and other labor services	14,346,770	6,971,967
Luhai International Logistics	Transportation, loading and unloading, maintenance, and other labor services	12,796,165	22,904,503
Qinggang International Trade Logistics	Transportation, loading and unloading, maintenance, and other labor services	11,544,454	878,198
Qingdao Port Group	Operations and maintenance, property, communications, and other labor services	11,481,092	17,292,513
Shangang International Trade Rizhao Company	Transportation, loading and unloading, maintenance, and other labor services	10,798,764	2,298,084
Shangang Shipping Group	Transportation, loading and unloading, maintenance, and other labor services	10,620,503	8,663,606
Shangang Luhai Lanzhou	Transportation, loading and unloading, maintenance, and other labor services	8,457,356	2,468,321
QDP Investment Group	Operations and maintenance, property, communications, and other labor services	6,647,815	14,380,878
Luhai Logistics Bohai Bay	Transportation, loading and unloading, maintenance, and other labor services	5,258,049	43,605,116

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(ii) Sales of goods, provision of services (Continued)

	Contents of related transactions	Year ended 31 December 2024	Year ended 31 December 2023
Shangang International Investment	Transportation, loading and unloading, maintenance, and other labor services	4,597,120	4,817
Shangang Group Binzhou Port	Operations and maintenance, property, communications, and other labor services	3,923,186	4,359,234
Shandong Port International Trade Qingdao Company	Transportation, loading and unloading, maintenance, and other labor services	3,526,400	468,295
Shangang International Trade	Transportation, loading and unloading, maintenance, and other labor services	3,267,581	142,160,562
Luhai Equipment Group Qingdao	Operations and maintenance, property, communications, and other labor services	2,816,231	4,327,086
Shangang Luhai Xinjiang	Transportation, loading and unloading, maintenance, and other labor services	2,188,500	9,950,627
Qingdao Port Engineering	Operations and maintenance, property, communications, and other labor services	1,390,743	6,758,319
Luhai Logistics Rizhao	Transportation, loading and unloading, maintenance, and other labor services	749,522	14,492,463
Shangang Luhai Liaocheng	Transportation, loading and unloading, maintenance, and other labor services	694,456	30,911,274
Shandong Port Group	Operations and maintenance, property, communications, and other labor services	190,044	7,080,537
Harbor Vocational College	Transportation, loading and unloading, maintenance, and other labor services	65,092	4,470,200



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(ii) Sales of goods, provision of services (Continued)

		Year ended 31 December 2024	Year ended 31 December 2023
Contents of related transactions			
Shandong Port Group and its subsidiaries*			
Shangang Sunshine Huicai	Operations and maintenance, property, communications, and other labor services	48,682	9,211,398
Weihai Port International Logistics	Transportation, loading and unloading, maintenance, and other labor services	-	9,469,312
Shangang Overseas Development Yantai Company	Transportation, property, and other labor services	-	7,994,376
Shangang Luhai Hotel Management	Transportation, loading and unloading, maintenance, and other labor services	-	4,108,691
Shandong-Port Industry-City Integration Development	Operations and maintenance, property, communications, and other labor services	-	1,415,076
Others	Transportation, loading and unloading, maintenance, and other labor services	43,678,467	35,278,461
COSCO Shipping Group and its subsidiaries**		524,464,793	516,415,391
China Ocean Shipping Agency	Transportation, loading and unloading, maintenance, and other labor services	191,931,101	172,340,965
COSCO SHIPPING Containers	Transportation, loading and unloading, maintenance, and other labor services	63,254,088	26,779,262
Shenzhouxing Freight Forward	Transportation, loading and unloading, maintenance, and other labor services	44,824,166	71,069,215
Ocean & Great Asia	Transportation, loading and unloading, maintenance, and other labor services	41,498,081	54,083,701
Shanghai Pan Asia Shipping	Transportation, loading and unloading, maintenance, and other labor services	38,608,790	24,875,169
Xinxinhai Shipping	Transportation, loading and unloading, maintenance, and other labor services	27,691,562	4,447,335
Orient Container	Transportation, loading and unloading, maintenance, and other labor services	19,435,946	30,839,422
United Shipping Agency	Transportation, loading and unloading, maintenance, and other labor services	19,070,903	15,069,249
COSCO SHIPPING Logistics	Transportation, loading and unloading, maintenance, and other labor services	18,855,406	12,858,800

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(ii) Sales of goods, provision of services (Continued)

Contents of related transactions		Year ended 31 December 2024	Year ended 31 December 2023
Ocean Shipping Agency	Transportation, loading and unloading, maintenance, and other labor services	12,012,150	13,125,191
Ganglianhai Logistics	Transportation, loading and unloading, maintenance, and other labor services	10,256,331	19,406,487
COSCO Weizhi Tank Container Logistics	Transportation, loading and unloading, maintenance, and other labor services	8,411,001	5,342,740
Xingang International Freight	Transportation, loading and unloading, maintenance, and other labor services	5,660,040	4,235,654
Rizhao Shipping Agency	Transportation, loading and unloading, maintenance, and other labor services	1,809,250	9,228,871
Qingdao COSCO SHIPPING Containers	Transportation, loading and unloading, maintenance, and other labor services	1,296,708	27,286,101
Sea Route International	Transportation, loading and unloading, maintenance, and other labor services	-	5,936,416
Xiamen COSCO SHIPPING Logistics	Transportation, loading and unloading, maintenance, and other labor services	-	5,699,587
Qingdao Shipping Agency	Transportation, loading and unloading, maintenance, and other labor services	-	1,049,245
Other subsidiaries of COSCO Shipping Group	Transportation, loading and unloading, maintenance, and other labor services	19,849,270	12,741,981
Joint ventures, associates, and other companies		1,736,321,127	1,262,436,746
QQCT	Transportation, loading and unloading, maintenance, and other labor services	664,792,597	536,780,690
QQCTN	Transportation, loading and unloading, maintenance, and other labor services	298,508,021	198,091,709
QQCTU	Transportation, loading and unloading, maintenance, and other labor services	271,035,717	138,697,509
QDOT	Transportation, loading and unloading, maintenance, and other labor services	153,898,234	137,199,081
Qingdao Shihua	Transportation, loading and unloading, maintenance, and other labor services	120,655,358	107,350,022
QQCTUA	Transportation, loading and unloading, maintenance, and other labor services	86,903,321	40,728,335

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(ii) Sales of goods, provision of services (Continued)

		Year ended 31 December 2024	Year ended 31 December 2023
Contents of related transactions			
Dongjiakou Railway	Transportation, loading and unloading, maintenance, and other labor services	45,432,585	2,964,909
Qianwan Xinhe Supply Chain	Transportation, loading and unloading, maintenance, and other labor services	44,387,897	3,623,249
Evergreen Container	Transportation, loading and unloading, maintenance, and other labor services	12,052,290	40,799,171
Ganglianrong Logistics	Transportation, loading and unloading, maintenance, and other labor services	10,570,410	16,998,295
Ganghai Logistics	Transportation, loading and unloading, maintenance, and other labor services	-	7,972,164
Other related parties	Transportation, loading and unloading, maintenance, and other labor services	28,084,697	31,231,612
		<u>2,923,524,698</u>	<u>2,556,383,932</u>
Shandong Port Group and its subsidiaries*		122,826,679	51,731,804
Shandong Harbor Construction	Construction labor services	96,302,068	12,943,725
Qingdao Port Engineering	Construction labor services	17,297,826	14,690,357
QDP Investment Group	Construction labor services	4,609,490	5,005,008
Qingdao Port Group	Construction labor services	3,128,712	-
Rizhao Port Machinery Engineering	Construction labor services	1	17,614,679
Others	Construction labor services	1,488,582	1,478,035
COSCO Shipping Group and its subsidiaries**		80,692	-
Shenzhouxing Freight Forward	Construction labor services	80,692	-
Joint ventures, associates, and other companies		27,079,461	1,320,272
QQCT	Construction labor services	11,969,699	600,143
QQCTU	Construction labor services	10,396,110	357,094
Qingdao Shihua	Construction labor services	3,054,302	351,092
QDOT	Construction labor services	919,515	-
Other related parties	Construction labor services	739,835	11,943
		<u>149,986,832</u>	<u>53,052,076</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(ii) Sales of goods, provision of services (Continued)

		Year ended 31 December 2024	Year ended 31 December 2023
Contents of related transactions			
Shandong Port Group and its subsidiaries*		53,774,280	59,582,711
Qingdao Port Engineering	Sales of water, electricity, steam, oil, etc.	7,246,761	7,630,752
Weifang Bulk Terminal	Sales of water, electricity, steam, oil, etc.	6,037,344	2,282,333
Luhai Equipment Group Qingdao	Sales of water, electricity, steam, oil, etc.	5,858,305	5,407,087
QDP Investment Group	Sales of water, electricity, steam, oil, etc.	5,178,772	5,682,719
Qingdao Port Group	Sales of water, electricity, steam, oil, etc.	4,900,787	4,924,860
Binzhou Gangtong Pipeline	Sales of water, electricity, steam, oil, etc.	4,141,003	4,263,127
Bohai Bay Barge	Sales of water, electricity, steam, oil, etc.	3,267,839	–
International Cruise	Sales of water, electricity, steam, oil, etc.	2,761,222	2,192,854
Shanghai Property Qingdao	Sales of water, electricity, steam, oil, etc.	2,555,469	2,011,350
Technology Company	Sales of water, electricity, steam, oil, etc.	2,498,167	2,357,047
Weihai Port International	Sales of water, electricity, steam, oil, etc.		
Passenger Transport		1,944,147	1,609,511
Shandong Port Group	Sales of water, electricity, steam, oil, etc.	1,338,566	1,781,941
Shandong Harbor Construction	Sales of water, electricity, steam, oil, etc.	721,998	2,777,630
Harbor Vocational College	Sales of water, electricity, steam, oil, etc.	631,010	617,431
Shangang Service Development	Sales of water, electricity, steam, oil, etc.	16,825	225,546
Rizhao Port Co., Ltd.	Sales of water, electricity, steam, oil, etc.	–	4,546,465
Yantai Port Holdings	Sales of water, electricity, steam, oil, etc.	–	2,210,663
Shangang Group Binzhou Port	Sales of water, electricity, steam, oil, etc.	–	623,416
Penglai Port	Sales of water, electricity, steam, oil, etc.	–	566,947
Rizhao Port Lanshan Port	Sales of water, electricity, steam, oil, etc.	–	486,372
Shandong Dongying Port	Sales of water, electricity, steam, oil, etc.	–	435,893
Longkou Port Group	Sales of water, electricity, steam, oil, etc.	–	363,013
Luhai International Logistics	Sales of water, electricity, steam, oil, etc.	–	346,816
Overseas Development Qingdao	Sales of water, electricity, steam, oil, etc.	–	81
Others	Sales of water, electricity, steam, oil, etc.	4,676,065	6,238,857

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(a) Purchase and sale of goods, provision and receipt of services (Continued)

(ii) Sales of goods, provision of services (Continued)

		Year ended 31 December 2024	Year ended 31 December 2023
Contents of related transactions			
COSCO Shipping Group and its subsidiaries**		17,640,253	12,457,673
Sea Route International	Sales of water, electricity, steam, oil, etc.	4,547,880	–
Orient Container	Sales of water, electricity, steam, oil, etc.	3,480,403	3,252,603
Zhongran Yinda Gas Station	Sales of water, electricity, steam, oil, etc.	3,133,603	–
Shenzhouxing Freight Forward	Sales of water, electricity, steam, oil, etc.	2,977,098	3,869,967
Ganglianhai Logistics	Sales of water, electricity, steam, oil, etc.	2,902,454	2,759,472
China Gas Industry	Sales of water, electricity, steam, oil, etc.	64,222	1,870,904
Other subsidiaries of COSCO Shipping Group	Sales of water, electricity, steam, oil, etc.	534,593	704,727
Subtotal of joint ventures, associates, and other companies		453,448,431	426,726,325
QDOT	Sales of water, electricity, steam, oil, etc.	185,012,296	182,117,244
QQCT	Sales of water, electricity, steam, oil, etc.	123,311,534	108,539,745
QQCTN	Sales of water, electricity, steam, oil, etc.	80,701,836	74,175,366
QQCTUA	Sales of water, electricity, steam, oil, etc.	20,773,976	16,164,558
QQCTU	Sales of water, electricity, steam, oil, etc.	12,872,347	10,026,844
Western Union	Sales of water, electricity, steam, oil, etc.	10,403,097	12,482,015
Qingdao Shihua	Sales of water, electricity, steam, oil, etc.	9,139,165	11,023,606
Other related parties	Sales of water, electricity, steam, oil, etc.	11,234,180	12,196,947
		524,862,964	498,766,709



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(b) Leases

(i) Lease income confirmed by the Group as a lessor:

Name of lessee	Type of leased assets	Year ended 31 December 2024	Year ended 31 December 2023
Shandong Port Group and its subsidiaries*		21,542,357	20,802,052
Shanghai Property Qingdao	Buildings, storage facilities	7,149,622	2,011,395
Qingdao Port Engineering Technology Company	Buildings, storage facilities	5,218,995	12,861,281
Qingdao Port Group	Buildings, machinery, and equipment	4,389,542	1,710,071
Luhai Equipment Group	Buildings	1,128,954	1,833,879
Qingdao	Buildings, storage facilities	1,080,981	620,962
Shangang Shipping Yantai	Storage facilities	54,897	433,481
Others	Buildings, storage facilities Machinery and equipment	2,519,366	1,330,983
COSCO Shipping Group and its subsidiaries**		18,500,323	18,630,823
Orient Container	Buildings, storage facilities	8,057,362	8,008,001
Ganglianhai Logistics	Storage facilities, machinery, and equipment	7,482,918	6,982,716
Shenzhouxing Freight Forward	Storage facilities, machinery, and equipment	2,508,217	3,205,327
Other subsidiaries of COSCO Shipping Group	Buildings, storage facilities Machinery and equipment	451,826	434,779
Subtotal of joint ventures, associates, and other companies		356,365,095	385,085,455
QQCT	Buildings, storage facilities, port facilities, vehicles	223,434,926	223,897,833
QDOT	Storage facilities, vehicles	40,512,172	39,062,186
Qingdao Shihua	Buildings, storage facilities, machinery, and equipment	39,106,518	74,422,287
QQCTN	Port facilities, vehicles	15,578,094	10,394,302
Evergreen Container	Buildings, storage facilities	10,626,162	10,811,664
QQCTU	Buildings, port facilities, vehicles	8,361,411	8,794,823
Other related parties	Buildings, storage facilities Machinery and equipment	18,745,812	17,702,360
		396,407,775	424,518,330

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(b) Leases (Continued)

(ii) Right-of-use assets leased by the Group as a lessee:

Name of lessor	Type of leased assets	Year ended 31 December 2024	Year ended 31 December 2023
QDP Investment Group	Buildings, machinery, and equipment	6,939,452	34,472,359
Western Union	Storage facilities	5,128,157	5,128,643
Shanghai Car Rental	Vehicles	3,444,540	–
Shangang International Trade	Buildings	–	1,690,506
QQCT	Buildings	–	1,115,212
QQCTU	Buildings, storage facilities	–	844,215
		<u>15,512,149</u>	<u>43,250,935</u>

(iii) Interest expense on lease liabilities assumed by the Group as a lessee:

Name of lessor	Year ended 31 December 2024	Year ended 31 December 2023
Shandong Port Finance Company	9,382,453	16,111,500
Qingdao Port Group	6,480,676	4,655,772
QDP Investment Group	1,280,413	967,228
QQCTU	224,266	681,094
Other related parties	<u>287,759</u>	<u>382,588</u>
	<u>17,655,567</u>	<u>22,798,182</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(b) Leases (Continued)

- (iv) Rental expenses for short-term leases and low-value leases directly included in profit or loss for the period in which the Group is a lessee:

Name of lessor	Type of leased assets	Year ended 31 December 2024	Year ended 31 December 2023
Shandong Port Group and its subsidiaries*		109,534,815	93,728,815
Qingdao Port Group	Buildings, land use rights, storage facilities, machinery, equipment, vehicles	52,622,659	54,813,292
QDP Investment Group	Buildings, port facilities, storage facilities, machinery, equipment, vehicles	36,490,593	29,279,438
Weihai Port Group	Buildings	6,998,930	3,215,872
Shangang International Trade	Buildings	5,616,836	1,246,438
Weihai Port International Passenger Transport	Buildings, storage facilities	1,671,325	1,994,528
Harbor Vocational College	Buildings	1,923,653	1,451,877
Others	Buildings, storage facilities	4,210,819	1,727,370
COSCO Shipping Group and its subsidiaries**		734,259	662,100
Shenzhouxing Freight Forward	Buildings	552,212	483,186
Ganglianhai Logistics	Buildings	139,569	133,865
Ocean Shipping Agency	Buildings	42,478	45,049
Joint ventures, associates, and other companies		43,186,096	23,348,781
QQCTN	Storage facilities	26,569,401	13,845,069
QQCTU	Buildings, land use rights	10,920,044	–
Western Union	Storage facilities, land use rights	5,317,211	5,537,395
QDOT	Storage facilities	–	2,642,355
Other related parties	Buildings, storage facilities Machinery and equipment	379,440	1,323,962
		<u>153,455,170</u>	<u>117,739,696</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(b) Leases (Continued)

(v) Rent paid by the Group as a lessee:

Name of lessor	Year ended 31 December 2024	Year ended 31 December 2023
Qingdao Port Group	99,665,397	100,648,205
QDP Investment Group	48,205,005	42,702,938
Shandong Port Finance	39,246,573	146,711,783
QQCTN	28,929,143	13,845,069
QQCTU	21,816,085	9,765,850
Shanghai Car Rental	12,958,273	629,697
Weihai Port Group	7,628,834	3,215,872
Western Union	6,958,072	10,775,490
Shangang International Trade	4,149,968	1,606,261
Harbor Vocational College	2,303,815	1,451,877
Dongjiakou Sinotrans Logistics	2,020,759	4,044,450
Weihai Port International Passenger Transport	1,723,306	1,994,528
QQCT	1,597,626	1,078,470
QDOT	—	2,642,355
Dongjiakou Railway	—	952,895
Other related parties	2,572,671	1,855,774
	<u>279,775,527</u>	<u>343,921,514</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(b) Leases (Continued)

(v) Rent paid by the Group as a lessee: (Continued)

Notes:

* These transactions are continuing connected transactions that have complied with the disclosure requirements of Chapter 14A of the Hong Kong Stock Exchange's Securities Listing Rules and are transactions between the Group and Shandong Port Group.

** These transactions are continuing connected transactions that have complied with the disclosure requirements of Chapter 14A of the Hong Kong Stock Exchange's Securities Listing Rules and are transactions between the Group and COSCO SHIPPING Group.

According to the Company's announcement on the proposed continuing connected transactions, the transaction quota approved by the Group with Shandong Port Group and COSCO SHIPPING Group is as follows, and the transaction amount in 2024 does not exceed the transaction quota.

Transaction between the Group and Shandong Port Group:	Approved transaction quotas
• The Group procures products and services from Shandong Port Group	7,000,000,000
• The Group sells products and services to Shandong Port Group	3,100,000,000
• The Group provides asset leasing services to Shandong Port Group	100,000,000
• Shandong Port Group provides asset leasing services to the Group	600,000,000

Transaction between the Group and COSCO SHIPPING Group:	Approved transaction quotas
• The Group sells products and services to the COSCO SHIPPING Group	1,500,000,000
• The Group procures products and services from COSCO SHIPPING Group	600,000,000
• The Group provides asset leasing services to COSCO SHIPPING Group	60,000,000



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

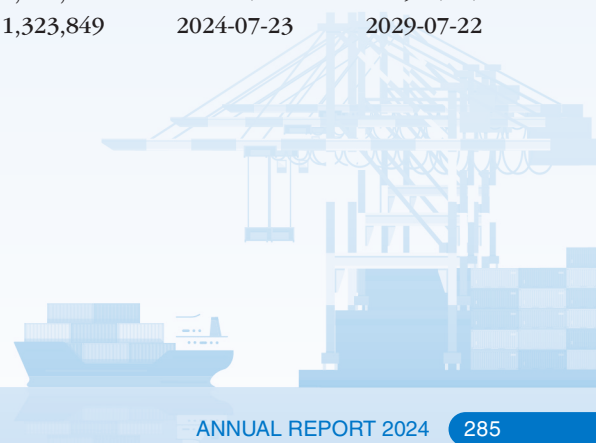
VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(c) Finance lease and capital loans

(i) Borrowings from Shandong Port Finance Company–

	Amount	Starting date	Due Date
Shandong Port Finance Company	38,500,000	2024-01-18	2029-01-17
Shandong Port Finance Company	3,100,000	2024-01-19	2034-01-18
Shandong Port Finance Company	8,000,000	2024-01-30	2025-01-29
Shandong Port Finance Company	10,000,000	2024-02-07	2025-02-06
Shandong Port Finance Company	12,350,000	2024-03-06	2029-03-05
Shandong Port Finance Company	5,000,000	2024-03-08	2025-03-07
Shandong Port Finance Company	2,231,611	2024-03-25	2034-03-24
Shandong Port Finance Company	19,800,000	2024-03-27	2027-03-26
Shandong Port Finance Company	10,000,000	2024-04-02	2025-04-01
Shandong Port Finance Company	3,000,000	2024-04-22	2025-04-21
Shandong Port Finance Company	2,150,000	2024-04-28	2027-04-27
Shandong Port Finance Company	13,360,000	2024-04-29	2034-04-28
Shandong Port Finance Company	3,000,000	2024-04-29	2025-04-28
Shandong Port Finance Company	4,000,000	2024-05-20	2025-05-19
Shandong Port Finance Company	1,000,000	2024-05-21	2025-05-20
Shandong Port Finance Company	37,740,000	2024-05-23	2031-05-22
Shandong Port Finance Company	58,420,000	2024-05-24	2034-05-23
Shandong Port Finance Company	32,900,000	2024-06-11	2029-06-10
Shandong Port Finance Company	6,000,000	2024-06-13	2025-06-12
Shandong Port Finance Company	14,180,000	2024-06-13	2034-06-12
Shandong Port Finance Company	4,387,400	2024-06-24	2034-06-23
Shandong Port Finance Company	1,000,000	2024-06-24	2025-06-23
Shandong Port Finance Company	36,127,686	2024-06-26	2034-06-25
Shandong Port Finance Company	1,000,000	2024-06-26	2025-06-25
Shandong Port Finance Company	29,140,904	2024-06-27	2034-06-26
Shandong Port Finance Company	8,000,000	2024-06-27	2025-06-26
Shandong Port Finance Company	2,771,577	2024-06-28	2029-06-27
Shandong Port Finance Company	1,100,000	2024-07-16	2027-07-15
Shandong Port Finance Company	28,400,000	2024-07-18	2029-07-17
Shandong Port Finance Company	1,323,849	2024-07-23	2029-07-22



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(c) Finance lease and capital loans (Continued)

(i) Borrowings from Shandong Port Finance Company– (Continued)

	Amount	Starting date	Due Date
Shandong Port Finance Company	29,046,019	2024-07-24	2034-07-23
Shandong Port Finance Company	6,500,000	2024-07-25	2027-07-24
Shandong Port Finance Company	9,436,445	2024-08-05	2034-08-04
Shandong Port Finance Company	10,000,000	2024-08-08	2025-08-07
Shandong Port Finance Company	1,000,000	2024-08-15	2027-08-14
Shandong Port Finance Company	2,674,545	2024-08-26	2029-08-25
Shandong Port Finance Company	6,500,000	2024-08-28	2027-08-27
Shandong Port Finance Company	750,000	2024-09-03	2025-09-02
Shandong Port Finance Company	3,348,110	2024-09-12	2029-09-11
Shandong Port Finance Company	29,000,000	2024-09-12	2027-09-11
Shandong Port Finance Company	3,000,000	2024-09-13	2025-09-12
Shandong Port Finance Company	149,000,000	2024-09-13	2027-09-12
Shandong Port Finance Company	1,100,000	2024-09-13	2027-09-12
Shandong Port Finance Company	22,229,658	2024-09-19	2034-09-18
Shandong Port Finance Company	6,500,000	2024-10-08	2027-10-07
Shandong Port Finance Company	7,390,446	2024-10-08	2029-10-07
Shandong Port Finance Company	2,000,000	2024-10-11	2025-10-10
Shandong Port Finance Company	1,570,000	2024-10-16	2027-10-15
Shandong Port Finance Company	10,900,000	2024-10-17	2027-10-16
Shandong Port Finance Company	3,532,877	2024-10-21	2029-10-20
Shandong Port Finance Company	26,950,000	2024-10-22	2029-10-21
Shandong Port Finance Company	2,000,000	2024-10-30	2025-10-29
Shandong Port Finance Company	2,000,000	2024-11-11	2025-11-10
Shandong Port Finance Company	1,500,000	2024-11-14	2025-11-13
Shandong Port Finance Company	27,300,000	2024-11-18	2029-11-17
Shandong Port Finance Company	7,000,000	2024-11-27	2027-11-26
Shandong Port Finance Company	3,000,000	2024-12-05	2025-12-04
Shandong Port Finance Company	9,000,000	2024-12-12	2025-12-11
Shandong Port Finance Company	6,100,000	2024-12-16	2027-12-15
Shandong Port Finance Company	7,000,000	2024-12-18	2029-12-17
Shandong Port Finance Company	21,654,556	2024-12-18	2029-12-17
Shandong Port Finance Company	30,000,000	2024-12-20	2027-12-19
Shandong Port Finance Company	27,314,871	2024-12-26	2032-12-25
Shandong Port Finance Company	2,000,000	2024-12-26	2025-12-25
	<u>876,280,554</u>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(c) Finance lease and capital loans (Continued)

(ii) Interest income–

	Year ended 31 December 2024	Year ended 31 December 2023
Shandong Port Finance Company	117,062,229	93,603,535
Commercial Factoring	11,656	–
Shangang Sunshine Huicai	90	–
	<u>117,073,975</u>	<u>93,603,535</u>

(iii) Interest expenses on related party borrowings–

	Year ended 31 December 2024	Year ended 31 December 2023
Shandong Port Finance Company	82,630,212	100,044,718
Qingdao Port Group	5,353,941	2,424,646
Qinggang Leasing Company	–	5,700,000
	<u>87,984,153</u>	<u>108,169,364</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(d) Investment income

	Year ended 31 December 2024	Year ended 31 December 2023
QQCT	1,191,443,412	974,471,906
Qingdao Shihua	166,174,228	285,426,219
Shandong Port Finance	112,485,597	112,354,274
UG	48,290,417	29,992,940
Evergreen Container	28,655,614	24,294,379
Qingyin Leasing	26,849,483	22,559,273
Luhai Equipment Group Qingdao	18,546,294	21,831,407
Shenzhouxing Freight Forward	15,491,559	10,302,022
Qinggang International Trade Logistics	14,982,234	15,231,188
Orient Container	10,942,135	9,047,050
QDOT	8,725,746	10,632,096
Huaneng Qingdao	6,789,203	2,728,846
Technology Company	6,118,259	4,980,345
Ganglianrong Logistics	5,954,941	4,470,357
Ganglianhai Logistics	4,911,507	3,127,900
United Shipping Agency	3,600,362	2,831,175
Shandong Port Energy	2,338,064	1,937,574
Gulf Liquid Chemical	1,595,476	1,334,454
Shandong Zhenhua Energy	1,366,895	–
Ocean Shipping Agency	1,338,239	1,082,833
Hailian Container	1,303,428	1,203,248
Sea Route International	1,036,577	1,078,000
Overseas Development Qingdao	998,630	1,151,687
Dongjiakou Sinotrans Logistics	373,061	326,691
Shangang Luhai Jinan	281,034	308,457
Shangang Energy Development	4,892	–
Qianwan Xinhe Supply Chain	(40,928)	(832,895)
Dongjiakou Wanbang Logistics	(171,399)	(159,302)
Xishuangbanna Rubber	(295,783)	–
Linyi Expressway	(416,976)	(137,492)
PetroChina Storage	(1,513,585)	13,043,546
Western Union	(3,078,554)	14,852,283
GSBN	(3,711,321)	(3,986,479)
COSCO Abu Dhabi	(4,956,400)	(21,863,857)
Qingdao Port Engineering	(9,783,773)	(11,396,694)
Ganghai Logistics	–	(30,415)
International Energy	–	(969,752)
	<u>1,656,628,568</u>	<u>1,531,223,264</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(e) Remuneration of key management personnel

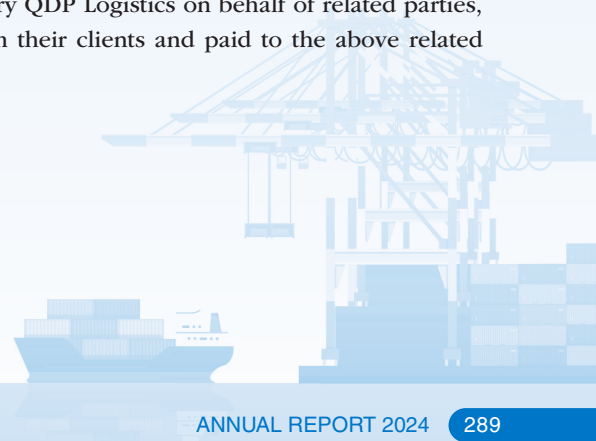
	Year ended 31 December 2024	Year ended 31 December 2023
Remuneration of key management personnel	<u>11,538,956</u>	<u>10,339,883</u>

(f) Other related party transactions

(i) *Port operation fees, harbour dues, and port facility security expenses received and paid on behalf of related parties to their clients*

	Year ended 31 December 2024	Year ended 31 December 2023
Funds received under the entrustment of related parties–		
QQCT	4,550,947,951	4,129,125,888
QQCTN	1,954,037,611	1,689,639,215
QQCTU	1,611,971,136	1,423,910,958
QQCTUA	<u>543,167,772</u>	<u>453,025,683</u>
	<u>8,660,124,470</u>	<u>7,695,701,744</u>
Funds paid to related parties–		
QQCT	4,370,657,262	4,144,516,734
QQCTN	1,895,743,376	1,683,931,294
QQCTU	1,575,309,967	1,422,349,285
QQCTUA	<u>531,444,997</u>	<u>452,266,789</u>
	<u>8,373,155,602</u>	<u>7,703,064,102</u>

Port operation fees, harbour dues, and port facility security expenses received and paid on behalf of related parties are collected by the Company's subsidiary QDP Logistics on behalf of related parties, including QQCT, QQCTU, QQCTUA, and QQCTN from their clients and paid to the above related parties.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(f) Other related party transactions (Continued)

(ii) Cargo harbour dues, berthing fees, and security fees received by related parties on behalf of the Group

	Year ended 31 December 2024	Year ended 31 December 2023
QQCT	64,716,926	62,286,266
Qingdao Shihua	59,300,745	102,752,734
QDOT	11,117,440	36,847,982
QQCTN	29,458,937	27,602,284
QQCTU	28,053,723	24,853,155
QQCTUA	10,125,869	8,882,703
Western Union	8,063,649	8,011,591
	<u>210,837,289</u>	<u>271,236,715</u>

Related parties such as Qingdao Shihua and QQCT charge customers for cargo harbour dues, berthing fees, and security fees and submit 50% of them to the Company.

(iii) Accept the commission payment of related parties

	Year ended 31 December 2024	Year ended 31 December 2023
Luhai Equipment Group Qingdao	84,475,520	205,079,203
QDOT	74,268,464	93,674,625
Qingdao Port Engineering	63,850,645	76,837,260
QQCT	48,248,832	62,387,352
QQCTU	28,116,759	36,924,769
Qingdao Shihua	16,137,295	30,072,638
QQCTN	19,445,721	19,075,079
Western Union	11,908,935	14,413,784
Shanghai Property Qingdao	11,800,975	7,994,968
Qingdao Port Group	2,978,945	5,688,206
Cardiovascular Hospital	1,471,573	3,014,651
Evergreen Container	1,879,406	2,365,011
Huaneng Qingdao	2,125,153	1,913,889
QDP Investment Group	739,559	1,864,920
Harbor Vocational College	3,406,431	1,725,003
Shangang Production Guarantee	1,138,318	1,512,223
Shenzhouxing Freight Forward	1,039,518	1,474,746
Other related parties	<u>7,349,231</u>	<u>9,918,163</u>
	<u>380,381,280</u>	<u>575,936,490</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Related party transactions (Continued)

(f) Other related party transactions (Continued)

(iii) Accept the commission payment of related parties (Continued)

Tongze Trading, a subsidiary of the Company, provides agency procurement services for related parties and accepts the entrustment of related parties to pay the purchase money to suppliers.

(6) Related party balance

(a) Cash at bank and on hand

	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Shandong Port Finance Company – Cash at bank	12,297,234,573	–	9,514,721,924	–
Shandong Port Finance Company – Other cash balances	6,124,092	–	3,602,104	–
Shandong Port Finance Company – Accrued interest	18,209,038	–	17,134,426	–
	<u>12,321,567,703</u>	<u>–</u>	<u>9,535,458,454</u>	<u>–</u>

(b) Notes receivable

	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Luhai Equipment Group				
Qingdao	2,935,990	(114,504)	16,147,818	(511,468)
International Cruise	1,759,294	(68,612)	1,785,491	(56,554)
Qingdao Port Engineering	–	–	1,240,573	(39,294)
QDP Investment Group	–	–	901,288	(28,547)
Qinggang Travel Service	967,440	(37,730)	–	–
	<u>5,662,724</u>	<u>(220,846)</u>	<u>20,075,170</u>	<u>(635,863)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(c) Accounts receivable

	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Qingdao Shihua	134,766,668	(6,122,858)	306,723,998	(48,490,461)
Shandong Harbor				
Construction	88,923,469	(9,454,363)	47,466,929	(2,314,254)
QDOT	78,287,096	(12,670,751)	96,787,090	(15,412,331)
Shangang Luhai Logistics				
Development	42,504,322	(1,929,696)	61,379,417	(1,918,350)
Qingdao Port Engineering	37,316,085	(5,425,610)	51,769,694	(2,480,388)
QQCT	31,015,531	(1,409,308)	11,248,785	(513,459)
QQCTN	30,240,732	(1,454,175)	11,752,152	(415,901)
QQCTU	18,986,962	(880,384)	16,038,505	(1,278,218)
Luhai Equipment Group				
Rizhao	17,595,103	(1,386,174)	–	–
Dongjiakou Railway	15,654,383	(710,709)	–	–
QDP Investment Group	15,475,396	(1,350,642)	13,689,301	(1,869,108)
Qingdao Port Group	12,032,120	(4,177,676)	7,967,405	(2,050,679)
Overseas Development				
Qingdao	11,896,693	(540,110)	20,972,119	(655,462)
Shangang Luhai Zhengzhou	7,576,192	(343,959)	247,054	(7,721)
Shenzhouxing Freight				
Forward	7,549,015	(342,725)	21,802,461	(681,413)
Shangang Luhai Lanzhou	7,464,873	(338,905)	1,896,235	(59,265)
Shangang Express	6,252,409	(283,859)	3,998,526	(124,970)
Jiaodong International				
Container Shipping	6,229,033	(282,798)	4,519,765	(141,261)
Shandong Port Engineering	6,195,821	(3,423,014)	–	–
China Ocean Shipping				
Agency	5,270,712	(239,290)	2,215,626	(69,247)
Lianyun International				
Logistics	5,158,131	(234,179)	–	–
COSCO Abu Dhabi	4,640,159	(210,663)	–	–
Luhai Equipment Group				
Qingdao	4,222,733	(1,934,165)	7,201,954	(2,794,003)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(c) Accounts receivable (Continued)

	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Shangang Shipping Weihai	3,860,448	(175,264)	1,603,250	(50,108)
COSCO SHIPPING Logistics	3,762,135	(170,801)	95,476	(2,984)
Orient Container	3,527,591	(160,153)	6,453,186	(201,688)
Ocean & Great Asia	3,268,357	(148,383)	7,569,168	(236,566)
Luhai Logistics Rizhao	3,091,995	(140,377)	2,724,502	(85,151)
Shanghai Property Qingdao	2,953,151	(134,073)	280,325	(8,761)
Shangang Sunshine Huicai	2,736,598	(124,242)	1,414,883	(44,221)
Dongjiakou Wanbang				
Logistics	2,636,143	(2,634,933)	3,538,275	(2,663,110)
Evergreen Container	2,632,258	(119,505)	8,164,449	(255,171)
Binzhou Gangtong Pipeline	2,496,666	(113,349)	4,817,333	(215,598)
Western Union	2,433,966	(122,117)	1,397,745	(58,376)
Bohai Bay Barge	2,423,706	(110,036)	–	–
Shangang Service				
Development	2,202,183	(99,979)	3,588,419	(112,152)
Weifang Bulk Terminal	2,158,667	(98,003)	–	–
Qianwan Xinhe Supply				
Chain	2,043,485	(92,774)	1,776,744	(55,530)
Weihai Port Group	1,905,151	(86,494)	560,000	(17,502)
Ganglianhai Logistics	1,588,772	(72,130)	3,419,383	(106,869)
Ganglianrong Logistics	1,202,483	(54,593)	2,749,797	(85,942)
Luhai International Logistics	1,122,510	(50,962)	1,599,644	(49,995)
Qinggang International				
Trade Logistics	274,181	(12,448)	–	–
Shangang Luhai Liaocheng	161,831	(7,347)	13,993,865	(437,364)
Rizhao Port Machinery				
Engineering	–	–	29,957,435	(1,340,735)
Sea Route International	–	–	3,031,200	(94,737)
Luhai Logistics Bohai Bay	–	–	218,591	(6,832)
Other related parties	23,372,266	(2,174,676)	22,026,705	(1,352,256)
	<u>667,108,181</u>	<u>(62,048,652)</u>	<u>808,657,391</u>	<u>(88,758,139)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(d) Contract assets

	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Shandong Harbor				
Construction	37,164,729	(1,460,574)	2,601,972	(128,526)
QQCT	18,629,681	(732,146)	732,570	(36,186)
QQCTU	10,880,601	(427,608)	336,559	(16,625)
Qingdao Port Engineering	10,395,040	(408,525)	13,137,523	(648,933)
Shangang Luhai Logistics				
Development	3,880,502	(152,504)	–	–
Qingdao Shihua	2,131,200	(83,756)	–	–
QQCTN	–	–	550,000	(27,167)
Other related parties	633,673	(24,904)	–	–
	<u>83,715,426</u>	<u>(3,290,017)</u>	<u>17,358,624</u>	<u>(857,437)</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(e) Prepayments and other non-current assets

	31 December 2024	31 December 2023
Luhai Equipment Group	50,614,000	16,870,000
QDP Investment Group	7,869,747	19,000
Dongjiakou Railway	6,811,586	1,596,640
Shangang Culture Media	5,000,000	–
Luhai Equipment Group Qingdao	2,706,440	20,670,000
Shangang Zhoudao Wubo Information	2,152,687	–
Qingdao COSCO SHIPPING Containers	1,652,065	689,169
Qingdao Port Group	688,958	–
China Ocean Shipping Agency	535,128	829,491
Shangang Service Development	456,398	–
Technology Company	444,000	14,243,007
Western Union	300,135	8,490,034
Shanghai Car Rental	193,134	660,000
Shanghai Pan Asia Shipping	24,975	65,704
Shangang International Trade	–	1,868,865
Weihai Yufeng Energy	–	1,087,500
Luhai Logistics Rizhao	–	1,008,333
Weihai Lujian	–	741,060
Other related parties	2,056,090	1,596,162
	<u>81,505,343</u>	<u>70,434,965</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(f) Other receivables

Dividend receivable–

	31 December 2024	31 December 2023
Shenzhouxing Freight Forward	17,621,365	13,164,292
Qinggang International Trade Logistics	4,745,177	–
Luhai Equipment Group	1,611,067	–
Sea Route International	725,320	–
Shangang Luhai Jinan	44,938	–
Luhai Equipment Group Qingdao	–	13,006,994
	<u>24,747,867</u>	<u>26,171,286</u>

Others–

	31 December 2024		31 December 2023	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Luhai Equipment Group Qingdao	44,843,992	(1,241,144)	136,066,032	(4,462,984)
QDOT	35,463,137	(965,710)	12,373,870	(395,605)
Qingdao Port Engineering	16,474,167	(450,147)	34,080,980	(1,115,022)
Western Union	14,296,049	(417,247)	10,810,804	(302,407)
Evergreen Container	12,400,718	(301,038)	1,361,276	(25,096)
Shenzhouxing Freight Forward	10,147,560	(278,667)	452,592	(15,395)
Ocean & Great Asia	9,435,551	(256,943)	389,795	(12,752)
Weihai Port International Passenger Transport	9,220,429	(502,699)	9,238,634	(315,580)
QQCT	8,095,097	(213,715)	6,917,976	(215,347)
QDP Investment Group	6,414,213	(169,222)	248,501	(4,451)
QQCTN	6,113,459	(166,478)	3,996,392	(130,739)
Qingdao Shihua	5,449,360	(148,807)	6,900,434	(225,791)
Orient Container	5,369,025	(125,782)	837,013	(14,414)
Luhai Logistics Rizhao	5,159,344	(140,496)	–	–
Shangang Luhai Logistics Development	5,040,078	(133,327)	342,995	(5,703)
China Ocean Shipping Agency	4,937,125	(19,855)	3,591,377	(73,490)
Qingdao Port Group	4,598,916	(183,091)	3,861,859	(129,434)
QQCTU	4,204,162	(114,485)	6,220,418	(203,496)
Shanghai Property Qingdao	3,122,169	(85,172)	2,150,293	(70,946)
Gangliahai Logistics	2,877,731	(78,676)	32,026	(1,089)
OOCL Containers	2,186,336	(59,265)	2,087,708	(68,114)
Ganglianrong Logistics	2,085,069	(56,779)	213,655	(7,053)
Lianyun International Logistics	1,799,986	(49,016)	–	–
Huaneng Qingdao	1,781,493	(48,513)	209,373	(6,849)
UG	1,656,922	(90,434)	1,403,513	(47,997)
Shangang Group Binzhou Port	851,994	(23,201)	–	–
Shandong Harbor Construction	–	–	106,642	(3,512)
Other related parties	5,168,111	(154,294)	7,960,442	(197,081)
	<u>229,192,193</u>	<u>(6,474,203)</u>	<u>251,854,600</u>	<u>(8,050,347)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(g) Short-term borrowings

	31 December 2024	31 December 2023
Shandong Port Finance Company – Unsecured borrowings	95,250,000	76,250,000
Shandong Port Finance Company – Accrued interest	82,649	109,960
	<u>95,332,649</u>	<u>76,359,960</u>

(h) Notes payable

	31 December 2024	31 December 2023
Qingdao Port Engineering	9,407,781	161,612,389
Qinggang International Trade Logistics	1,052,807	105,048
Luhai Equipment Group Qingdao	400,000	2,280,339
Shandong Harbor Construction	–	40,332,523
Technology Company	–	6,576,290
QDP Investment Group	–	4,145,500
Luhai Heavy Industry	–	2,459,726
Lianyungang COSCO Fluid	–	886,860
	<u>10,860,588</u>	<u>218,398,675</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(i) Accounts payable

	31 December 2024	31 December 2023
Qingdao Shihua	494,431,116	766,713,612
Qingdao Port Engineering	190,233,530	206,803,942
Shangang Luhai Logistics Development	110,001,556	17,034,316
QDOT	45,455,021	8,605,454
Rizhao Port Container Development	33,260,147	152,125
QDP Investment Group	26,927,400	9,157,663
Qianwan Xinhe Supply Chain	15,256,328	1,922,473
Weihai Dingxin Construction	15,223,464	14,507,095
Luhai Equipment Group Qingdao	13,037,983	29,735,876
Huaneng Qingdao	7,615,143	9,077,358
Shangang International Investment	6,106,001	2,908,491
Shangang Sunshine Huicai	6,038,577	2,268,578
Qingdao Port Group	5,171,819	2,586,536
Shanghai Property Qingdao	4,498,813	12,830,390
CSSC Fuel Qingdao	4,207,500	6,727,632
Western Union	3,800,565	32,006,359
Shangang Luhai Liaocheng	2,154,348	17,147,754
Dongjiakou Sinotrans Logistics	1,728,929	2,182,830
Cardiovascular Hospital	205,337	436,195
Luhai International Logistics	37,635	715,311
Luhai Logistics Rizhao	13,846	5,810,935
Luhai Logistics Bohai Bay	2,069	208,586
Other related parties	25,273,649	25,778,609
	<u>1,010,680,776</u>	<u>1,175,318,120</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(j) Advances from customers

	31 December 2024	31 December 2023
Evergreen Container	4,922,270	5,299,756
Shenzhouxing Freight Forward	267,874	180,989
Shandong Luhaitong Digital	51,020	—
Qianwan Xinhe Supply Chain	44,820	—
	<u>5,285,984</u>	<u>5,480,745</u>

(k) Contract liabilities

	31 December 2024	31 December 2023
Ocean & Great Asia	3,294,634	—
Qingdao Port Group	2,376,579	2,376,579
Shangang Luhai Logistics Development	2,041,825	—
OOCL Containers	1,758,918	—
Cardiovascular Hospital	1,426,415	—
Port & Shipping Energy	1,396,343	—
QDP Investment Group	850,940	688,733
Dongjiakou Railway	836,193	365,758
Qingdao COSCO SHIPPING Containers	124,782	431,775
Qingdao Shipping Agency	108,790	108,790
China Ocean Shipping Agency	14,686	371,063
Luhai Logistics Rizhao	6,069	1,564,945
Shangang Express	1,978	229,150
Shangang International Trade Rizhao Company	—	281,035
Other related parties	1,283,549	425,674
	<u>15,521,701</u>	<u>6,843,502</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(l) Other payables

	31 December 2024	31 December 2023
Qingdao Port Engineering	875,258,842	1,180,183,171
Shandong Harbor Construction	253,735,635	56,703,638
Luhai Equipment Group Qingdao	232,642,939	285,660,302
QQCT	203,547,570	22,978,988
Shangang Luhai Logistics Development	105,240,785	180,364
Shanghai Property Qingdao	82,907,066	84,194,763
QQCTN	65,421,036	12,083,640
QQCTU	54,934,639	19,185,578
QDP Investment Group	50,247,347	40,217,064
Shangang Shanghai Security	44,974,988	45,699,469
QQCTUA	17,043,997	5,369,271
Qingdao Port Group	11,953,407	21,670,618
Technology Company	10,284,019	9,769,695
Shandong Port Engineering Management	8,250,139	2,006,966
Shanghai Property Weihai	6,466,909	1,380,000
Weihai Dingxin Construction	6,156,314	3,385,325
Weihai Lujian	5,484,746	1,325,338
Weihai Gangtong Technology	4,906,296	969,086
Evergreen Container	4,053,450	6,638,799
COSCO SHIPPING Containers	1,451,409	7,379,830
Shangangtong Engineering Management Consulting	1,004,503	13,519,937
Qingdao COSCO SHIPPING Containers	71,890	5,253,821
Other related parties	27,133,843	31,019,253
	<u>2,073,171,769</u>	<u>1,856,774,916</u>

(m) Other non-current liabilities

	31 December 2024	31 December 2023
QQCT	1,828,665,308	2,026,086,683
QQCTN	37,784,100	40,303,040
QQCTU	8,875,973	10,086,333
	<u>1,875,325,381</u>	<u>2,076,476,056</u>

(n) Long-term borrowings

	31 December 2024	31 December 2023
Shandong Port Finance Company – Unsecured borrowings	2,289,726,759	1,877,293,787
Shandong Port Finance Company – Accrued interest	2,500,227	2,526,119
	<u>2,292,226,986</u>	<u>1,879,819,906</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Related party balance (Continued)

(o) Lease liabilities

	31 December 2024	31 December 2023
Shandong Port Finance Company	177,873,612	207,178,931
Qingdao Port Group	149,766,689	66,703,276
QDP Investment Group	15,982,972	29,597,646
Shanghai Car Rental	2,889,577	–
Shangang International Trade	1,044,587	1,349,960
QQCT	388,771	865,840
QQCTU	291,916	9,719,955
Dongjiakou Sinotrans Logistics	–	3,880,000
Qingdao Port Investment Asset Management	–	96,564
Western Union	–	19,519
	<u>348,238,124</u>	<u>319,411,691</u>

(p) Long-term payables

	31 December 2024	31 December 2023
Qingdao Port Group	136,925,067	196,117,132
Qinggang Leasing Company	120,572,284	120,870,833
	<u>257,497,351</u>	<u>316,987,965</u>

(q) Employee benefits payable

	31 December 2024	31 December 2023
Key management personnel	<u>2,968,138</u>	<u>4,321,194</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(7) Operating lease receipts after the balance sheet date

According to the signed irrevocable operating leases, the Group's future rental receivables from related parties are summarized as follows, except for the operating lease out commitments described in Note IV. (15):

	31 December 2024	31 December 2023
Evergreen Container	44,550,602	115,268,966
Qingdao Shihua	40,737,440	40,619,120
QDOT	28,237,800	7,833,000
QQCT	26,960,522	7,357,738
QQCTN	8,679,800	19,200
Orient Container	8,391,200	9,861,110
QQCTU	7,407,180	481,160
Shenzhouxing Freight Forward	3,791,600	2,108,500
Qingdao Port Engineering	3,162,560	1,878,013
QQCTUA	2,661,100	–
Hailian Container	2,607,260	2,607,260
Shanghai Property Qingdao	2,043,000	3,293,410
Technology Company	1,779,441	–
Shandong Luhaitong Digital	1,693,270	–
Qingdao Port Group	1,185,402	1,185,402
Luhai Equipment Group Qingdao	1,092,000	633,832
Ganglianhai Logistics	996,780	7,242,687
Western Union	586,720	592,120
Shangang Shanghai Security	524,046	524,046
Shandong Port Energy	412,522	470,550
CSSC Fuel Qingdao	370,914	322,914
Shangang Production Guarantee	269,364	–
Weihai Shichang Liquor	255,000	255,000
Shangang Living Guarantee	102,000	–
Qinggang International Trade Logistics	93,915	–
Ganglianhong Logistics	80,000	5,087,800
Qianwan Xinhe Supply Chain	48,670	9,495,269
Gulf Liquid Chemical	46,080	46,080
International Cruise	2,825	–
Shangang Technology Group	–	192,591
Weihai Port International Logistics	–	10,505
	188,769,013	217,386,273

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(7) Operating lease receipts after the balance sheet date (Continued)

On 12 July 2024, the Company's 19th meeting of the fourth session of the Board of Directors reviewed and approved the *Proposal on Major Adjustments to the Restructuring Plan* and other relevant proposals. According to the adjusted proposal, the Company intends to issue shares and pay cash to purchase 100% equity interests in Rizhao Port Oil Terminal Co., Ltd. and 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd. held by Rizhao Port Group, and 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd. and 51.00% equity interests in Shandong Gangyuan Pipeline Logistics Co., Ltd. held by Yantai Port Group, and to issue shares to raise matching funds by way of quotation.

On February 21, 2025, the Company held the Twenty-Fifth Meeting of the Fourth Session of the Board of Directors, which considered and passed the *Proposal on Adjusting the Original Restructuring Plan*. Due to slower-than-anticipated progress in resolving bankruptcy matters involving certain key clients of the target companies, Shandong United Energy Pipeline Transportation Co., Ltd. and Shandong Gangyuan Pipeline Logistics Co., Ltd., under the original restructuring plan, and to safeguard the interests of the listed company and minority shareholders, it was decided – after thorough discussions and prudent deliberations by all parties involved – to withdraw the original restructuring plan application documents. The original restructuring plan is proposed to be adjusted to exclude the acquisition of 53.88% equity interests in Shandong United Energy Pipeline Transportation Co., Ltd. and 51.00% equity interests in Shandong Gangyuan Pipeline Logistics Co., Ltd. Meanwhile, the Company will retain the portion of the plan involving the acquisition of 100% equity interests in Rizhao Port Oil Terminal Co., Ltd. and 50.00% equity interests in Rizhao Shihua Crude Oil Terminal Co., Ltd. through cash payment for asset acquisition. As of the date of the financial statements, the transaction had not been completed.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(8) Benefits and interests of directors

(a) Remuneration of directors and CEO

The remuneration of every director, supervisor, and CEO for the year ended 31 December 2024 is set out below:

<div>Remuneration for services as a director</div>								<div>Remuneration for other services in connection with the management of the Company or its subsidiaries</div>	Total
Name	Fees	Salary and allowance	Annuity plan	Pension insurance premiums	Other social security contributions	Bonus	Including: Discretionary Bonus		
Executive directors:									
Su Jianguang	-	-	-	-	-	-	-	-	-
Zhang Baohua	-	461,340	133,622	42,390	25,476	889,767	760,660	-	1,552,595
Non-executive directors:									
Li Wucheng	-	-	-	-	-	-	-	-	-
Wang Fuling	-	478,140	112,749	42,390	25,476	689,922	573,860	-	1,348,677
Zhu Tao	-	-	-	-	-	-	-	-	-
Cui Liang (i)	-	-	-	-	-	-	-	-	-
Xue Baolong (ii)	-	-	-	-	-	-	-	-	-
Independent non-executive directors:									
Li Yan	273,771	-	-	-	-	-	-	-	273,771
Jiang Min	273,771	-	-	-	-	-	-	-	273,771
Li Guohao	332,646	-	-	-	-	-	-	-	332,646



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(8) Benefits and interests of directors (Continued)

(a) Remuneration of directors and CEO (Continued)

Name	Remuneration for services as a director							Remuneration for other services in connection with the management of the Company or its subsidiaries	Total
	Fees	Salary and allowance	Annuity plan	Pension insurance premiums	Other social security contributions	Bonus	Including: Discretionary Bonus		
Supervisors:									
Liu Shuiguo (iii)	-	454,976	62,208	42,390	25,476	469,998	381,944	-	1,055,048
Xie Chunhu (iv)	-	-	-	-	-	-	-	-	-
Yao Junjun	-	375,600	62,208	42,390	25,476	439,874	352,120	-	945,548
Yuan Qing (v)	-	-	-	-	-	-	-	-	-
Lou Gang (vi)	-	220,020	34,887	24,727	15,006	256,104	204,037	-	550,744
Wang Tao (vii)	-	93,900	13,561	10,597	6,491	108,956	85,570	-	233,505
Li Zhengxu (viii)	-	-	-	-	-	-	-	-	-
Independent non-executive supervisors:									
Yang Qiulin	155,963	-	-	-	-	-	-	-	155,963
Wang Yaping	155,963	-	-	-	-	-	-	-	155,963
	<u>1,192,114</u>	<u>2,083,976</u>	<u>419,235</u>	<u>204,884</u>	<u>123,401</u>	<u>2,854,621</u>	<u>2,358,191</u>	<u>-</u>	<u>6,878,231</u>

(i) Assumed the role on 6 June 2024.

(ii) Departed on 28 March 2024.

(iii) Departed the role of Employee Representative Supervisor of the Company on 30 October 2024 and assumed the role of Deputy General Manager of the Company.

(iv) Departed on 28 March 2024.

(v) Assumed the role on 6 June 2024.

(vi) Assumed the role on 6 June 2024.

(vii) Assumed the role on 30 October 2024.

(viii) Departed the role of supervisor of the Company on 8 January 2024 and assumed the role of Deputy General Manager of the Company on 15 January 2024.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(8) Benefits and interests of directors (Continued)

(a) Remuneration of directors and CEO (Continued)

The remuneration of every director, supervisor, and CEO for the year ended 31 December 2023 is set out below:

Remuneration for services as a director							Remuneration for other services in connection with the management of the Company or its subsidiaries	
Name	Fees	Salary and allowance	Annuity plan	Pension insurance premiums	Other social security contributions	Bonus		Total
Executive directors:								
Su Jianguang	-	-	-	-	-	-	-	-
Zhang Baohua	-	461,340	88,685	40,717	24,207	837,384	-	1,452,333
Non-executive directors:								
Li Wucheng	-	-	-	-	-	-	-	-
Wang Fuling	-	478,140	77,744	40,717	24,207	613,746	-	1,234,554
Zhu Tao	-	-	-	-	-	-	-	-
Xue Baolong	-	-	-	-	-	-	-	-
Independent non-executive directors:								
Li Yan	273,771	-	-	-	-	-	-	273,771
Jiang Min	273,771	-	-	-	-	-	-	273,771
Li Guohao	332,646	-	-	-	-	-	-	332,646
Supervisors:								
Liu Shuiguo	-	445,476	56,736	40,717	24,207	433,280	-	1,000,416
Xie Chunhu	-	-	-	-	-	-	-	-
Yao Junjun	-	377,210	41,373	40,717	24,207	391,944	-	875,451
Li Zhengxu	-	376,290	56,736	40,717	24,207	402,466	-	900,416
Independent non-executive supervisors:								
Yang Qiulin	155,963	-	-	-	-	-	-	155,963
Wang Yaping	155,963	-	-	-	-	-	-	155,963
	1,192,114	2,138,456	321,274	203,585	121,035	2,678,820	-	6,655,284

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(8) Benefits and interests of directors (Continued)

(a) Remuneration of directors and CEO (Continued)

	Providing director services to the Company or its subsidiaries		Providing other services to the Company or its subsidiaries		Total	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Remuneration of directors (Executive and non-executive directors)	<u>2,901,272</u>	<u>2,686,887</u>	<u>-</u>	<u>-</u>	<u>2,901,272</u>	<u>2,686,887</u>

In 2024, non-executive director Zhu Tao was employed and paid by COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”) from January 2024 to December 2024. Non-executive director Xue Baolong was employed and paid by Qingdao Port Group from January 2024 to March 2024. On 28 March 2024, Mr. Xue Baolong resigned as a non-executive director and a member of the Strategic Development Committee of the Board of Directors of the Company due to work adjustment. Non-executive director Cui Liang assumed the role on 6 June 2024 and is employed and paid by Qingdao Port Group.

In 2023, non-executive director Zhu Tao was employed and paid by COSCO SHIPPING Ports from January 2023 to December 2023. Non-executive director Xue Baolong was employed and paid by Qingdao Port Group from January 2023 to December 2023.

In 2024, directors Su Jianguang and Li Wucheng and supervisor Xie Chunhu were employed and paid by Qingdao Port Group from January 2024 to December 2024. Supervisor Xie Chunhu was employed and paid by Qingdao Port Group from January 2024 to March 2024. On 28 March 2024, Mr. Xie Chunhu resigned as a Supervisor and the Chairman of the Supervisory Committee of the Company due to work adjustment. Supervisor Yuan Qing assumed the role on 6 June 2024 and is employed and paid by Qingdao Port Group.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(8) Benefits and interests of directors (Continued)

(a) Remuneration of directors and CEO (Continued)

In 2023, directors Su Jianguang and Li Wucheng and supervisor Xie Chunhu were employed and paid by Qingdao Port Group from January 2023 to December 2023. Supervisor Xie Chunhu was employed and paid by Qingdao Port Group from January 2023 to December 2023.

- (a) In 2024, the Group had no directors waiving their remunerations (2023: nil).
- (b) In 2024, the Group had no retirement benefits for directors because of providing director services (2023: nil).
- (c) In 2024, the Group did not pay termination benefits for directors (2023: nil).
- (d) In 2024, the Group did not pay consideration to third parties in return for director services (2023: nil).
- (e) In 2024, the Group did not provide loans, quasi-loans, or other transactions benefiting directors, corporate entities controlled by directors, or connected entities of such directors, nor provide guarantees for loans to directors, corporate entities controlled by directors, or connected entities of such directors (2023: nil).
- (f) In 2024, the Company did not sign any important transactions, arrangements, or contracts in which the directors of the Company directly or indirectly had significant interests (2023: nil).
- (g) The remuneration of the Company's directors and supervisors is determined in accordance with their positions, responsibilities, the Company's remuneration policies, and prevailing market conditions, which is subject to the approval of the general meeting of shareholders.

(9) Five highest paid individuals

In 2024, the five highest-paid individuals of the Group included 2 directors (2023: 2 directors and 2 supervisors), whose remuneration is reflected in Note VIII. (8). The total remuneration for the other 3 individuals (2023: 1 individual) is presented as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Salary and allowance	1,199,311	377,440
Annuity plan	267,204	56,660
Social security contributions	203,597	64,924
Bonus	1,890,885	401,269
	<u>3,560,997</u>	<u>900,293</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(9) Five highest paid individuals (Continued)

	Number of individuals	
	Year ended 31 December 2024	Year ended 31 December 2023
Remuneration range:		
HKD0 – 1,000,000	–	1
HKD1,000,000 – 1,500,000	3	–
HKD1,500,000 – 2,000,000	–	–
	<u>3</u>	<u>1</u>

IX. COMMITMENTS

(1) Capital expenditure commitments

Capital expenditure commitments contracted for by the Group at the balance sheet date but are not yet necessary to be recognized on the balance sheet are as follows:

	31 December 2024	31 December 2023
Port facilities and others	<u>1,449,676,460</u>	<u>1,241,899,911</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

X. EVENTS AFTER THE BALANCE SHEET DATE

In accordance with the resolution at the Board of Directors' meeting dated 28 March 2025, the Board of Directors proposed a cash dividend for the year 2024 to all shareholders at RMB3.141 per 10 shares (including tax). Based on the total issued shares of 6,491,100,000, the total proposed cash dividend distribution for the year amounted to RMB2,038,854,510, which included the interim dividend of RMB736,090,740 (equivalent to RMB1.134 per 10 shares (including tax)) distributed to all shareholders on 30 December 2024. The remaining dividend of RMB1,302,763,770 (equivalent to RMB2.007 per 10 shares (including tax)) is pending shareholder approval and has not been recognized as a liability in these financial statements.

XI. OTHER MATTERS

Logistics Park Development, a subsidiary of the Company, filed a lawsuit with Weihai Intermediate People's Court in November 2019 for importing automobiles on behalf of Yinglu Pingxing Automotive. According to the civil judgement issued by Weihai Intermediate People's Court on 10 November 2020, it was ruled that Yinglu Pingxing Automotive shall pay Logistics Park Development advances, taxes, import agency expenses, and other expenses for a total of RMB129,000,724. Shandong Hongtong Zhiyuan Investment Co., Ltd. and the individual Zhang Hong assume joint guarantee liabilities for the debt of Yinglu Pingxing Automotive in the amount of RMB48,938,763. After the judgment came into effect, Yinglu Pingxing Automotive settled part of the debt by pledging fixed assets, and Zhang Hong settled part of the debt by pledging houses. Logistics Park Development has made a full provision for bad debts of remaining receivables RMB63,379,156 (Note IV. (7) (b)).

In November 2023, Yinglu Pingxing Automotive filed a lawsuit with the Weihai Huancui District People's Court, requesting Logistics Park Development to deliver imported automobiles to it according to the agency import agreement and applying for freezing the funds of RMB20,000,000 in Logistics Park Development's account. After the second trial, Yinglu Pingxing Automotive changed its claims for compensation of vehicle losses of RMB143,293,300 and interest losses by Logistics Park Development. The lawsuit was withdrawn by Yinglu Pingxing Automotive on 31 May 2024, and the funds in the account of Logistics Park Development of RMB20,000,000 have been unfrozen during the current period.

XII. OPERATING LEASE RECEIPTS AFTER THE BALANCE SHEET DATE

The undiscounted cash amount of lease receipts receivable by the Group as a lessor after the balance sheet date is summarized below:

	31 December 2024	31 December 2023
Within 1 year	174,020,089	151,621,319
1 to 2 years	6,388,612	9,508,297
2 to 3 years	6,003,412	8,909,864
3 to 4 years	5,454,574	8,277,941
4 to 5 years	5,709,210	8,124,007
Over 5 years	30,145,416	64,482,426
	<u>227,721,313</u>	<u>250,923,854</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK

The Group's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk, and other price risks), credit risk, and liquidity risk. The aforementioned financial risks and the risk management policies implemented by the Group to mitigate these risks are set out below:

The Board of Directors is responsible for planning and establishing the risk management structure of the Group, formulating the Group's risk management policies and relevant guidelines, and monitoring the implementation of risk management measures. The Group has developed risk management policies to identify and analyze the risks that the Group faces. The risk management policy has specified the specific risks, covering the market risk, credit risk and liquidity risk management, and many other parties surface. The Group assesses the market environment and changes in operating activities of the Group periodically to determine whether updates are needed for risk management policies and systems. The Group's risk management is carried out by the Risk Control Committee in accordance with policies approved by the Board of Directors. The Risk Control Committee adopted the work closely with other business units to identify, evaluate, and evade related risks. The Group's internal audit department controls the risk management system and procedures for periodic review, and the audit results are reported to the Group's Audit Committee.

(1) Market risk

(a) Foreign exchange risk

The Group's main operations are located in China, and its main business is settled in RMB. Foreign exchange risks identified by the Group in foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are denominated primarily in USD and EUR). The Group continuously monitors the size of the Group's foreign currency transactions and foreign currency assets and liabilities in order to minimize its exposure to foreign exchange risk: as at 31 December 2024, the Group had no foreign currency borrowings, and the Group can achieve hedging of foreign exchange risk by entering into forward foreign exchange contracts or currency swap contracts. In 2024, the Group did not enter into any forward foreign exchange contracts or currency swap contracts.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (Continued)

(1) Market risk (Continued)

(a) Foreign exchange risk (Continued)

As at 31 December 2024 and 31 December 2023, the amounts of foreign-currency financial assets and foreign-currency financial liabilities held by companies within the Group whose carrying currency is RMB are translated into RMB as follows:

	31 December 2024			
	USD	EUR	Others	Total
Foreign currency financial assets –				
Cash at bank and on hand	369,805,714	31,330,979	4,183	401,140,876
Accounts receivable	216,859,989	97,526	4,211	216,961,726
Other receivables	117,045,425	–	–	117,045,425
	<u>703,711,128</u>	<u>31,428,505</u>	<u>8,394</u>	<u>735,148,027</u>
Foreign currency financial liabilities –				
Accounts payable	(114,564,528)	–	(11,118)	(114,575,646)
Other payables	(110,111,286)	–	(39,560)	(110,150,846)
	<u>(224,675,814)</u>	<u>–</u>	<u>(50,678)</u>	<u>(224,726,492)</u>
	31 December 2023			
	USD	EUR	Others	Total
Foreign currency financial assets –				
Cash at bank and on hand	248,182,617	34,164,540	5,799	282,352,956
Accounts receivable	164,933,503	101,847	–	165,035,350
Other receivables	97,947,749	–	–	97,947,749
	<u>511,063,869</u>	<u>34,266,387</u>	<u>5,799</u>	<u>545,336,055</u>
Foreign currency financial liabilities –				
Accounts payable	(165,887,387)	–	(8,260)	(165,895,647)
Other payables	(40,722,054)	–	–	(40,722,054)
	<u>(206,609,441)</u>	<u>–</u>	<u>(8,260)</u>	<u>(206,617,701)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (Continued)

(1) Market risk (Continued)

(a) Foreign exchange risk (Continued)

As at 31 December 2024, if RMB had strengthened/weakened by 4% against the USD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB14,371,000 (31 December 2023: approximately RMB9,134,000) lower/higher for various financial assets and liabilities dominated in USD held by the Group whose recording currency is RMB, which would have no effect on other comprehensive income. As at 31 December 2024, if RMB had strengthened/weakened by 4% against the EUR while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB943,000 (31 December 2023: RMB1,028,000) higher/lower for various financial assets and liabilities dominated in EUR held by the Group whose recording currency is RMB, which would have no effect on other comprehensive income.

(b) Interest rate risk

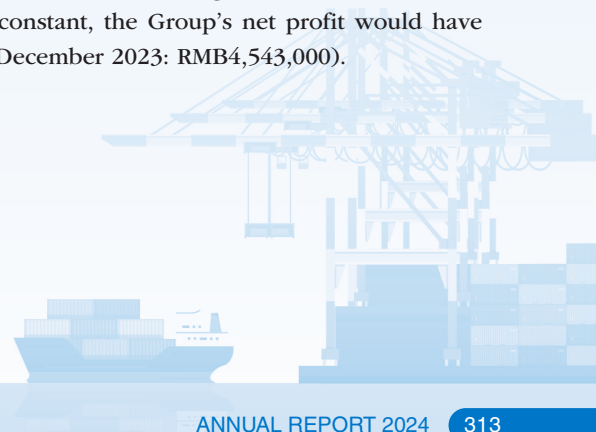
The Group's interest rate risk arises from long-term interest-bearing borrowings, including long-term bank borrowings and debentures payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions.

As at 31 December 2024, the Group's long-term interest-bearing borrowings are mainly RMB-denominated with floating rates linked to LPR, amounting to RMB1,961,915,320 (31 December 2023: RMB1,211,687,971). The interest of other parts is calculated at the fixed interest rate.

On 31 December 2024, the Group's long-term payables include RMB256,700,000 principal amount of sale-leaseback arrangements and entrusted borrowings treated as collateralized borrowings (Note IV.34.), all of which bear interest at fixed rates.

The Group continuously monitors the level of the Group's interest rates. Increases in interest rates will increase the cost of new liability and the interest expenses with respect to the Group's outstanding floating rate liability and, therefore, could have a certain effect on the Group's financial position. The management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. For the year ended 31 December 2024 and 31 December 2023, the Group did not enter into any interest rate swap agreements.

As of 31 December 2024, if the interest rate on borrowings based on the floating rate LPR had increased or decreased by 50 basis points with all other factors held constant, the Group's net profit would have decreased or increased by approximately RMB7,358,000 (31 December 2023: RMB4,543,000).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (Continued)

(1) Market risk (Continued)

(c) Other price risk

The Group's other price risks mainly arise from all kinds of equity instrument investments, with the risk of changes in the price of equity instruments.

As at 31 December 2024, if the expected price of the Group's various equity instrument investments increased or decreased by 10% while all other variables had been held constant, the Group's net profit would have increased or decreased by approximately RMB26,789,000 (31 December 2023: approximately RMB29,538,000).

(2) Credit risk

The Group's credit risk mainly arises from cash at bank and on hand, notes receivables, accounts receivables, contract assets, receivables financing, other receivables, debt investments, other debt investments, and investments in debt instrument at fair value through profit or loss that are not included in the impairment assessment scope. As at the balance sheet date, the book value of the Group's financial assets represented the maximum exposure of the Group.

The Group's cash at bank and on hand is mainly cash at bank deposited at state-owned banks and other medium or large size listed banks with good reputation and a higher credit rating. Shandong Port Finance has developed a strict fund management system, and it deposits most of the assets at the People's Bank of China, state-owned banks and domestic joint-stock commercial banks. The Group does not expect that there will be any significant credit risk, so there will be almost no significant losses from non-performance by these banks and Shandong Port Finance.

In addition, the Group has relevant policies to limit the credit risk exposure on notes receivable, accounts receivable, financing receivables, other receivables, and contract assets. The Group assesses the credit quality of and sets credit periods on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 31 December 2024 and 31 December 2023, the Group did not make provisions for bad debts regarding the long-term receivables due from Hunan Kupu disclosed in Note IV.(11) as the value of the collateral provided by the debtor exceeded its gross book value; except for this, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (Continued)

(3) Liquidity risk

Each subsidiary within the Group is responsible for its own cash flow projections. On the basis of summarizing the cash flow forecasts of each subsidiary, the Group continuously monitors short-term and long-term capital needs at the group level to ensure that sufficient cash reserves are readily available and continuous monitoring of compliance with the loan agreement provisions, from major financial institutions to obtain sufficient backup funds to meet short-term and long-term funding needs.

The financial liabilities of the Group at the balance sheet date are analyzed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2024				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	96,570,120	-	-	-	96,570,120
Notes payable	485,891,250	-	-	-	485,891,250
Accounts payable	1,612,906,291	-	-	-	1,612,906,291
Other payables	4,224,759,266	-	-	-	4,224,759,266
Current portion of non-current liabilities	587,933,425	-	-	-	587,933,425
Long-term borrowings	-	499,570,448	901,716,455	858,817,909	2,260,104,812
Lease liabilities	-	118,482,065	176,864,896	69,457,137	364,804,098
Long-term payables	-	145,653,750	121,350,000	-	267,003,750
	<u>7,008,060,351</u>	<u>763,706,263</u>	<u>1,199,931,351</u>	<u>928,275,046</u>	<u>9,899,973,011</u>
	31 December 2023				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	128,580,631	-	-	-	128,580,631
Notes payable	917,624,305	-	-	-	917,624,305
Accounts payable	1,870,122,136	-	-	-	1,870,122,136
Other payables	3,815,970,467	-	-	-	3,815,970,467
Current portion of non-current liabilities	471,103,212	-	-	-	471,103,212
Long-term borrowings	-	485,050,772	717,742,831	857,186,622	2,059,980,225
Lease liabilities	-	147,498,606	128,232,943	76,789,760	352,521,309
Long-term payables	-	46,134,125	145,428,675	23,140,125	214,702,925
	<u>7,203,400,751</u>	<u>678,683,503</u>	<u>991,404,449</u>	<u>957,116,507</u>	<u>9,830,605,210</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (Continued)

(3) Liquidity risk (Continued)

The repayment period of bank borrowings and other borrowings is analysed as follows:

	31 December 2024			31 December 2023		
	Bank borrowings	Borrowings from Shandong Port Finance Company	Other borrowings	Bank borrowings	Borrowings from Shandong Port Finance Company	Other borrowings
Within 1 year	15,000,000	505,720,000	200,000	52,796,021	250,747,938	141,287,965
1 to 2 years	15,000,000	414,407,863	136,500,000	4,796,022	409,690,000	39,200,000
2 to 5 years	88,166,424	682,994,301	120,000,000	31,472,382	550,106,204	136,500,000
Over 5 years	15,000,000	781,854,595	-	52,919,367	742,999,645	-
	<u>133,166,424</u>	<u>2,384,976,759</u>	<u>256,700,000</u>	<u>141,983,792</u>	<u>1,953,543,787</u>	<u>316,987,965</u>

XIV. FAIR VALUE ESTIMATES

The level of fair value measurement is determined by the lowest level of inputs, which has a significant impact on fair value management:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(1) Assets and liabilities measured at fair value on a recurring basis

As at 31 December 2024, the assets measured at fair value on a continuing basis are listed below at the 3 levels above:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held for trading –				
Wealth management products	8,050,643	-	-	8,050,643
Financing receivables –				
Bank acceptance notes receivables	-	-	212,131,274	212,131,274
Other non-current financial assets –				
Equity investments	-	-	357,184,402	357,184,402
Total	<u>8,050,643</u>	<u>-</u>	<u>569,315,676</u>	<u>577,366,319</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XIV. FAIR VALUE ESTIMATES (Continued)

(1) Assets and liabilities measured at fair value on a recurring basis (Continued)

As at 31 December 2023, the assets measured at fair value on a continuing basis are listed below at the 3 levels above:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held for trading –				
Wealth management products	3,897,019	–	280,665,064	284,562,083
Financing receivables –				
Bank acceptance notes receivables	–	–	314,538,178	314,538,178
Other non-current financial assets –				
Equity investments	–	–	393,840,402	393,840,402
Total	<u>3,897,019</u>	<u>–</u>	<u>989,043,644</u>	<u>992,940,663</u>

The Group has no continuing liabilities measured at fair value.

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There are no transfers between levels for the current year.

For financial instruments traded in active markets, the Group determines their fair value with their active market quotations; for financial instruments not traded in active markets, the Group uses valuation techniques to determine their fair value. The valuation models used mainly comprise the discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include risk-free interest rate, benchmark interest rate, expected yield, PE multiplier, PB multiplier, and liquidity discount.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XIV. FAIR VALUE ESTIMATES (Continued)

(1) Assets and liabilities measured at fair value on a recurring basis (Continued)

Changes of the above Level 3 financial assets are analyzed below:

	31 December 2023	Purchase	Endorsed or discounted	Settlement	31 December 2024	The total profit of the current period is recognized in profit or loss
Financial assets						
Financial assets held for trading –						
Wealth management products	280,665,064	350,000,000	–	(630,665,064)	–	2,576,061
Financing receivables –						
Bank acceptance notes receivables	314,538,178	1,153,254,827	(701,539,782)	(554,121,949)	212,131,274	-103,056
Other non-current financial assets –						
Equity investments	393,840,402	–	–	(36,656,000)	357,184,402	34,143,621
Total	<u>989,043,644</u>	<u>1,503,254,827</u>	<u>(701,539,782)</u>	<u>(1,221,443,013)</u>	<u>569,315,676</u>	<u>36,616,626</u>

	31 December 2022	Purchase	Endorsed or discounted	Settlement	31 December 2023	The total profit of the current period is recognized in profit or loss
Financial assets						
Financial assets held for trading –						
Wealth management products	995,407,305	1,745,130,040	–	(2,459,872,281)	280,665,064	18,683,245
Financing receivables –						
Bank acceptance notes receivables	280,619,222	1,510,521,471	(957,312,107)	(519,290,408)	314,538,178	(748,554)
Other non-current financial assets –						
Equity investments	393,840,402	–	–	–	393,840,402	1,522,600
Total	<u>1,669,866,929</u>	<u>3,255,651,511</u>	<u>(957,312,107)</u>	<u>(2,979,162,689)</u>	<u>989,043,644</u>	<u>19,457,291</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XIV. FAIR VALUE ESTIMATES (Continued)

(1) Assets and liabilities measured at fair value on a recurring basis (Continued)

- (a) Gains or losses included in the current profit and loss are included in the income statement, such as changes in fair value, investment income, etc.

The relevant information for Level 3 measured at fair value is as follows:

	31 December 2024 Fair value	Valuation techniques	Parameter	Inputs		
				Range/ Weighted average	Relationship with fair value	Observable/ Unobservable
Financial assets held for trading – Wealth management products	-	Discounted cash flow	Expected yield	1.4%-3.24%	Positive correlation	Unobservable
Financing receivables – Bank acceptance notes receivables	212,131,274	Discounted cash flow	Expected discount rate	0.76%-2.61%	Negative correlation	Unobservable
Other non-current financial assets – Equity investments	357,184,402	Marketing method	Comparable listed company	Lack of liquidity discount: 10%-20%	Positive correlation	Unobservable
	<u>569,315,676</u>					
	31 December 2023 Fair value	Valuation techniques	Parameter	Inputs		
				Range/ Weighted average	Relationship with fair value	Observable/ Unobservable
Financial assets held for trading – Wealth management products	280,665,064	Discounted cash flow	Expected yield	1.4%-3.24%	Positive correlation	Unobservable
Financing receivables – Bank acceptance notes receivables	314,538,178	Discounted cash flow	Expected discount rate	0.76%-2.61%	Negative correlation	Unobservable
Other non-current financial assets – Equity investments	393,840,402	Marketing method	Comparable listed company	Lack of liquidity discount: 10%-20%	Positive correlation	Unobservable
	<u>989,043,644</u>					



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XIV. FAIR VALUE ESTIMATES (Continued)

(2) Assets and liabilities not measured at fair value but for which the fair value is disclosed

The Group's financial assets and financial liabilities measured at amortized cost mainly include notes receivable, accounts receivable, other receivables, long-term receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, long-term payables, and lease liabilities.

The difference between the book value and the fair value of the above financial assets and financial liabilities not measured at fair value is insignificant.

XV. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group is not subject to external mandatory capital requirements and monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by interest-bearing liabilities deducting cash and cash equivalents. Total capital is calculated by the shareholder's equity presented in the consolidated balance sheet plus net debt.

As at 31 December 2024 and 31 December 2023, the Group's gearing ratio is as follows:

	31 December 2024	31 December 2023
Principal on bank borrowings	2,518,143,183	2,095,527,579
Entrusted borrowings	136,700,000	195,900,000
Sale-leaseback arrangement deemed as mortgage loan	120,000,000	120,000,000
Less: Cash	(12,207,737,449)	(10,132,048,600)
Net assets	(9,432,894,266)	(7,720,621,021)
Shareholders' equity	46,792,086,399	44,538,662,690
Total capital	37,359,192,133	36,818,041,669
Gearing ratio	Not applicable	Not applicable

As at 31 December 2024, the Group's cash and cash equivalents exceeded interest-bearing liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

(1) Cash at bank and on hand

	31 December 2024	31 December 2023
Cash at bank	40,151,667	739,115,618
Deposits of Shandong Port Finance Company	6,336,333,869	3,982,738,126
Other cash balances	-	197,955
Interest receivable	5,327,773	4,134,013
	<u>6,381,813,309</u>	<u>4,726,185,712</u>
Including: Amounts deposited abroad	<u>38,876</u>	<u>39,345</u>

At 31 December 2024, there were no other monetary fund balances (31 December 2023: other monetary funds included the deposit of RMB197,955 deposited by the Company to the bank for the issuance of acceptance notes).

(2) Accounts receivable

	31 December 2024	31 December 2023
Accounts receivable	462,812,450	384,749,809
Less: Provision for bad debts	(19,479,669)	(19,504,682)
	<u>443,332,781</u>	<u>365,245,127</u>

Certain businesses of the Company are dealt in the form of cash, advances from customers, bank acceptance notes, or trade acceptance notes. The remains are settled mainly by providing credit terms of 30-90 days.

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

	31 December 2024	31 December 2023
Within 1 year	460,206,329	380,576,521
1 to 2 years	-	980,500
2 to 3 years	-	3,192,788
Over 3 years	2,606,121	-
	<u>462,812,450</u>	<u>384,749,809</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(2) Accounts receivable (Continued)

- (b) As at 31 December 2024, accounts receivable with top five closing balances, grouped by the party in arrears, are summarized and analyzed as follows:

	Balance of accounts receivable	Balance of contract assets	Provision for bad debts and impairment provisions	% of total balance of accounts receivable and contract assets
Total amount of top five accounts receivable and contract assets	<u>165,991,884</u>	<u>-</u>	<u>(4,414,528)</u>	<u>35.87%</u>

- (c) In 2024, the Company did not have any accounts receivable that were derecognized due to the transfer of financial assets (31 December 2023: nil).

(d) Provision for bad debts

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

	31 December 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Accrual ratio	Amount	% of total balance	Amount	Accrual ratio
Provision for bad debts on an individual basis (i)	-	-	-	-	-	-	-	-
Provision for bad debts on a portfolio basis (ii)	<u>462,812,450</u>	<u>100.00%</u>	<u>(19,479,669)</u>	<u>4.21%</u>	<u>384,749,809</u>	<u>100.00%</u>	<u>(19,504,682)</u>	<u>5.07%</u>
	<u>462,812,450</u>	<u>100.00%</u>	<u>(19,479,669)</u>	<u>4.21%</u>	<u>384,749,809</u>	<u>100.00%</u>	<u>(19,504,682)</u>	<u>5.07%</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(2) Accounts receivable (Continued)

(d) Provision for bad debts (Continued)

(i) As at 31 December 2024, the Company had no accounts receivable with provision for bad debts on an individual basis (31 December 2023: Nil).

(ii) Provisions for bad debts of accounts receivable on a portfolio basis are analyzed as follows:

Portfolio accrual items – related party portfolios:

	31 December 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Within 1 year	91,209,968	-	-	7,053,027	-	-
1 to 2 years	-	-	-	-	-	-
Over 2 years	-	-	-	-	-	-
	<u>91,209,968</u>		<u>-</u>	<u>7,053,027</u>		<u>-</u>

Portfolio accrual items – accounts receivable from related parties outside the scope of consolidation and third parties:

	31 December 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Within 1 year	368,996,361	4.93%	(18,176,609)	373,523,494	4.29%	(16,005,782)
1 to 2 years	-	-	-	980,500	31.22%	(306,112)
Over 2 years	<u>2,606,121</u>	<u>50.00%</u>	<u>(1,303,060)</u>	<u>3,192,788</u>	<u>100.00%</u>	<u>(3,192,788)</u>
	<u>371,602,482</u>		<u>(19,479,669)</u>	<u>377,696,782</u>		<u>(19,504,682)</u>

(iii) No provision for bad debts was reversed in the year 2024, and the provision for bad debts on a portfolio basis amounted to RMB (25,013).

(e) There were no actual write-offs of accounts receivable and no provision for bad debts during the year.

(f) As at 31 December 2024, the Company had no pledged accounts receivable (31 December 2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(3) Financing receivables

	31 December 2024	31 December 2023
Bank acceptance notes	<u>106,404,448</u>	<u>113,506,237</u>

- (a) Certain bank acceptance notes satisfied the derecognition criteria and were endorsed or discounted by the Company for the purpose of daily treasury management; thereby, these bank acceptance notes with good credit rating were categorised as financial assets at fair value through other comprehensive income. As at 31 December 2024, the Company measures the provision for bad debts based on the expected credit loss throughout its lifetime. The credit risk characteristics of the bank acceptance notes held by the Company were similar, and no provision for impairment was made individually. In addition, there was no significant credit risk associated with its bank acceptance notes, and it did not expect that there would be any significant losses from non-performance by these banks.

In 2024, the Company transferred substantially all the risks and rewards of ownership of the endorsed and discounted bank acceptance notes to other parties. The book values of derecognised bank acceptance notes were RMB625,010,892 and RMB0 (2023: RMB688,411,467 and RMB98,090,765), respectively, and there were no related discount losses (2023: RMB386,505, all recognized in investment income).

- (b) As at 31 December 2024, the Company had no pledged bank acceptance notes presented as financing receivables (31 December 2023: nil).
- (c) As at 31 December 2024, the Company has no bank acceptance notes (31 December 2023: RMB255,466,534) that have been discounted or endorsed but not yet matured.

In 2024, the Company did not have any write-offs of significant financing receivables (2023: nil).

(4) Other receivables

	31 December 2024	31 December 2023
Entrusted loans provided to subsidiaries	406,539,642	256,340,267
Dividend receivable	143,852,122	435,195,411
Agency business receivables	42,626,018	48,078,729
Construction expenditures paid on behalf of subsidiaries	29,999,957	29,999,957
Supplementary medical insurance fund	5,618,554	15,218,692
Deposits and guarantees receivable	1,184,350	2,415,700
Equity interest transfer payment	–	14,616,772
Others	9,469,362	14,165,664
	<u>639,290,005</u>	<u>816,031,192</u>
Less: Provision for bad debts	<u>(749,898)</u>	<u>(3,262,098)</u>
	<u>638,540,107</u>	<u>812,769,094</u>

The Company has no amounts aggregated to other items and presented in other receivables for centralised fund management.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(4) Other receivables (Continued)

(a) The aging of other receivables is analyzed as follows:

	31 December 2024	31 December 2023
Within 1 year	598,865,168	691,350,273
1 to 2 years	6,143,326	82,209,356
2 to 3 years	4,119,054	8,765,606
Over 3 years	30,162,457	33,705,957
	<u>639,290,005</u>	<u>816,031,192</u>

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

Provisions for bad debts of other receivables are analysed by category as follows:

	31 December 2024				31 December 2023			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	% of total				% of total			
	Amount	balance	Amount	Accrual ratio	Amount	balance	Amount	Accrual ratio
Provision for bad debts on an individual basis (i)	-	-	-	-	-	-	-	-
Provision for bad debts on a portfolio basis (ii)	639,290,005	100%	(749,898)	0.12%	816,031,192	100%	(3,262,098)	0.40%
	<u>639,290,005</u>	<u>100%</u>	<u>(749,898)</u>	<u>0.12%</u>	<u>816,031,192</u>	<u>100%</u>	<u>(3,262,098)</u>	<u>0.40%</u>

	Stage 1				
	ECL over the next 12 months (portfolio)		ECL over the next 12 months (individual)		Total
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision for bad debts
31 December 2023	816,031,192	(3,262,098)	-	-	(3,262,098)
Increase in the current year	-	-	-	-	-
Decrease in the current year	(176,741,187)	2,512,200	-	-	2,512,200
31 December 2024	<u>639,290,005</u>	<u>(749,898)</u>	<u>-</u>	<u>-</u>	<u>(749,898)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(4) Other receivables (Continued)

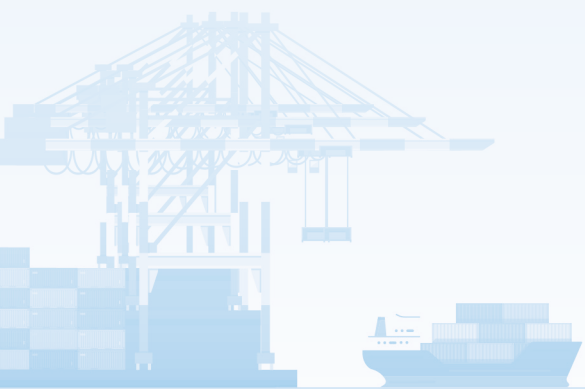
(b) Loss provisions and the movement in the book balance (Continued)

As at 31 December 2024, the Company did not have any other receivables that were at Stage 2 and Stage 3 (31 December 2023: nil). Other receivables at Stage 1 are analysed as follows:

- (i) As at 31 December 2024, there were no other receivables for which the related provision for bad debts was provided on an individual basis.
- (ii) As at 31 December 2024 and 31 December 2023, other receivables for which the related provision for bad debts is provided on the grouping basis are all in Stage 1. The analysis is as follows:

	31 December 2024			31 December 2023		
	Book balance	Loss provisions		Book balance	Loss provisions	
	Amount	Amount	Accrual ratio	Amount	Amount	Accrual ratio
Internal company combinations	437,749,267	-	-	300,956,996	-	-
Agency business receivables portfolio	42,626,018	(70,758)	0.17%	48,078,729	(1,650,056)	3.43%
Deposit and guarantee portfolios	1,084,350	-	-	2,415,700	(92,796)	3.84%
Dividend receivable portfolio	143,852,122	-	-	435,195,411	-	-
Other portfolios	13,978,248	(679,140)	4.86%	29,384,356	(1,519,246)	5.17%
	<u>639,290,005</u>	<u>(749,898)</u>		<u>816,031,192</u>	<u>(3,262,098)</u>	

- (c) No provision for bad debts was recognized during the year and the amount of provision for bad debts reversed was RMB2,512,200, and there were no actual write-offs of other receivables and provision for bad debts during the year.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(4) Other receivables (Continued)

(d) As at 31 December 2024, other receivables with top five closing balances, grouped by the party in arrears, are analyzed as follows:

	Nature	Balance	Aging	% of total balance of other receivables	Provision for bad debts
Mercuria Logistics	Entrusted loans and construction expenditures paid on behalf	300,358,832	Within 1 year and over 5 years	46.98%	—
QDP Logistics	Dividend receivable	138,102,501	Within 1 year	21.60%	—
Dongjiakou General Terminal	Entrusted loans	136,347,838	Within 1 year	21.33%	—
Shandong Branch of Ping An Endowment Insurance Co., Ltd.	Supplementary medical insurance fund	5,618,554	Within 1 year	0.88%	—
Sinopec Qingdao	Dividend receivable	4,119,054	2 to 3 years	0.64%	—
		<u>584,546,779</u>		<u>91.43%</u>	<u>—</u>

(e) As at 31 December 2024, the Company did not have government grants recognized in accordance with the amount receivable (31 December 2023: nil).

(f) As at 31 December 2024, the Company had no pledged other receivables (31 December 2023: nil).

(5) Long-term receivables

	31 December 2024	31 December 2023
Loans provided to subsidiaries	1,098,618,563	1,872,224,584
Less: Overdue within one year	(468,618,563)	(430,224,584)
	630,000,000	1,442,000,000
Provision for loan impairment	—	—
	630,000,000	1,442,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(5) Long-term receivables (Continued)

(a) Loss provisions and the movement in the book balance

	Stage 1	
	ECL over the next 12 months (portfolio)	
	Book balance	Provision for bad debts
31 December 2023	1,872,224,584	-
Increase in the current year	74,044,451	-
Decrease in the current year	(847,650,473)	-
31 December 2024	<u>1,098,618,562</u>	<u>-</u>

As at 31 December 2024 and 31 December 2023, the Company did not have the long-term receivables for the provision for bad debts on an individual basis, and the long-term receivables for the provision for bad debts on a portfolio basis are all in Stage 1. The analysis is as follows:

	31 December 2024			31 December 2023		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual ratio	Amount	Amount	Accrual ratio
Internal company combinations	<u>1,098,618,563</u>	<u>-</u>	-	<u>1,872,224,584</u>	<u>-</u>	-

(6) Long-term equity investments

	31 December 2024	31 December 2023
Subsidiaries (a)	8,747,888,225	8,513,059,032
Joint ventures (b)	11,212,049,008	10,902,587,881
Associates (c)	2,759,281,871	2,670,170,830
	<u>22,719,219,104</u>	<u>22,085,817,743</u>

As at 31 December 2024, the Company's management believed that there was no indication that long-term equity investments might be impaired, therefore, no provision for impairment was made. (31 December 2024: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(6) Long-term equity investments (Continued)

(a) Subsidiaries

	31 December 2023	Movements in the current year		31 December 2024	Profit declared in the current year
		Additional investments	Decrease in investments		
Qinggang Barge	588,095,404	–	–	588,095,404	86,094,065
China Ocean Shipping Tally Weihai	1,832,463	–	–	1,832,463	–
International Oil Port	20,000,000	–	–	20,000,000	320,516,124
Qingdao Port Properties	8,000,000	–	–	8,000,000	3,066,406
QMT	1,284,094,256	–	–	1,284,094,256	–
Tongze Trading	10,000,000	–	–	10,000,000	3,852,213
Mercuria Logistics	273,278,376	–	–	273,278,376	–
Ocean Shipping Repair	3,666,959	–	(3,666,959)	–	695,031
Power Supply Company	134,195,060	–	–	134,195,060	80,000,000
Qingdong Pipeline	255,000,000	–	–	255,000,000	29,417,362
Gangjia Logistics	7,299,874	–	–	7,299,874	1,530,000
Dongjiakou Oil Storage	150,000,000	–	–	150,000,000	–
Weihai Qingwei	211,227,174	–	–	211,227,174	–
QDP Logistics	1,147,303,465	–	–	1,147,303,465	460,243,075
Zhenhua Petroleum Storage	148,920,000	–	–	148,920,000	–
International Development	460,574,092	–	–	460,574,092	–
Schweitzer Tug	115,500,000	–	–	115,500,000	4,831,794
Nangang Oil & Gas	43,450,000	1,556,152	–	45,006,152	602,697
Construction & Management Centre	10,000,000	–	–	10,000,000	–
Port Service	24,952,229	–	–	24,952,229	1,079,199
Tongda Energy	142,500,000	–	–	142,500,000	8,969,179
Qingdao Shipping	389,296,880	–	–	389,296,880	117,509,299
Cultural & Media	3,000,000	–	–	3,000,000	192,522
Dongjiakou Oil Products	300,368,260	–	–	300,368,260	210,000,000
Qingzi Logistics	200,000,000	–	–	200,000,000	–
Dongjiakou General Terminal	880,000,000	240,000,000	–	1,120,000,000	–
Red Star Logistics	179,531,785	–	–	179,531,785	–
Shandong Port Lianhua	441,660,000	–	–	441,660,000	314,950,741
Weihai Port Development Company	622,103,297	–	–	622,103,297	–
Dongjiakou Liquid Chemical Industry	384,149,458	–	–	384,149,458	17,289,296
Emergency Rescue	40,000,000	–	–	40,000,000	–
Zhonghang Operation	3,060,000	–	(3,060,000)	–	–
Container Development Company	30,000,000	–	–	30,000,000	496,471,936
	<u>8,513,059,032</u>	<u>241,556,152</u>	<u>(6,726,959)</u>	<u>8,747,888,225</u>	<u>2,157,310,939</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(6) Long-term equity investments (Continued)

(b) Joint ventures

	31 December 2023	Movements in the current year					31 December 2024
		Share of net profit/(loss) under equity method	Cash dividends or profits declared	Adjustments to other comprehensive income	Changes in other equities	Unrealized gains or losses on intra-group transactions	
QQCT	7,851,115,478	1,183,946,528	(1,007,855,762)	(5,650,994)	568,452	4,396,094	8,026,519,796
Qingdao Shihua	1,429,312,184	158,920,236	-	(1,345,000)	1,941,417	200,472	1,589,029,309
Western Union	535,243,050	(4,988,616)	(15,300,000)	(5,763,000)	837,696	93,975	510,123,105
Huaneng Qingdao	126,038,667	5,299,503	-	-	-	1,489,699	132,827,869
Dongjiakou Wanbang Logistics	67,593,223	(171,399)	-	-	-	-	67,421,824
QDOT	671,591,128	7,168,908	-	(3,903,000)	-	810,593	675,667,629
Dongjiakou Sinotrans Logistics	52,037,632	373,061	-	-	-	-	52,410,693
PetroChina Storage	169,656,519	(1,513,585)	(10,094,151)	-	-	-	158,048,783
	<u>10,902,587,881</u>	<u>1,349,034,636</u>	<u>(1,033,249,913)</u>	<u>(16,661,994)</u>	<u>3,347,565</u>	<u>6,990,833</u>	<u>11,212,049,008</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(6) Long-term equity investments (Continued)

(c) Associates

	31 December 2023	Movements in the current year					31 December 2024
		Share of net profit/(loss) under equity method	Cash dividends declared	Adjustments to other comprehensive income	Changes in other equities	Unrealized gains or losses on intra- group transactions	
GSBN	8,963,521	(3,711,321)	-	970,528	-	-	6,222,728
Qingdao Port Engineering Technology Company	172,836,850	19,283,083	-	-	(10,084,964)	(13,864,354)	168,170,615
Qingyin Leasing	49,500,969	6,118,259	(7,565,008)	-	-	-	48,054,220
Gulf Liquid Chemical	161,067,668	26,849,483	(9,000,000)	-	(1,223,627)	-	177,693,524
Overseas Development	111,734,541	1,595,476	-	-	-	-	113,330,017
Shandong Port Finance Company	6,124,274	998,630	-	-	-	-	7,122,904
Luhai Equipment Group	1,560,406,549	112,485,597	(50,559,423)	(5,518,356)	-	-	1,616,814,367
Qingdao	78,988,127	25,785,524	-	-	(1,417,501)	(3,678,914)	99,677,236
Zhenhua Petroleum Storage	480,200,000	1,366,895	-	-	-	-	481,566,895
Shangang Luhai Jinan	40,348,331	281,034	-	-	-	-	40,629,365
	<u>2,670,170,830</u>	<u>191,052,660</u>	<u>(67,124,431)</u>	<u>(4,547,828)</u>	<u>(12,726,092)</u>	<u>(17,543,268)</u>	<u>2,759,281,871</u>

As stated in Note II. (1), at the preparation of the Company's financial statements, long-term equity investments of Qingdao Port Group that were contributed into the Company are recognized into the Company's balance sheet based on the appraisal values approved by the competent state-owned management authorities.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(7) Investment properties

	Buildings	Land use rights	Total
Original cost			
31 December 2023	42,827,926	1,054,423,288	1,097,251,214
Transfer from fixed assets	15,799,360	–	15,799,360
Transfer from intangible assets	–	58,292,883	58,292,883
31 December 2024	58,627,286	1,112,716,171	1,171,343,457
Accumulated depreciation			
31 December 2023	(13,889,186)	(253,880,365)	(267,769,551)
Current year accrual	(2,068,939)	(29,367,165)	(31,436,104)
Transfer from fixed assets	(4,475,306)	–	(4,475,306)
Transfer from intangible assets	–	(11,270,867)	(11,270,867)
31 December 2024	(20,433,431)	(294,518,397)	(314,951,828)
Book value			
31 December 2024	38,193,855	818,197,774	856,391,629
31 December 2023	28,938,740	800,542,923	829,481,663
	Buildings	Land use rights	Total
Original cost			
31 December 2022	267,633,057	1,384,387,400	1,652,020,457
Transfer to intangible assets	–	(329,964,112)	(329,964,112)
Invested subsidiaries	(224,805,131)	–	(224,805,131)
31 December 2023	42,827,926	1,054,423,288	1,097,251,214
Accumulated depreciation			
31 December 2022	(94,813,130)	(299,325,262)	(394,138,392)
Current year accrual	(6,118,873)	(16,046,320)	(22,165,193)
Transfer to intangible assets	–	61,491,217	61,491,217
Invested subsidiaries	87,042,817	–	87,042,817
31 December 2023	(13,889,186)	(253,880,365)	(267,769,551)
Book value			
31 December 2023	28,938,740	800,542,923	829,481,663
31 December 2022	172,819,927	1,085,062,138	1,257,882,065

As at 31 December 2024, the management of the Company considered that there is no indication that the investment properties may be impaired, therefore, no provision for impairment is recorded (31 December 2023: nil).

As at 31 December 2024, no investment properties are without certificates. (31 December 2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(8) Fixed assets

	31 December 2024	31 December 2023
Fixed assets	11,444,086,669	11,458,431,848
Disposal of fixed assets	1,723,060	644,904
	<u>11,445,809,729</u>	<u>11,459,076,752</u>

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office equipment and other equipment	Total
Original cost										
31 December 2023	390,381,972	6,699,449,934	6,010,564,974	1,559,897,158	275,812,528	-	63,806,019	175,514,586	25,926,372	15,201,353,543
Increase in the current year										
Purchase in the current year	-	104,155	-	7,153,885	10,724,902	-	7,524,396	10,899,528	760,175	37,167,041
Transfer from construction in progress	19,276,577	227,742,588	29,924,715	176,984,404	29,627,678	-	375,457	1,909,735	7,901	485,849,055
Reclassification and adjustments	62,483,528	(44,355,748)	(43,384,751)	2,863,296	27,092,673	-	106,489	(2,703,296)	(8,949,577)	(6,847,386)
Decrease in the current year										
Disposal and scrapping	-	(100)	(87,985)	(45,677,155)	(1,639,956)	-	(5,484,797)	(558,452)	(418,707)	(53,867,152)
Transfer to investment properties	(15,799,360)	-	-	-	-	-	-	-	-	(15,799,360)
Reclassification and adjustments	-	-	-	-	-	-	-	(2,924,528)	-	(2,924,528)
Others	-	(47,414)	-	-	-	-	-	-	-	(47,414)
31 December 2024	456,342,717	6,882,893,415	5,997,016,953	1,701,221,588	341,617,825	-	66,327,564	182,137,573	17,326,164	15,644,883,799

Accumulated depreciation										
31 December 2023	(126,286,895)	(1,586,982,481)	(788,317,863)	(912,147,609)	(166,321,674)	-	(39,884,660)	(105,014,343)	(17,966,170)	(3,742,921,695)
Increase in the current year										
Current year accrual	(16,647,273)	(176,566,817)	(204,797,960)	(75,588,031)	(27,986,302)	-	(3,510,542)	(16,062,713)	(1,603,775)	(522,763,413)
Reclassification and adjustments	(561,971)	1,515,835	2,745,036	9,556,211	(4,002,323)	-	(2,070)	(8,019,849)	6,714,899	7,945,768
Decrease in the current year										
Disposal and scrapping	-	96	23,932	44,226,175	1,544,771	-	5,242,005	536,114	332,302	51,905,395
Transfer to investment properties	4,475,306	-	-	-	-	-	-	-	-	4,475,306
Reclassification and adjustments	-	-	-	-	-	-	-	561,509	-	561,509
31 December 2024	(139,020,833)	(1,762,033,367)	(990,346,855)	(933,953,254)	(196,765,528)	-	(38,155,267)	(127,999,282)	(12,522,744)	(4,200,797,130)

Net book value										
31 December 2024	317,321,884	5,120,860,048	5,006,670,098	767,268,334	144,852,297	-	28,172,297	54,138,291	4,803,420	11,444,086,669
31 December 2023	264,095,077	5,112,467,453	5,222,247,111	647,749,549	109,490,854	-	23,921,359	70,500,243	7,960,202	11,458,431,848

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(8) Fixed assets (Continued)

	Buildings	Port facilities	Storage facilities	Loading equipment	Machinery and equipment	Vessels	Transportation equipment	Communication facilities	Office equipment and other equipment	Total
Original cost										
31 December 2022	436,019,217	6,424,432,942	4,806,250,202	1,388,366,567	260,747,544	114,744,198	55,160,471	166,361,259	26,419,165	13,678,501,565
Increase in the current year										
Purchase in the current year	16,367	-	-	21,382,571	9,975,754	-	5,363,453	11,068,251	967,346	48,773,742
Transfer from construction in progress	46,200,106	277,574,205	1,263,892,255	181,726,940	22,201,035	92,022,820	6,349,558	1,618,351	60,774	1,891,646,044
Decrease in the current year										
Disposal and scrapping	(6,201,185)	(1,693,128)	-	(31,578,920)	(12,704,725)	-	(3,067,463)	(3,445,848)	(1,520,913)	(60,212,182)
Transfer to held-for-sale	(69,273,350)	(464,987)	-	-	(4,407,080)	-	-	-	-	(74,145,417)
Invested subsidiaries	(16,379,183)	(399,098)	(59,577,483)	-	-	(206,767,018)	-	(87,427)	-	(283,210,209)
31 December 2023	390,381,972	6,699,449,934	6,010,564,974	1,559,897,158	275,812,528	-	63,806,019	175,514,586	25,926,372	15,201,353,543
Accumulated depreciation										
31 December 2022	(118,839,071)	(1,409,823,318)	(607,747,450)	(862,754,283)	(148,842,594)	(13,537,847)	(38,406,093)	(90,805,806)	(17,573,843)	(3,308,330,305)
Increase in the current year										
Current year accrual	(19,415,580)	(177,891,502)	(196,404,703)	(79,709,090)	(27,469,166)	(7,002,597)	(3,922,949)	(16,543,908)	(1,789,721)	(530,149,216)
Decrease in the current year										
Disposal and scrapping	1,532,781	505,657	-	30,315,764	8,685,590	-	2,444,382	2,251,441	1,397,394	47,133,009
Transfer to held-for-sale	6,565,782	68,818	-	-	1,304,496	-	-	-	-	7,939,096
Invested subsidiaries	3,869,193	157,864	15,834,290	-	-	20,540,444	-	83,930	-	40,485,721
31 December 2023	(126,286,895)	(1,586,982,481)	(788,317,863)	(912,147,609)	(166,321,674)	-	(39,884,660)	(105,014,343)	(17,966,170)	(3,742,921,695)
Net book value										
31 December 2023	264,095,077	5,112,467,453	5,222,247,111	647,749,549	109,490,854	-	23,921,359	70,500,243	7,960,202	11,458,431,848
31 December 2022	317,180,146	5,014,609,624	4,198,502,752	525,612,284	111,904,950	101,206,351	16,754,378	75,555,453	8,845,322	10,370,171,260

As at 31 December 2024, the Company had no fixed assets that were pledged and no temporarily idle fixed assets. (31 December 2023: nil).

For the year ended 31 December 2024, the amounts of depreciation expenses were RMB522,763,413 (For the year ended 31 December 2023: RMB530,149,216) including charged to cost of sales, general and administrative expenses, selling and distribution expenses and research and development expenditure were RMB504,322,844, RMB18,033,612, RMB11,840 and RMB395,117 respectively (For the year ended 31 December 2023: RMB511,239,922, RMB18,455,719, RMB0 and RMB453,575).

The original value transferred from construction in progress to fixed assets was RMB485,849,055 (For the year ended 31 December 2023: RMB1,891,646,044).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(8) Fixed assets (Continued)

As at 31 December 2024, the management of the Company considered that there is no indication that the fixed assets may be impaired, therefore, no provision for impairment is recorded (31 December 2023: nil).

As at 31 December 2024, properties with book values of RMB188,203,046 (Original cost: RMB213,436,061) (As at 31 December 2023, RMB178,009,424 Original cost: RMB196,881,755) were located on non-ownership land and had not yet completed the financial accounts for the completion of the project. The property right certificate had not been obtained.

Fixed assets leased by the Company through operating leases are set out in Note IV. (15).

The lease contracts signed by the Company as lessor have no residual value guarantee clauses.

(9) Construction in progress

	31 December 2024			31 December 2023		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Dongjiakou Port Oil Products						
Phase I, Phase II, and						
Phase III Project	325,616,474	-	325,616,474	455,355,556	-	455,355,556
Other projects	224,022,786	-	224,022,786	308,089,323	-	308,089,323
	<u>549,639,260</u>	<u>-</u>	<u>549,639,260</u>	<u>763,444,879</u>	<u>-</u>	<u>763,444,879</u>

The book value of the Company's projects under construction or major projects under construction with an additional amount greater than RMB100 million are listed as follows:

(a) Changes in significant construction in progress

Project name	Budget	31 December 2023	Increase in		Capital	Other decreases	31 December 2024	Percentage of		Project progress	Sources of capital
			the current year	Transfer to fixed assets	contribution in the current year			progress	investment to the budget		
Dongjiakou Port Oil Products											
Phase I, Phase II, and											
Phase III Project	825,755,775	455,355,556	128,237,651	(254,518,011)	-	(3,458,722)	325,616,474	71%	71%	Internal capital	
Other projects	-	308,089,323	151,567,016	(231,331,044)	-	(4,302,509)	224,022,786	-	-	Internal capital	
		763,444,879	279,804,667	(485,849,055)	-	(7,761,231)	549,639,260				

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(9) Construction in progress (Continued)

(a) Changes in significant construction in progress (Continued)

Project name	Budget	31 December 2022	Increase in the current year	Transfer to fixed assets	Capital contribution in the current year	Other decreases	31 December 2023	Percentage of progress investment to the budget	Project progress	Sources of capital
Dongjiakou Port Oil Products Phase I, Phase II, and Phase III Project	825,755,775	461,705,404	471,698	-	-	(6,821,546)	455,355,556	56%	56%	Internal capital
No. 1 and 2 berths of Dongjiakou North No. 2 Causeway	1,267,950,000	366,562,546	3,586,540	(370,149,086)	-	-	-	100%	100%	Internal capital and raised funds
Dongjiakou crude oil commercial reserve project	4,480,000,000	287,123,994	448,125,732	(735,249,726)	-	-	-	100%	100%	Internal capital
Dongjiakou port area north three embankment rear yard project	300,000,000	138,874,346	99,395,258	(238,269,604)	-	-	-	100%	100%	Internal capital
Dongjiakou Port Area Front Expansion Project	194,850,000	115,626,659	37,484,311	(153,110,970)	-	-	-	100%	100%	Internal capital
Dongjiakou Huaneng wharf phase II project	1,000,500,000	98,187,240	8,436,729	(106,623,969)	-	-	-	100%	100%	Internal capital
Other projects	-	447,950,736	155,236,678	(288,242,689)	(6,855,402)	-	308,089,323	-	-	Internal capital
		<u>1,916,030,925</u>	<u>752,736,946</u>	<u>(1,891,646,044)</u>	<u>(6,855,402)</u>	<u>(6,821,546)</u>	<u>763,444,879</u>			

As at 31 December 2024, the management of the Company considered that there is no indication that the construction in progress may be impaired, therefore, no provision for impairment is recorded (31 December 2023: nil).

In 2024, the Company had no capitalized borrowing costs (2023: nil).

The Company's self-built buildings, port facilities, and warehouse facilities will be transferred to fixed assets after completion and acceptance in 2024 and will be transferred to fixed assets accordingly, while machinery and equipment will be transferred to fixed assets after installation, commissioning, and acceptance in 2024.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(10) Intangible assets

	Land use rights	Software	Sea area use right	Others	Self-developed data resource intangibles	Total
Original cost						
31 December 2023	2,244,512,407	173,902,955	49,391,000	30,190,624	–	2,497,996,986
Increase in the current year						
Purchase	16,332,329	3,372,648	–	–	–	19,704,977
Internal research and development	–	53,987,021	–	–	258,518	54,245,539
Others	–	2,924,528	–	–	–	2,924,528
Decrease in the current year						
Transfer to investment properties	(58,292,883)	–	–	–	–	(58,292,883)
31 December 2024	2,202,551,853	234,187,152	49,391,000	30,190,624	258,518	2,516,579,147
Accumulated amortization						
31 December 2023	(387,530,221)	(97,138,137)	(2,551,873)	(29,193,749)	–	(516,413,980)
Increase in the current year						
Accrual	(42,772,014)	(32,366,105)	(987,815)	(996,875)	(71,811)	(77,194,620)
Others	–	(561,509)	–	–	–	(561,509)
Decrease in the current year						
Transfer to investment properties	11,270,866	–	–	–	–	11,270,866
31 December 2024	(419,031,369)	(130,065,751)	(3,539,688)	(30,190,624)	(71,811)	(582,899,243)
Book value						
31 December 2024	1,783,520,484	104,121,401	45,851,312	–	186,707	1,933,679,904
31 December 2023	1,856,982,186	76,764,818	46,839,127	996,875	–	1,981,583,006



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(10) Intangible assets (Continued)

	Land use rights	Software	Sea area use right	Others	Total
Original cost					
31 December 2022	2,349,638,306	124,349,935	49,391,000	32,290,966	2,555,670,207
Increase in the current year					
Purchase	–	31,714,524	–	–	31,714,524
Internal research and development	–	24,302,416	–	–	24,302,416
Transfer from investment properties	329,964,112	–	–	–	329,964,112
Decrease in the current year					
Disposal and scrapping	–	(523,165)	–	(2,100,342)	(2,623,507)
Transfer to held-for-sale	(22,060,128)	–	–	–	(22,060,128)
Invested subsidiaries	(413,029,883)	(5,940,755)	–	–	(418,970,638)
31 December 2023	2,244,512,407	173,902,955	49,391,000	30,190,624	2,497,996,986
Accumulated amortization					
31 December 2022	(360,126,017)	(70,981,893)	(1,564,053)	(29,402,776)	(462,074,739)
Increase in the current year					
Accrual	(60,226,685)	(27,491,393)	(987,820)	(1,886,979)	(90,592,877)
Transfer from investment properties	(61,491,217)	–	–	–	(61,491,217)
Decrease in the current year					
Disposal and scrapping	–	351,852	–	2,096,006	2,447,858
Transfer to held-for-sale	3,340,547	–	–	–	3,340,547
Invested subsidiaries	90,973,151	983,297	–	–	91,956,448
31 December 2023	(387,530,221)	(97,138,137)	(2,551,873)	(29,193,749)	(516,413,980)
Book value					
31 December 2023	1,856,982,186	76,764,818	46,839,127	996,875	1,981,583,006
31 December 2022	1,989,512,289	53,368,042	47,826,947	2,888,190	2,093,595,468

For the year ended 31 December 2024, the amortization of intangible assets amounted to RMB77,194,620 (For the year ended 31 December 2023: RMB90,592,877).

On 31 December 2024, the Company had no pledged intangible assets (31 December 2023: Nil).

As at 31 December 2024, the management of the Company considered that there is no indication that the intangible assets may be impaired, therefore, no provision for impairment is recorded (31 December 2023: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(11) Provision for impairment of assets and losses

	31 December 2023	Decrease in the current year Reversal	31 December 2024
Provisions for bad debts of accounts receivable	19,504,682	(25,013)	19,479,669
Including: Provision for bad debts on an individual basis	–	–	–
Provision for bad debts on a portfolio basis	19,504,682	(25,013)	19,479,669
Provisions for bad debts of other receivables	3,262,098	(2,512,200)	749,898
Including: Provision for bad debts on an individual basis	–	–	–
Provision for bad debts on a portfolio basis	3,262,098	(2,512,200)	749,898
	<u>22,766,780</u>	<u>(2,537,213)</u>	<u>20,229,567</u>
	31 December 2022	Decrease in the current year Reversal	31 December 2023
Provisions for bad debts of accounts receivable	98,579,299	(79,074,617)	19,504,682
Including: Provision for bad debts on an individual basis	–	–	–
Provision for bad debts on a portfolio basis	98,579,299	(79,074,617)	19,504,682
Provisions for bad debts of other receivables	5,833,970	(2,571,872)	3,262,098
Including: Provision for bad debts on an individual basis	–	–	–
Provision for bad debts on a portfolio basis	5,833,970	(2,571,872)	3,262,098
	<u>104,413,269</u>	<u>(81,646,489)</u>	<u>22,766,780</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(12) Capital surplus

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Share premium (Note IV.(39)) –				
Capital premium contributed				
by Qingdao Port Group	7,052,279,474	–	–	7,052,279,474
Capital premium contributed				
by Other Promoters	783,586,608	–	–	783,586,608
Issue of new shares	8,652,856,972	–	–	8,652,856,972
Shares issue expenses	(242,175,098)	–	–	(242,175,098)
Business combinations under				
common control	(393,875,022)	–	–	(393,875,022)
Subsidiary minority				
shareholders paid a premium	15,245,576	–	–	15,245,576
Acquisition of minority interests	(12,151,207)	–	–	(12,151,207)
Other capital surplus –				
Share of changes in equity				
other than comprehensive				
income and profit distribution				
of investees under the equity				
method	13,330,798	–	(9,378,527)	3,952,271
Impact of disposal of				
subsidiaries	144,424,899	–	–	144,424,899
	<u>16,013,523,000</u>	<u>–</u>	<u>(9,378,527)</u>	<u>16,004,144,473</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(12) Capital surplus (Continued)

	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Share premium (Note IV.(39)) –				
Capital premium contributed				
by Qingdao Port Group	7,052,279,474	–	–	7,052,279,474
Capital premium contributed				
by Other Promoters	783,586,608	–	–	783,586,608
Issue of new shares	8,652,856,972	–	–	8,652,856,972
Shares issue expenses	(242,175,098)	–	–	(242,175,098)
Business combinations under				
common control	(393,875,022)	–	–	(393,875,022)
Subsidiary minority				
shareholders paid a premium	15,245,576	–	–	15,245,576
Acquisition of minority interests	–	(12,151,207)	–	(12,151,207)
Other capital surplus –				
Share of changes in equity				
other than comprehensive				
income and profit distribution				
of investees under the equity				
method	12,500,677	830,121	–	13,330,798
Impact of disposal of				
subsidiaries	144,424,899	–	–	144,424,899
	<u>16,024,844,086</u>	<u>(11,321,086)</u>	<u>–</u>	<u>16,013,523,000</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(13) Other comprehensive income

	Other comprehensive income in the balance sheet		
	31 December 2023	Amount in the current year	31 December 2024
Other comprehensive income items that will not be subsequently reclassified to profit or loss			
Changes in remeasurement of defined benefit plan obligations	(50,440,000)	(199,460,000)	(249,900,000)
Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method	(4,955,899)	(15,691,466)	(20,647,365)
Other comprehensive income items which will be subsequently reclassified to profit or loss	6,454,322	(5,518,356)	935,966
	<u>(48,941,577)</u>	<u>(220,669,822)</u>	<u>(269,611,399)</u>
Other comprehensive income in the balance sheet			
	31 December 2022	Amount in the current year	31 December 2023
Other comprehensive income items that will not be subsequently reclassified to profit or loss			
Changes in remeasurement of defined benefit plan obligations	18,420,000	(68,860,000)	(50,440,000)
Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method	1,629,835	(6,585,734)	(4,955,899)
Other comprehensive income items which will be subsequently reclassified to profit or loss	1,683,358	4,770,964	6,454,322
	<u>21,733,193</u>	<u>(70,674,770)</u>	<u>(48,941,577)</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

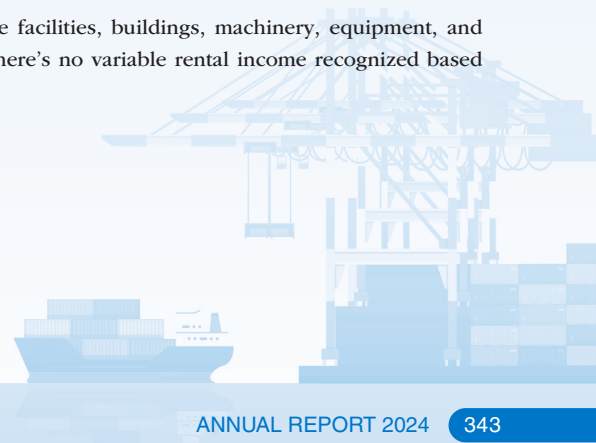
(14) Undistributed profits

	Year ended 31 December 2024	Year ended 31 December 2023
Undistributed profits at the beginning of the period	13,941,413,447	12,244,118,537
Changes in accounting policies (Note II. (30))	—	—
Undistributed profits at the beginning of the period	13,941,413,447	12,244,118,537
Add: Net profit for the current year	4,315,345,088	3,828,164,600
The impact of transferring subsidiaries to associates	—	—
Less: Withdrawal of statutory surplus reserve	(431,534,509)	(382,816,460)
Distribution to shareholders (Note IV. (42))	(2,636,035,710)	(1,748,053,230)
Undistributed profits at the end of the year	15,189,188,316	13,941,413,447

(15) Revenue and cost of sales

	Year ended 31 December 2024		Year ended 31 December 2023	
	Revenue	Cost	Revenue	Cost
Main operations				
– Stevedore service	4,592,535,901	(4,016,027,609)	4,504,332,709	(3,811,891,227)
	<u>4,592,535,901</u>	<u>(4,016,027,609)</u>	<u>4,504,332,709</u>	<u>(3,811,891,227)</u>
Other operations				
– Rental income (i)	801,144,162	(266,384,923)	771,470,930	(272,581,110)
– Rendering of services and others	282,127,197	(12,175,548)	209,794,387	(18,673,372)
	<u>1,083,271,359</u>	<u>(278,560,471)</u>	<u>981,265,317</u>	<u>(291,254,482)</u>
	<u>5,675,807,260</u>	<u>(4,294,588,080)</u>	<u>5,485,598,026</u>	<u>(4,103,145,709)</u>

- (i) The Company's rental income is from leasing port facilities, storage facilities, buildings, machinery, equipment, and transportation equipment. For the year ended 31 December 2024, there's no variable rental income recognized based on a certain percentage of the lessee's sales amount.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(15) Revenue and cost of sales (Continued)

In 2024, revenue from sales of fuel and electricity is recognized when corresponding performance obligations are satisfied at a point in time, and revenue from other services is recognized when corresponding performance obligations are satisfied over time.

As at 31 December 2024, the Company's contracted but unfulfilled or unfulfilled performance obligations correspond to revenues of RMB83,932,456 (31 December 2023: RMB84,189,876), of which the Company expects all will be recognized in 2025.

(16) Financial expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Interest costs	–	768,472
Add: Interest expense on lease liabilities	<u>6,652,762</u>	<u>4,948,666</u>
Interest expenses	6,652,762	5,717,138
Less: Interest income	(81,705,688)	(56,002,737)
Effect of actuarial calculation of employee benefits	41,550,000	47,130,000
Exchange gains or losses	9,372,482	11,673,885
Others	<u>98,267</u>	<u>(328,662)</u>
	<u>(24,032,177)</u>	<u>8,189,624</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(17) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses, and research and development expenses in the income statement are categorized by nature as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Employee benefits	1,492,879,520	1,428,461,132
Cost for outsourcing transportation	1,428,922,378	1,273,090,281
Subcontract cost	582,243,980	564,947,788
Depreciation of fixed assets	522,763,413	530,149,216
Fuel and utility fees	77,474,362	199,057,445
Consumption of other raw materials	166,644,805	154,772,159
Repair expenses	101,797,205	141,487,318
Amortisation of intangible assets	77,194,620	90,592,877
Rental expenses (i)	69,467,960	67,539,241
Depreciation of right-of-use assets	43,151,317	40,595,596
Property management fees	33,491,012	26,243,721
Depreciation of investment properties	31,436,104	22,165,193
Consulting fee	13,789,179	15,656,212
Cost of sales for purchasing fuel and electricity	127,047,834	9,503,280
Auditor's fee	6,871,195	6,912,021
Others	133,521,813	126,542,312
	<u>4,908,696,697</u>	<u>4,697,715,792</u>

- (i) As stated in Note II. (24), the Company's lease expense incurred by short-term lease and low-value lease is recorded in profit or loss. For the year ended on 31 December 2024, the amount is RMB69,467,960 (For the year ended on 31 December 2023: RMB67,539,241).



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(18) Investment income

	Year ended 31 December 2024	Year ended 31 December 2023
Income from long-term equity investments accounted for under the equity method	1,529,534,861	1,485,633,256
Income from long-term equity investments accounted for under the cost method	2,157,310,938	1,629,893,223
Investment income from the disposal of long-term equity investments	2,271,162	10,100,308
Interest income from debt investments during the holding period	72,923,977	96,029,521
Investment income from holding of financial assets held for trading	1,088,235	14,616,710
Discount loss on financing of receivables	–	(386,505)
Investment income from holding of other non-current financial assets	9,325,221	–
Investment income from disposal of other non-current financial assets	24,818,400	–
	<u>3,797,272,794</u>	<u>3,235,886,513</u>

(19) Income tax expense

	Year ended 31 December 2024	Year ended 31 December 2023
Current income tax calculated based on tax law and related regulations	220,513,547	189,528,934
Deferred income tax	(2,394,290)	39,494,123
	<u>218,119,257</u>	<u>229,023,057</u>

The reconciliation from income tax is calculated based on the applicable tax rates and total profit presented in the financial statements to the income tax expenses:

	Year ended 31 December 2024	Year ended 31 December 2023
Total profit	4,533,464,345	4,057,187,657
Income tax expenses calculated at applicable tax rates	1,133,366,086	1,014,296,914
Investment income not subject to tax	(924,042,755)	(778,881,620)
Additional deduction of employee benefits of the disabled	(855,775)	(853,514)
Preference of tax deduction and exemption	–	(8,759,718)
Costs, expenses, and losses not deductible	9,651,701	3,220,995
Income tax expense	<u>218,119,257</u>	<u>229,023,057</u>

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

I. STATEMENT OF NON-RECURRING PROFIT AND LOSS

	Year ended 31 December 2024	Year ended 31 December 2023
Profits or losses on disposal of non-current assets (including write-offs of provision for impairment of assets)	30,023,524	15,340,513
Government grants recognized in current profit or loss (except for the government grants that are closely related to the Company's normal business operations, in line with the national policies and regulations, and in accordance with the determined criteria, and have a continuous impact on the Company's profit or loss)	82,218,604	114,244,162
Profits or losses on changes in the fair values of financial assets and financial liabilities held by non-financial enterprises and profits or losses on disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	16,532,023	18,122,740
One-time effect on profit or loss for the period due to adjustments in tax, accounting, and other laws and regulations (i)	61,130,000	–
Other non-operating income and expenses other than those mentioned above	(5,673,583)	36,554,010
Other profit or loss items that meet the definition of non-recurring profit or loss	16,395,591	24,393,040
Subtotal	200,626,159	208,654,465
Less: Effect of income taxes	(33,425,599)	(50,978,605)
Effect of minority interests (after tax)	(9,251,590)	(27,073,081)
Total	157,948,970	130,602,779



SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2024

(All amounts in RMB Yuan unless otherwise stated)

I. STATEMENT OF NON-RECURRING PROFIT AND LOSS (Continued)

(1) Basis for preparation of statement of non-recurring profit or loss

In 2023, the China Securities Regulatory Commission issued the *Explanatory Announcement for Information Disclosure of Companies Offering Securities to the Public No. 1 – Non-recurring Profit or Loss* (Revised in 2023), (“2023 No. 1 Explanatory Announcement”), which became effective on the issuance date. The Group prepares the 2024 statement of non-recurring profit or loss according to the 2023 No. 1 Explanatory Announcement.

- (i) On 13 September 2024, the Standing Committee of the Fourteenth National People’s Congress adopted the *Decision of the Standing Committee of the National People’s Congress on the Implementation of a Gradual Delay in the Mandatory Retirement Age* at its eleventh meeting, and the delayed retirement was formally implemented from 1 January 2025 onwards. The implementation of the decision resulted in a decrease of RMB61,130,000 in the present value of the defined benefit plan obligations related to services provided by employees in previous periods, which was recognized as a one-time effect on the profit or loss for the current period due to adjustments to tax, accounting and other laws and regulations, and was included in the non-recurring profit or loss for the current period.

II. RETURN ON EQUITY AND EARNINGS PER SHARE

	Weighted average return		Earnings per share			
	on equity (%)		Basic earnings per share		Diluted earnings per share	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Net profit attributable to ordinary shareholders of the Company	12.65%	12.70%	0.81	0.76	0.81	0.76
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	12.27%	12.36%	0.78	0.74	0.78	0.74

