辽宁港口股份有限公司
LIAONING PORT CO., LTD.*

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 2880)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2021

The board of directors (the "**Board**") of Liaoning Port Co., Ltd.* (the "**Company**") is pleased to announce the unaudited financial results of the Company and its subsidiaries (the Company and its subsidiaries, collectively referred to as the "**Group**") prepared pursuant to China Accounting Standards for Business Enterprises for the six months ended 30 June 2021.

OPERATING RESULTS

The results for the six months ended 30 June 2021, which have been reviewed by the Group's auditors and the Company's audit committee, are as follows:

CONSOLIDATED BALANCE SHEET
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)
(All amounts in RMB Yuan unless otherwise stated; this applies to the below section)

ASSETS	30 June 2021 Consolidated	31 December 2020 Consolidated (Restated)
Current assets		
Cash at bank and on hand	6,053,141,490.98	7,390,716,460.41
Financial assets held for trading	–	903,950,958.91
Notes receivable	367,267,740.59	409,666,882.28
Accounts receivable	2,731,116,913.35	1,895,779,349.88
Receivables financing	338,880,139.91	–
Other receivables	507,162,379.58	365,501,550.32
Inventories	112,375,491.74	106,349,341.46
Contract assets	–	–
Advances to suppliers	59,729,612.85	36,614,916.07
Non-current assets due within one year	–	–
Other current assets	50,835,954.64	72,650,448.97
Total current assets	10,220,509,723.64	11,181,229,908.30

ASSETS	30 June 2021 Consolidated	31 December 2020 Consolidated (Restated)
Non-current assets		
Long-term receivables	30,428,295.76	80,486,851.34
Long-term equity investments	3,692,783,672.92	3,701,209,332.27
Investments in other equity instruments	202,625,018.90	204,067,639.27
Investment properties	182,517,029.35	202,727,314.03
Fixed assets	26,332,777,817.38	27,145,048,124.26
Construction in progress	2,708,854,197.31	2,648,649,114.25
Right-of-use assets	6,752,336,795.50	6,526,116,478.72
Intangible assets	3,014,980,462.68	3,068,398,048.16
Goodwill	232,147,964.96	239,567,203.59
Long-term prepaid expenses	54,308,198.38	62,263,734.24
Deferred income tax assets	158,011,532.10	144,226,490.31
Other non-current assets	21,868,969.18	33,782,189.01
Total non-current assets	43,383,639,954.42	44,056,542,519.45
Total assets	53,604,149,678.06	55,237,772,427.75

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2021 Consolidated	31 December 2020 Consolidated (Restated)
Current liabilities		
Short-term borrowings	–	150,142,083.34
Notes payable	–	–
Accounts payable	290,136,750.11	330,614,406.05
Advances from customers	2,975,084.02	3,154,967.98
Contract liabilities	187,183,617.07	170,396,207.33
Employee benefits payable	166,766,161.92	323,645,341.49
Taxes payable	147,013,294.39	118,243,546.35
Other payables	1,358,955,622.56	696,203,173.26
Non-current liabilities due within one year	1,413,128,753.20	2,739,874,519.62
Total current liabilities	3,566,159,283.27	4,532,274,245.42
Non-current liabilities		
Long-term borrowings	1,026,605,376.01	1,132,693,298.00
Bonds payable	2,482,915,807.61	3,547,236,158.87
Lease liabilities	6,804,365,879.98	6,557,286,700.42
Long-term payables	25,070,000.00	44,070,000.00
Estimated liabilities	32,760,218.42	32,760,218.42
Deferred income	525,796,276.21	549,147,318.64
Deferred income tax liabilities	364,422,720.03	509,789,726.40
Other non-current liabilities	68,834,879.11	69,655,256.65
Total non-current liabilities	11,330,771,157.37	12,442,638,677.40

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2021 Consolidated	31 December 2020 Consolidated (Restated)
Total liabilities	14,896,930,440.64	16,974,912,922.82
Shareholders' equity		
Share capital	22,623,429,453.00	12,894,535,999.00
Capital surplus	8,154,526,954.93	17,703,030,172.23
Other comprehensive income	80,174,591.45	84,557,142.33
Specific reserve	100,031,003.69	77,238,967.01
Surplus reserve	1,170,622,731.39	1,170,622,731.39
Undistributed profits	3,292,801,045.12	3,066,070,687.57
Total equity attributable to shareholders of the parent company	35,421,585,779.58	34,996,055,699.53
Minority interests	3,285,633,457.84	3,266,803,805.40
Total shareholders' equity	38,707,219,237.42	38,262,859,504.93
Total liabilities and shareholders' equity	53,604,149,678.06	55,237,772,427.75

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)
(All amounts in RMB Yuan unless otherwise stated)

Item		For the six months ended 30 June 2021	For the six months ended 30 June 2020 (Restated)
		Consolidated	Consolidated
I. Revenue		5,828,529,724.68	5,595,338,056.19
Less:	Cost of sales	3,928,731,514.49	3,614,547,909.19
	Taxes and surcharges	60,128,166.32	53,634,973.95
	Selling expenses	–	–
	Administrative expenses	362,736,753.44	336,256,432.48
	Research and development expenses	3,142,083.67	5,890,491.17
	Financial expenses	295,533,687.29	375,342,757.22
	Including: Interest expenses	346,530,184.37	417,775,046.60
	Interest income	48,528,812.09	40,290,929.58
Add:	Other income	44,937,825.07	58,624,467.15
	Investment income	160,168,508.18	154,900,058.64
	Including: Investment income from associates and joint ventures	112,874,969.68	142,607,767.72
	Gains on changes in fair value	–	(571,730.00)
	Asset impairment losses	–	(39,478,982.44)
	Credit impairment losses	(41,062,966.61)	(17,073,527.06)
	Gains on disposals of assets	35,747,483.71	25,146,819.44
II. Operating profit		1,378,048,369.82	1,391,212,597.91
Add:	Non-operating income	3,420,260.47	10,039,614.20
Less:	Non-operating expenses	25,020,521.49	4,042,527.67

Item		For the six months ended 30 June 2021	For the six months ended 30 June 2020 (Restated)
		Consolidated	Consolidated
III. Total profit		1,356,448,108.80	1,397,209,684.44
Less:	Income tax expenses	365,639,159.95	311,592,960.50
IV. Net profit		990,808,948.85	1,085,616,723.94
Including: Net profit from continuing operations		990,808,948.85	1,085,616,723.94
Classified by ownership of the equity			
Net profit attributable to shareholders of the parent company		905,547,578.82	1,017,342,655.75
Gains or losses of minority interests		85,261,370.03	68,274,068.19
V. Earnings per share			
	Basic earnings per share (RMB/yuan)	0.04	0.04
	Diluted earnings per share (RMB/yuan)	0.04	0.04
VI. Other comprehensive income, net of tax		(3,750,583.64)	(6,544,441.22)
	Other comprehensive income, net of tax, attributable to shareholders of the parent company	(4,382,550.88)	(6,668,225.03)
	(I) Other comprehensive income that may not be reclassified to profit or loss	(1,713,932.52)	(4,769,785.99)
	1. Changes in fair value of investments in other equity instruments	(1,713,932.52)	(4,769,785.99)
	(II) Other comprehensive income that will be reclassified to profit or loss	(2,668,618.36)	(1,898,439.04)
	1. Exchange differences on translation of foreign currency financial statements	(2,668,618.36)	(1,898,439.04)
	Other comprehensive income, net of tax, attributable to minority interests	631,967.24	123,783.81

Item	For the six months ended 30 June 2021	For the six months ended 30 June 2020 (Restated)
	Consolidated	Consolidated
VII. Total comprehensive income	987,058,365.21	1,079,072,282.72
Including: Attributable to shareholders of the parent company	901,165,027.94	1,010,674,430.72
Attributable to minority interests	85,893,337.27	68,397,852.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

(All amounts in RMB yuan unless otherwise stated)

I. GENERAL INFORMATION

Liaoning Port Co., Ltd. (formerly known as "Dalian Port (PDA) Company Limited" and hereinafter referred to as the "**Company**") is a joint stock limited liability company incorporated in Liaoning Province, the People's Republic of China. It was approved by Dazheng [2005] No. 153 of the People's Government of Dalian City, Liaoning Province, and was jointly established by Dalian Port Corporation Limited ("**PDA Group**"), Dalian Rongda Investment Co., Ltd., Dalian Haitai Holdings Co., Ltd., Dalian DETA Holdings Co., Ltd. and Dalian Bonded Zhengtong Co., Ltd. on 16 November 2005. The Company has been approved by the Dalian Administration for Industry and Commerce of Liaoning Province, with the enterprise unified social credit code: 91210200782451606Q. The H shares and RMB ordinary shares (A-shares) issued by the Company were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange on 28 April 2006 and 6 December 2010, respectively. The Company is headquartered in Xingang Commercial Building, Dayao Bay, Dalian Free Trade Zone, Liaoning Province.

Upon the gratuitous transfer of the equity interests held by Dalian SASAC in PDA Group to Liaoning North East Asia Gang Hang Development Co., Ltd. (遼寧東北亞港航發展有限公司) (hereinafter referred to as "**North East Asia Gang Hang**") on 12 February 2018, the actual controller of the Company was changed from Dalian SASAC to Liaoning SASAC. On 29 November 2018, North East Asia Gang Hang was renamed as Liaoning Port Group Limited (遼寧港口集團有限公司) (hereinafter referred to as "**Liaoning Port Group**"). On 30 September 2019, the actual controller of Liaoning Port Group was changed from Liaoning SASAC to China Merchants Group Limited (hereinafter referred to as "**China Merchants Group**"), therefore the ultimate actual controller of the Company was changed from Liaoning SASAC to China Merchants Group.

According to the resolutions of the 2020 second extraordinary meeting of the sixth session of the Board of the Company convened on 7 July 2020 and the resolutions of the fifth meeting of the seventh session of the Board of Yingkou Port Liability Co., Ltd. (hereinafter referred to as "**Yingkou Port**") convened on the same date, the Company intends to merge Yingkou Port by absorption through share swap by way of issuing A shares. Upon completion of such merger by absorption through share swap, Yingkou Port will be delisted and deregistered, and the Company or its wholly-owned subsidiaries will inherit and take over all assets, liabilities, businesses, personnel, contracts and all other rights and obligations of Yingkou Port. The A shares issued by the Company in connection with such merger by absorption through share swap were listed and circulated on the main board of the Shanghai Stock Exchange. On 6 January 2021, the Company's merge with Yingkou Port by absorption through share swap (the "**Merger**") has been approved by the Reply on Approval of Dalian Port (PDA) Company Limited's Merger with Yingkou Port Liability Co., Ltd. by Absorption and Proceeds (Zheng Jian Xu Ke [2020] No. 3690) issued by China Securities Regulatory Commission, and has obtained approvals or consent as required by all other competent authorities before the Merger is completed. The record date for share swap under the Merger is 28 January 2021. Yingkou Port's shares held by all shareholders of Yingkou Port who are registered on the register of shareholders after market closes on the Record Date for Share Exchange will be converted into the Company's shares at a conversion rate of 1:1.5030, namely each Yongou Port share may exchange for 1.5030 A shares of the Company. On 28 January 2021, the Company was renamed as Liaoning Port Co., Ltd.. On 29 January 2021, Shanghai Stock Exchange terminated the listing of Yingkou Port shares. This share swap involved the newly issued 9,728,893,454 A shares to the original shareholders of Yingkou Port, which was completed on 4 February 2021, and was listed for trading on 9 February 2021. Upon completion of the Merger, the Company's total share capital increased from 12,894,535,999 shares to 22,623,429,453 shares, in particular, the shareholding ratio of Yingkou Port Group Corporation Limited ("**YKP**") was 30.57%. Pursuant to the entrustment agreement between PDA Group and YKP (《大連港集團有限公司與營口港務集團有限公司關於遼寧港口股份有限公司之表決權委託協議》) signed on 29 March 2021, PDA Group agreed to entrust all its rights over its equity interest in the Company to YKP, except for right to income, right to dispose (including pledge of shares) or share option, and YKP accepted the entrustment which shall come into force from the day when the authorised representative of each party sign the agreement with their respective official seal stamped and shall terminate on the date when each party sign the termination agreement. Pursuant to the Article of Association, the parent company of the Group was changed from Dalian Port Corporation Limited to Yingkou Port Group Corporation Limited.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") include the provision of terminal business and logistics services such as international and domestic cargo loading and discharging, transportation, transshipment, storage and etc.; providing facilities and services for passenger waiting, embarking and disembarking; tallying and tugging services for vessels sailing on international and domestic lines; port logistics and port information technology consultation services; engaged in crude oil storage in port area (operating with the permit); refined oil products storage (restricted to those applying for bonded qualification and those at port storage facilities); import and export of goods and technology (excluding distribution of imported goods and articles prohibited by relevant laws and regulations; import and export of articles restricted by laws and regulations may only conduct with the grant of license) (with capital contribution from foreign parties of less than 25%).

The parent company and ultimate parent company of the Group is YKP and China Merchants Group respectively, both of which were established in the PRC.

The financial statements were approved by the Company's Board on 26 August 2021.

The scope of consolidation of the consolidated financial statements is determined on the basis of control. The changes in the scope of consolidation during the six months ended 30 June 2021 are as follows:

1. Business combination involving entities under common control

				From the beginning of this year to the combination date			
Company name	Combination date	Book value of net assets	De facto controller	Revenue	Net profit	Net increase in cash	Net cash flows generated from operating activities
Yingkou Port Liability Co., Ltd.	4 February 2021	16,426,254,312.01	China Merchants Group Limited	501,267,625.82	181,566,605.37	(10,722,250.58)	37,340,359.23

Note: On 4 February 2021, the Company completed the issuance of 9,728,893,454 additional A shares to the former shareholders of Yingkou Port, and completed the delivery of all its assets, liabilities, businesses, personnel, contracts and all other rights and obligations with Yingkou Port. Therefore, the merger date of this share swap is determined to be 4 February 2021. Through the transaction, the Group added four new subsidiaries, namely Yingkou Port Liability Co., Ltd., and its subsidiaries Liaoning Port Holdings (Yingkou) Co., Ltd., Yingkou Xingang Ore Terminal Co., Ltd. and Yingkou New Century Container Terminal Co., Ltd. As the Company and Yingkou Port were under continuous control of China Merchants Group (the ultimate controller) before and after the merger, such merger was therefore a business combination under common control. In accordance with the accounting treatment principles for business combination under common control, the Group incorporated the assets (including the goodwill formed by China Merchants Group's acquisition of Yingkou Port) and liabilities of Yingkou Port into the consolidated financial statements based on their carrying amount in the financial statements of China Merchants Group, the ultimate controller, and retrospectively adjusted the comparative data, as if the reporting entity after the merger has been in existence since the point when the ultimate controller began to control.

2. Companies excluded from the scope of consolidation during the period

Name of enterprise	Place of registration	Nature of business	Total shareholding held by the Group (%)	Total voting right percentage of the Group (%)	Reason for not being a subsidiary
Dalian Port Logistics Network Co., Ltd.	Dalian	Information services	79.03	79.03	Note
Dalian Port Logistics Technology Co., Ltd.	Dalian	Software development	100	100	Note
Dalian Portsoft Technology Co., Ltd.	Dalian	Computer system services	49	60	Note
Dalian Portsoft Network Technology Co., Ltd.	Dalian	Computer system services	100	100	Note

Note: Pursuant to the Agreement on Capital Increase by Subscription for Equity Interests of China Merchants Holdings (International) Information Technology Company Limited among China Merchants Port Group Co., Ltd., China Merchants Port Holdings Company Limited, Dalian Port Container Development Co., Ltd., Dalian Port Jifa Logistics Co., Ltd., Yingkou Port Group Corporation Limited and China Merchants Holdings (International) Information Technology Company Limited, Dalian Port Container Development Co., Ltd. and Dalian Port Jifa Logistics Co., Ltd., the subsidiaries of the Group, made a capital contribution to China Merchants Holdings (International) Information Technology Company Limited, respectively with their respective 49.63% and 29.4% shareholding in Dalian Port Logistics Network Co., Ltd. as consideration based on the appraisal value. The abovementioned capital contribution completed on 9 February 2021. Upon such capital contributions, the Group owned 35.64% in China Merchants Holdings (International) Information Technology Company Limited. Pursuant to the articles of association of China Merchants Holdings (International) Information Technology Company Limited, the Group has no control over it, therefore, the Group ceased to incorporate Dalian Port Logistics Network Co., Ltd. and its subsidiaries including Dalian Portsoft Technology Co., Ltd., Dalian Portsoft Network Technology Co., Ltd. and Dalian Port Logistics Technology Co., Ltd. in the scope of combination from 9 February 2021.

II. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises – Basic Standards" promulgated by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant regulations subsequently announced and revised (collectively the "**Accounting Standards for Business Enterprises**" or "**ASBEs**").

The financial statements are presented on a going concern basis.

Except for certain financial instruments, the financial statements have been prepared under the pricing principle of historical cost. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant regulations.

III. TAXES

1. Major categories of taxes and respective tax rates

Value-added tax (VAT)－The Group's revenues from port operation, sales of goods, transportation, interest on borrowings from related parties, project construction, property leasing and labour dispatch are subject to output VAT at a tax rate of 6%, 13%, 9%, 6%, 10%, 5% and 6%, respectively, which is levied after deducting deductible input VAT for the current period.

City maintenance and construction tax－It is levied at 7% on the turnover taxes paid.

Educational surcharge－It is levied at 5% on the turnover taxes paid.

Property tax－It is calculated at a tax rate of 1.2% based on 70% of costs of properties; or it is calculated at a tax rate of 12% based on rental income.

Corporate income tax－It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group which enjoy tax preferences.

Environmental protection tax－It is levied on the pollutional equivalent or the emissions of taxable pollutants multiplied by applicable tax amount.

2. TAX PREFERENCES

Property tax and land use tax

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax and Regulations on Issue of Land Use Tax Exemption of Port Land of Transport Department (Guo Shui Di [1989] No. 123), certain land used for dock is exempted from land use tax. Accordingly, the lands held by the Group used for dock are exempted from land use tax.

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax, the land reclaimed from hill excavating and offshore filling and the reclaimed waste land will be exempted from land use tax for 5 to 10 years starting from the month of use. Accordingly, all lands reclaimed from offshore filling held by the Group are exempted from land use tax.

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax and the Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of the Preferential Policies for Urban Land Use Tax regarding the Land Used by Logistics Enterprises for Bulk Commodity Storage Facilities (Cai Shui [2020] No. 16), from 1 January 2020 to 31 December 2022, the urban land use tax on the lands for bulk commodity storage facilities owned by the logistics enterprises (including for self-use and lease purpose) shall be calculated based on 50% of the applicable tax for the relevant grade of the land. Accordingly, the land use tax on the lands for bulk commodity storage facilities held by the Group is calculated at half of the relevant tax rate.

VAT

According to the Notice on Policies Related to Deepening Value-Added Tax Reform issued by the Ministry of Finance, State Administration of Taxation and General Administration of Customs (No. 39 Notice of the Ministry of Finance, State Administration of Taxation and General Administration of Customs in 2019), the Group shall, from 1 April 2019 to 31 December 2021, deduct additional 10% of current deductible input tax from VAT payable.

Corporate income tax

Dalian Port Logistics Network Co., Ltd. and Dalian Portsoft Technology Co., Ltd., the subsidiaries of the Group, have obtained on 9 October 2020 and 3 December 2020, respectively, the Certificate of the High and New Technological Enterprise (No. GR202021200315 and No. GR202021200857 respectively) issued by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance and Dalian Tax Service of State Taxation Administration, and the term of validity of both certificates is three years.

Dalian Port Logistics Technology Co., Ltd., a subsidiary of the Group, has obtained the Certificate of the High and New Technological Enterprise (No. GR201521200005) issued by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Tax Service of State Taxation Administration on 21 September 2015, and the term of validity is three years. In September 2018, with the approval of Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance and Dalian Tax Service of State Taxation Administration, the expiry time of the Certificate of the High and New Technological Enterprise granted to Dalian Port Logistics Technology Co., Ltd. was postponed to 15 November 2021.

Under Article 28 of the Corporate Income Tax Law of the People's Republic of China, for the current period, the income tax rate applicable to the above companies is 15%.

IV. NOTES TO THE MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Financial assets held for trading

Financial assets at fair value through profit or loss	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Investments in debt instruments (note)	–	903,950,958.91
Investments in equity instruments	–	–
Total	–	903,950,958.91

Note: Investments in debt instruments mainly represented the structured deposits. As at 30 June 2021, the Group has disposed all of the structured deposits.

2. Notes receivable

Notes receivable	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Trade acceptance notes	–	–
Bank acceptance notes	367,267,740.59	409,666,882.28
Total	367,267,740.59	409,666,882.28

Note: The Group believes that the credit rating of the acceptor of bank acceptance notes it held is relatively high and there is no significant credit risk, and hence no credit loss provision has been made.

Notes receivable of the Group which were endorsed or discounted but not yet matured as at the balance sheet date were as follows:

Item	30 June 2021 (Unaudited)		31 December 2020 (Restated)	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	67,630,612.78	2,030,000.00	369,619,352.08	3,779,998.22

As at 30 June 2021, the Group had no pledged notes receivable (31 December 2020: Nil).

As at 30 June 2021, there were no discounted notes or notes that were recognised as accounts receivable due to the drawer's failure to perform (31 December 2020: Nil).

3. Accounts receivable

An ageing analysis of accounts receivable based on the recording date is as follows:

Age	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Within 1 year	1,773,555,280.13	1,206,390,515.51
1 to 2 years	641,137,678.86	681,781,198.69
2 to 3 years	492,430,659.20	136,080,906.59
Over 3 years	91,056,175.03	105,314,956.16
Subtotal	2,998,179,793.22	2,129,567,576.95
Less: Provision for bad debts of accounts receivable	267,062,879.87	233,788,227.07
Total	2,731,116,913.35	1,895,779,349.88

Movements in the provision for bad debts of accounts receivable are as follows:

Item	Balance as at the beginning of the period/year	Provision for the period/year	Reversal during the period/year	Disposal of subsidiaries during the period/year	Write-off/ cancellation during the period/year	Balance as at the end of the period/year
30 June 2021 (Unaudited)	233,788,227.07	51,278,005.44	(17,455,750.00)	(547,602.64)	–	267,062,879.87
31 December 2020 (Restated)	139,293,862.75	94,494,364.32	–	–	–	233,788,227.07

Item	30 June 2021 (Unaudited)			
	Closing balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Provision percentage (%)
Provision for bad debts made on an individual basis	–	–	–	–
Provision for bad debts made on a group basis by credit risk characteristics	2,998,179,793.22	100	267,062,879.87	8.91
Total	2,998,179,793.22	100	267,062,879.87	8.91

As at 30 June 2021, details of the Group's accounts receivable of which provision for bad debts is made according to its credit risk rating portfolio are as follows (unaudited):

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
Portfolio A	1,100,100,048.68	0.00%-0.10%	118,187.43
Portfolio B	47,242,395.33	0.10%-0.30%	77,207.31
Portfolio C	1,754,049,154.97	0.30%-50.00%	170,892,232.29
Portfolio D	96,788,194.24	50.00%-100.00%	95,975,252.84
Total	2,998,179,793.22		267,062,879.87

As at 31 December 2020, details of the Group's accounts receivable of which provision for bad debts is made according to its credit risk rating portfolio are as follows (restated):

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
Portfolio A	531,631,522.80	0.00%-0.10%	69,406.95
Portfolio B	42,148,867.03	0.10%-0.30%	50,907.67
Portfolio C	1,440,287,675.19	0.30%-50.00%	119,349,677.43
Portfolio D	115,499,511.93	50.00%-100.00%	114,318,235.02
Total	2,129,567,576.95		233,788,227.07

As at 30 June 2021, a summary of the top five accounts receivable was as below (unaudited):

Item	Balance	Provision for bad debts	% of total accounts receivable
Total balances of top five accounts receivable	1,913,148,182.39	168,302,179.12	63.81

4. Receivables financing

Receivables financing	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Bank acceptance notes at fair value	338,880,139.91	–
Total	338,880,139.91	–

Receivables financing of the Group which were endorsed or discounted but not yet matured as at the balance sheet date were as follows:

Item	30 June 2021 (Unaudited)		31 December 2020 (Restated)	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	57,878,633.36	–	–	–

As at 30 June 2021, the Group had no pledged receivables financing (31 December 2020: Nil).

5. Other receivables

Item	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Interest receivable	**1,035,167.10**	**284,496.05**
Fixed deposits		
Current deposits		
Borrowings from related parties	1,035,167.10	284,496.05
Dividends receivable	**266,117,731.90**	**134,533,521.74**
Dalian Port Yidu Cold Chain Co., Ltd.	88,189,824.35	88,189,824.35
PipeChina Dalian LNG Co., Ltd. (Note)	87,246,058.73	–
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23
Dalian Port Logistics Network Co., Ltd.	16,272,096.84	–
Dalian Port Logistics Technology Co., Ltd.	13,156,130.35	–
Jinzhou New Age Container Terminal Co., Ltd.	10,212,840.09	–
Dalian Singamas International Container Co., Ltd.	9,645,058.97	9,645,058.97
Dalian Automobile Terminal Co., Ltd.	9,600,000.00	9,600,000.00
Taicang Xinggang Tug Co., Ltd.	5,999,994.00	2,142,855.00
Dalian Dagang China Shipping Container Terminal Co., Ltd.	1,380,738.26	1,380,738.26
Weifang Senda Container Service Co., Ltd.	839,945.15	–
Dalian Port Design and Research Institute Co., Ltd.	696,000.00	696,000.00
China United Tally (Dalian) Co., Ltd.	371,505.93	371,505.93
Other receivables	**316,772,596.41**	**300,758,605.16**
Receivables from income of entrusted management services	77,156,780.52	77,156,780.52
Receivables from project payment and guarantee deposit	34,526,329.86	39,197,600.74
Borrowings from related parties	23,000,000.00	23,000,000.00
Port construction and miscellaneous expenses	18,648,936.51	16,634,912.62
Receivables from freights, deposit and security deposit	52,451,181.25	36,736,725.35
Government subsidies receivable	32,971,186.61	41,021,809.25
Public infrastructure maintenance expenses	9,278,371.74	3,408,748.58
Receivables from agency purchase	24,770,666.69	24,548,099.95
Others	43,969,143.23	39,053,928.15
Less: Provision for credit loss	**76,763,115.83**	**70,075,072.63**
Total	507,162,379.58	365,501,550.32

Note: The Market Supervision Administration of Dalian Free Trade Zone approved the change of the name of PetroChina Dalian LNG Co., Ltd., an associate of the Company, to PipeChina Dalian LNG Co., Ltd. on 27 April 2021.

On 30 June 2021, the Group did not have any significant amount of overdue interest (31 December 2020: Nil).

The management of the Company was of the opinion that impairment provision for dividends receivable as at the balance sheet date was not necessary.

The ageing analysis of other receivables is as follows:

Item	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Within 1 year	122,881,293.17	102,457,081.65
1 to 2 years	44,084,200.20	70,685,446.16
2 to 3 years	52,496,567.56	92,620,580.50
Over 3 years	97,310,535.48	34,995,496.85
Subtotal	316,772,596.41	300,758,605.16
Less: Provision for bad debts of other receivables	76,763,115.83	70,075,072.63
Total	240,009,480.58	230,683,532.53

Movements in the provision for bad debts of expected credit losses in relation to other receivables over the next 12 months and for the entire duration are as follows:

30 June 2021 (Unaudited)

	Stage I	Stage II	Stage III	Total
	Expected credit loss over the next 12 months	Expected credit loss over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment occurred)	
Opening balance	77,395.43	34,111,476.83	35,886,200.37	70,075,072.63
Opening balance during the period that				
—transferred to stage II	(100.57)	100.57	–	–
—transferred to stage III	–	–	–	–
Disposal of subsidiaries during the period	(557,204.28)	–	–	(557,204.28)
Provision during the period	1,205,702.91	5,189,833.82	849,710.75	7,245,247.48
Reversal during the period	–	–	–	–
Closing balance	725,793.49	39,301,411.22	36,735,911.12	76,763,115.83

For the six months ended 30 June 2021, the provision for bad debts amounted to RMB7,245,247.48 (2020: RMB11,838,251.44), and there was no bad debt provision recovered or reversed (2020: RMB64,248.47).

As at 30 June 2021, a summary of the top five other receivables was as follows (unaudited):

Item	Closing balance	Provision for bad debts	% of total other receivables
Total balances of top five other receivables	158,834,428.87	30,816,191.85	50.14

As at 30 June 2021, the receivables from government grants were as follows (unaudited):

Item	Government grants	Amount	Ageing	Basis
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Subsidy for container freight	15,965,594.61	Within 1 year and 1-2 years	Reply of Horqin District People's Government on Subsidy to China-Europe Railway Lines
Heilongjiang Suimu Dalian Port Logistics Co., Ltd.	Subsidy for warehouse construction and operation	12,359,192.00	2-3 years and 4-5 years	Cooperation Agreement on Xiachengzi Logistics Centre of Muling Economic Development Zone and meeting minutes on Solving Major Difficulties of Suimu Dalian Port Logistics
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Subsidy for container freight	4,646,400.00	2-3 years	Request for Instructions Concerning Supporting the Development of Container Freight in Dongying Port Zone
Total		32,971,186.61		

6. Inventories

Item	30 June 2021 (Unaudited)			31 December 2020 (Restated)		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	94,034,560.62	9,246,496.78	84,788,063.84	88,812,166.25	9,247,116.06	79,565,050.19
Finished goods	4,048,533.69	–	4,048,533.69	3,759,268.33	–	3,759,268.33
Turnover materials	9,983,836.75	–	9,983,836.75	9,330,187.15	–	9,330,187.15
Others	13,555,057.46	–	13,555,057.46	13,694,835.79	–	13,694,835.79
Total	121,621,988.52	9,246,496.78	112,375,491.74	115,596,457.52	9,247,116.06	106,349,341.46

The movements of provision for impairment of inventories are as below:

Item	31 December 2020 (Restated)	Increase in the current period		Decrease in the current period		30 June 2021 (Unaudited)
		Provision	Others	Reversal or write-off	Others	
Raw materials	9,247,116.06	–	–	(619.28)	–	9,246,496.78
Total	9,247,116.06	–	–	(619.28)	–	9,246,496.78

7. Investments in other equity instruments

For the six months ended 30 June 2021 (unaudited):

Item	Cost	Changes in fair value accumulated in other comprehensive income	Fair value	Dividend income in the current period	
				Equity instruments derecognised in the current period	Equity instruments still held
Jinzhou New Age Container Terminal Co., Ltd.	52,843,634.00	64,841,699.19	117,685,333.19	–	10,212,840.09
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	60,000,000.00	(16,140,570.67)	43,859,429.33	–	–
Dalian Port Design and Research Institute Co., Ltd.	634,600.00	5,660,887.95	6,295,487.95	–	–
Da-In Ferry Co., Ltd.	1,900,057.50	6,873,510.61	8,773,568.11	–	–
Fujian Ninglian Port Co., Ltd.	12,000,000.00	(946,031.56)	11,053,968.44	–	–
Dalian Xin Beiliang Co., Ltd.	16,184,400.00	(1,227,168.12)	14,957,231.88	–	–
Total	143,562,691.50	59,062,327.40	202,625,018.90	–	10,212,840.09

8. Accounts payable

Item	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Purchase of goods	6,276,400.21	6,686,939.41
Vessel leasing fees and ocean freight	163,793,189.44	152,782,907.46
Purchase of auxiliary materials	120,067,160.46	171,144,559.18
Total	290,136,750.11	330,614,406.05

The ageing analysis of accounts payable based on the recording date is as follows:

Item	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Within 1 year	251,594,461.40	280,575,212.51
1 to 2 years	13,403,616.14	15,642,701.80
2 to 3 years	10,362,203.82	12,615,005.83
Over 3 years	14,776,468.75	21,781,485.91
Total	290,136,750.11	330,614,406.05

As at 30 June 2021, major accounts payable with ageing over one year are as follows:

Item	Amounts payable	Reason for outstanding amounts
Purchase of auxiliary materials	8,000,000.00	Unsettled
Total	8,000,000.00	Unsettled

9. Contract liabilities

Item	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Miscellaneous expenses	129,163,728.05	110,706,998.03
All-in charges for cargo handling due within one year	14,750,000.00	17,700,000.00
Freight	32,969,243.19	19,299,028.44
Others	10,300,645.83	22,690,180.86
Total	187,183,617.07	170,396,207.33

10. Other payables

Item	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Interest payable	–	–
Interest of short-term borrowings	–	–
Interest of bonds	–	–
Interest of long-term borrowings with instalment payments and principal due upon maturity	–	–
Dividends payable	**833,656,026.74**	**153,269,260.93**
Dalian Bonded Zhengtong Co., Ltd.	5,779,554.22	5,779,554.22
NYK Bulk & Projects Carriers Ltd.	1,370,372.01	621,979.91
United States Sankyo Holdings Limited	1,712,965.01	777,474.89
China Shipping Terminal Development Co., Ltd.	30,964,934.78	30,964,934.78
COSCO SHIPPING Ports Development Co., Ltd.	10,312,253.08	10,312,253.08
COSCO SHIPPING Ports (Dalian) Limited	12,256,366.36	12,256,366.36
Singapore Dalian Port Investment Pte. Ltd.	73,256,442.62	73,256,442.62
Nippon Yusen Kabushiki Kaisha	19,300,255.07	19,300,255.07
Other holders of A shares	132,351,332.64	–
Other holders of H shares	25,964,019.12	–
Dalian Bonded Zhengtong Co., Ltd.	591,123.00	–
Dalian DETA Holdings Co., Ltd.	591,123.00	–
Dalian Haitai Holdings Co., Ltd.	591,123.00	–
Pangang Group Company Limited	21,004,209.06	–
Dalian Port Corporation Limited	180,972,634.86	–
Broadford Global Limited	25,690,400.85	–
Team Able International Limited	81,442,080.00	–
Yingkou Port Group Corporation Limited	207,485,550.36	–
Liaoning Gangwan Financial Holding Group Co., Ltd.	2,019,287.70	–

Item	30 June 2021 (Unaudited)	31 December 2020 (Restated)
Other payables	**525,299,595.82**	**542,933,912.33**
Port construction and security expenses	23,931,208.42	29,604,205.19
Project payment and guarantee deposit	247,086,387.77	259,250,008.80
Land compensation	35,070,000.00	35,070,000.00
Deposit and security deposit	78,355,354.35	48,769,480.74
Freight	34,887,700.46	47,431,412.20
Others	105,968,944.82	122,808,805.40
Total	1,358,955,622.56	696,203,173.26

As at 30 June 2021, major other payables with ageing over one year of the Group are as follows:

Unit name	Amounts	Reason for outstanding amounts
Port of Dalian Authority	17,594,052.70	The condition for payment is unsatisfied
Muling Economic Development District Infrastructure Construction and Investment Co., Ltd.* (穆棱經濟開發區基礎設施建設投資有限公司)	14,006,954.00	The condition for payment is unsatisfied
Dalian Beiliang Enterprise Group Co., Ltd.	7,500,000.00	The condition for payment is unsatisfied
Ocean Harvest Container Co., Ltd.	45,247,639.53	The condition for payment is unsatisfied
Total	84,348,646.23	The condition for payment is unsatisfied

11. Revenue and cost of sales

Revenue is as follows:

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Revenue from principal operations	5,658,650,763.16	5,418,321,164.48
Revenue from other operations	169,878,961.52	177,016,891.71
Total	5,828,529,724.68	5,595,338,056.19

Cost of sales is as follows:

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Cost of principal operations	3,760,411,868.01	3,451,363,742.71
Cost of other operations	168,319,646.48	163,184,166.48
Total	3,928,731,514.49	3,614,547,909.19

Breakdown of revenue from contracts with customers

For the six months ended 30 June 2021 (unaudited)

Reporting segment	Commodity	Labour or services	Others	Total
Container terminal and related logistics services and trading business	439,648.87	1,835,835,254.85	56,151,116.99	1,892,426,020.71
Oil/liquefied chemicals terminal and related logistics services and trading business	17,159,265.84	889,339,834.33	7,672,612.50	914,171,712.67
Bulk and general cargo terminal and related logistics services	154,378.16	2,072,309,071.58	10,983,484.52	2,083,446,934.26
Grains terminal and related logistics services and trading business	–	212,947,788.74	4,051,013.02	216,998,801.76
Passenger and roll-on, roll-off terminal and related logistics services	188,551.09	59,888,607.83	3,532,899.33	63,610,058.25
Port value-added and ancillary services	33,237,764.22	469,181,359.13	42,399,919.81	544,819,043.16
Automobile terminal and related logistics services and trading business	–	25,199,022.02	1,302,377.84	26,501,399.86
Others	–	21,812,670.11	64,743,083.90	86,555,754.01
Total	51,179,608.18	5,586,513,608.59	190,836,507.91	5,828,529,724.68

Item	Commodity	Labour or services	Others	Total
Time of revenue recognition				
Recognised at a certain point of time				
Revenue from sales of goods	23,619,819.04	–	–	23,619,819.04
Revenue from electric supply services	27,559,789.14	–	–	27,559,789.14
Revenue from commodity trading				
Recognised over a certain period				
Revenue from agency services	–	410,751,313.13	–	410,751,313.13
Revenue from project construction and inspection services	–	34,983,937.02	–	34,983,937.02
Revenue from logistics services	–	530,732,700.88	–	530,732,700.88
Revenue from port handling services	–	4,397,523,838.54	–	4,397,523,838.54
Revenue from port management services	–	182,520,408.81	–	182,520,408.81
Revenue from tallying services	–	26,113,522.74	–	26,113,522.74
Revenue from information services	–	3,887,887.47	–	3,887,887.47
Revenue from others	–	–	86,277,045.38	86,277,045.38
Others				
Revenue from leasing services	–	–	104,559,462.53	104,559,462.53
Total	51,179,608.18	5,586,513,608.59	190,836,507.91	5,828,529,724.68

Revenue by type is as follows:

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Revenue from sales of goods	23,619,819.04	17,021,666.60
Revenue from electric supply services	27,559,789.14	24,919,867.51
Revenue from commodity trading	–	12,928,531.42
Revenue from agency services	410,751,313.13	337,874,167.77
Revenue from project construction and inspection services	34,983,937.02	26,457,996.75
Revenue from logistics services	530,732,700.88	450,133,830.33
Revenue from port handling services	4,397,523,838.54	4,357,867,380.40
Revenue from port management services	182,520,408.81	116,841,794.15
Revenue from tallying services	26,113,522.74	29,172,355.28
Revenue from information services	3,887,887.47	16,634,687.47
Revenue from leasing services	104,559,462.53	111,828,559.42
Others	86,277,045.38	93,657,219.09
Total	5,828,529,724.68	5,595,338,056.19

12. Financial expenses

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Interest costs	169,399,869.56	238,186,795.08
Other interest	–	–
Less: Amounts capitalised on interest	–	1,313,900.96
Interest expenses	169,399,869.56	236,872,894.12
Less: Interest income	48,528,812.09	40,290,929.58
Exchange gains or losses	(2,898,001.30)	(2,364,451.43)
Interest expenses on lease liabilities	177,130,314.81	180,902,152.48
Others	430,316.31	223,091.63
Total	295,533,687.29	375,342,757.22

The breakdown of interest income is as follows:

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Cash at bank and on hand	48,528,812.09	40,290,929.58

13. Credit impairment losses

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Impairment losses on accounts receivable	(33,822,255.44)	(7,620,795.20)
Impairment losses on other receivables	(7,245,247.48)	(9,397,952.47)
Impairment losses on contract assets	–	–
Impairment losses on long-term receivables	4,536.31	(54,779.39)
Total	(41,062,966.61)	(17,073,527.06)

14. Other income

Government grants that are related to ordinary activities are as follows:

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)	Related to assets /income
Relocation compensation	12,951,918.18	13,515,987.84	Related to assets
Production safety	635,989.28	635,989.28	Related to assets
Special fund for energy conservation and emission reduction	470,057.36	431,004.85	Related to assets
Equipment reconstruction subsidies	4,338,336.64	4,002,307.36	Related to assets
Sea-rail combined transport subsidies	2,147,191.53	1,095,515.46	Related to assets
Transport junction passenger station project	2,046,699.08	1,706,442.72	Related to assets
Others related to assets	319,056.15	785,347.92	Related to assets
Operation subsidies	3,265,115.42	14,034,944.00	Related to income
Stable position subsidies	37,068.44	6,743,516.26	Related to income
Container subsidies	34,930.00	59,780.00	Related to income
Others related to income	6,470.42	9,416.47	Related to income
Total	26,252,832.50	43,020,252.16	

15. Investment income

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Income from long-term equity investments under equity method	112,874,969.68	142,607,767.72
Investment income from disposal of subsidiaries	10,675,233.85	–
Investment income from disposal of long-term equity investments	15,589.45	–
Dividend income from other investments on hand in equity instruments	10,212,840.09	–
Investment income from disposal of financial assets held for trading	24,737,238.45	9,171,391.43
Others	1,652,636.66	3,120,899.49
Total	160,168,508.18	154,900,058.64

16. Income tax expenses

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Current income tax	340,341,552.14	336,058,146.73
Deferred income tax	25,297,607.81	(24,465,186.23)
Total	365,639,159.95	311,592,960.50

The relationship between income tax expenses and the total profit is as follows:

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Total profit	1,356,448,108.80	1,397,209,684.44
Income tax calculated at applicable tax rates	339,112,027.20	349,302,421.11
Effect of different tax rates applicable to certain subsidiaries	1,745,510.52	(214,301.51)
Adjustments for current income tax of prior period	7,866,542.08	(7,222,863.53)
Income not subject to tax	(30,332,226.65)	(39,030,938.88)
Expenses not deductible	2,961,607.90	4,864,531.11
Utilisation of deductible losses in previous years	(2,722,836.04)	(2,898,821.89)
Effect of unrecognised deductible temporary differences and deductible losses	16,600,548.70	26,655,841.46
Others	30,407,986.24	(19,862,907.37)
Income tax expenses	365,639,159.95	311,592,960.50

17. Earnings per share

Basic earnings per share are calculated by dividing current net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

Item	For the six months ended 30 June 2021 (Unaudited)	For the six months ended 30 June 2020 (Restated) (Unaudited)
Current net profit attributable to ordinary shareholders of the parent company	905,547,578.82	1,017,342,655.75
Weighted average number of ordinary shares of the Company outstanding	22,623,429,453.00	22,623,429,453.00
Basic earnings per share	0.04	0.04

18. Segment information

Operating segments

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

(1) Oil/liquefied chemicals terminal and related logistics and trading services, responsible for loading and discharging, storage and transshipment of oil and liquefied chemicals, port management and oil trade business;

(2) Container terminal and related logistics and trading services, responsible for loading and discharging, storage and transshipment of containers, leasing of terminals, various container logistics services, port trading business and sale of properties;

(3) Passenger and roll-on, roll-off terminal and related logistics services, responsible for passenger transportation and general cargo roll-on and roll-off and provision of related logistics services;

(4) Automobile terminal and related logistics and trading services, responsible for loading and discharging of automobiles and related logistics services, automobile trading operation;

(5) Bulk grain terminal and related logistics and trading services, responsible for loading and unloading of grains and provision of related logistics services, bulk grains trading operation;

(6) Bulk and general cargo terminal and related logistics services, responsible for loading and unloading of ore and general cargo and provision of related logistics services, steel trading operation;

(7) Port value-added and ancillary services, responsible for tallying, tugging, transportation, power supply, information technology and construction services.

Management monitors the results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted total profit. The adjusted total profit is measured consistently with the Group's total profit except for certain revenue and expenses attributable to headquarters. Segment assets and liabilities exclude certain assets and liabilities attributable to headquarters of the Company as these assets and liabilities are managed by the Group.

The above reporting segments are the basis on which the Group reports its segment information and no operating segments have been aggregated to form the above reportable segments.

Inter-segment revenue is eliminated on consolidation. Inter-segment sales and procurements are conducted in accordance with the terms mutually agreed between the parties.

Segment information for the six months ended 30 June 2021 and as at 30 June 2021 is as follows (unaudited):

Item	Oil/liquefied chemicals terminal and related logistics and trading services	Container terminal and related logistics and trading services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics and trading services	Passenger and roll-on, roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics and trading services	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	914,172	1,892,426	2,083,447	216,999	63,610	544,819	26,501	86,556	–	5,828,530
Inter-segment revenue	670	–	633	1,785	–	88,321	–	44,498	(135,907)	–
Cost of sales	535,500	1,257,115	1,233,581	187,674	76,042	401,340	20,980	216,500	–	3,928,732
Investment income from associates and joint ventures	66,172	41,329	3,984	146	(7,980)	4,435	4,789	–	–	112,875
Credit impairment losses	(50,608)	(3,246)	17,913	(2)	(19)	3,123	(1)	(8,223)	–	(41,063)
Depreciation and amortisation expenses	189,894	295,603	188,099	56,280	27,498	91,730	6,874	215,605	–	1,071,583
Total profit/(loss)	333,970	590,398	810,747	8,729	(33,175)	74,950	3,774	(432,945)	–	1,356,448
Income tax expenses	65,853	137,091	212,349	6,626	(4,950)	13,225	640	(65,195)	–	365,639
Net profit/(loss)	268,117	453,307	598,398	2,103	(28,225)	61,725	3,134	(367,750)	–	990,809
Total assets	10,117,297	12,143,176	9,511,837	2,809,353	1,539,772	2,381,186	887,897	27,417,837	(13,204,205)	53,604,150
Total liabilities	7,246,052	3,934,371	4,101,694	1,148,987	879,145	1,682,827	20,191	9,087,868	(13,204,205)	14,896,930
Long-term equity investments in associates and joint ventures	1,531,945	893,427	154,809	266,769	326,982	213,541	305,311	–	–	3,692,784
Increase in non-current assets (i)	47,389	10,403	50,811	5,039	1,491	6,286	257	948,477	–	1,070,153

(i) Non-current assets exclude financial assets, long-term equity investments, deferred income tax assets, investments in other equity instruments and other non-current assets.

Other information

Geographical information

All operations and customers of the Group are located in Mainland China. Accordingly, revenues of segments are all generated from Mainland China and the major non-current assets are also located in Mainland China.

Information about major customers

For the six months ended 30 June 2021, there was no revenue generated from one single customer reaching or exceeding 10% of the Group's total revenue (2020: nil).

19. EVENTS AFTER THE BALANCE SHEET DATE

Nil

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

In the first half of 2021, as the domestic epidemic was under good control and various industries resumed work and production gradually, China's national economy was the first to show resilience and rebound among the major economies in the world. The implementation of national strategies such as domestic circulation, domestic and international circulation boosted the steady growth of China's economy and guided the recovery of international economic trade, and thus the port industry in China maintains its stable upturn.

In the first half of the year, cargo throughput handled by China's large-scale ports amounted to 7.64 billion tonnes, representing a year-on-year increase of 13.2%. In particular, cargo throughput handled at coastal ports in China was 4.96 billion tonnes, representing a year-on-year increase of 10.3%. (Source from "Ministry of Transport")

During the reporting period, the Group principally engaged in the following businesses: oil/liquefied chemical terminal and related logistics services (Oil Segment); container terminal and related logistics services (Container Segment); automobile terminal and related logistics services (Automobile Terminal Segment); bulk and general cargo terminal and related logistics services (Bulk and General Cargo Segment); bulk grain terminal and related logistics services (Bulk Grain Segment); passenger and roll-on, roll-off terminal and related logistics services (Passenger and Ro-Ro Segment) and value-added and ancillary port operations (Value-added Services Segment).

In the first half of 2021, details of the general information on the macro-economy and industries relevant to the Group's principal business were set out as follows:

Oil Segment: In the first half of 2021, the demand of traders for warehousing was inhibited by the rising international oil prices in general and the reversed structure of crude oil market. Also, some oil producing countries were under sanction, and the imported crude oil was partially offset by other alternative raw materials purchased by private refineries for processing, which resulted in a decrease in the amount of imported crude oil. In the first half of the year, China imported 261 million tonnes of crude oil, representing a year-on-year decrease of 3%.

Container Segment: Containers throughput handled by overall ports in China amounted to 138.18 million TEUs for the six months ended 30 June 2021, representing a year-on-year increase of 15%.

Automobile Terminal Segment: In the first half of 2021, the automobile market witnessed a steady recovery. Despite of adverse factors including shortage of chips and rising price of raw materials, the severe domestic epidemic in the first half of last year as well as the low base of production and sales amount of commercial vehicles, the automobile production and sales amount recorded a year-on-year increase in the first half of the year. For the six months ended 30 June 2021, automobile production and sales volume in China was 12,569,000 vehicles and 12,891,000 vehicles, representing a year-on-year increase of 24.2% and 25.6%, respectively.

Bulk and General Cargo Segment: In the first half of 2021, against the macro background of global economic recovery and monetary easing, the bulk commodity market prices rose as a whole, and the prices of most varieties hit record highs. In terms of iron ore, the cumulative shipment of global iron ore in the first half of the year was 784 million tonnes, representing a year-on-year increase of 51.00 million tonnes with an increase of 6.98%. While the shipments of global iron ore have increased greatly, the volume of imported iron ore arriving at ports in China have also increased significantly. According to statistics from the Bureau of Statistics: in the first five months, the volume of declarations of imported iron ore in China amounted to 420 million tonnes, representing a year-on-year increase of 26.50 million tonnes with an increase of 5.9%.

Bulk Grain Segment: In the first half of 2021, the abnormal price difference between the north and south production and sales areas, the high basic price of the traders' grain receipt and storage and the high stockpiling cost led to the rising grain prices and sluggish trade market. Under the Chinese policy of strengthening grain import, the corn shortage in the south was effectively improved. Due to the rising corn prices, most companies improved the feed formulas and the substitution effect appeared, which causes the further decline in demand for corn. The above factors severely restricted the corn shipping volume in northeast China.

Passenger and Ro-Ro Segment: Since the beginning of the year, domestic epidemic has been generally in a stage of normal prevention and control and passenger and ro-ro transportation in Bohai Bay has basically resumed normal. In the first half of 2021, passengers of the inter-provincial routes of Bohai Rim region increased by 42.2% and Ro-Ro vehicles increased by 17.1%.

OVERALL RESULTS REVIEW

In the first half of 2021, the Group's net profit attributable to shareholders of the parent company amounted to RMB905,547,578.82, representing a decrease of RMB111,795,076.93 or 11.0% as compared with RMB1,017,342,655.75 in the first half of 2020.

In the first half of 2021, the business volume of the Group's container, ore and grain and other efficient cargos decreased. The social security charges resumed an increase after the termination of reductions and exemptions policy during the epidemic. The decline in the profit was mainly due to the impact from the increase of depreciation expenses caused by adoption of a common policy of useful lives of fixed assets upon merger of the two ports, and the impact of epidemic prevention and control on production and operation. However, the increase in the business volume of general cargo and Passenger and Ro-Ro Segment, the increase in the performance of joint ventures and associates in automobile segment and the reduced financial costs due to the decrease in the amount of interest-bearing debts reduced the decline in profit. In light of the above, the Group's net profit attributable to the parent company reported a year-on-year decrease of 11.0%.

In the first half of 2021, the Group's basic earnings per share amounted to RMB4.00 cents, representing a decrease of RMB0.50 cents or 11.0% as compared with RMB4.50 cents in the first half of 2020.

Changes in the principal components of the net profit are set out as follows:

Item	In first half of 2021 (RMB)	In first half of 2020 (RMB)	Changes (%)
Net profit attributable to shareholders of the parent company	905,547,578.82	1,017,342,655.75	(11.0)
Including:			
Revenue	5,828,529,724.68	5,595,338,056.19	4.2
Cost of sales	3,928,731,514.49	3,614,547,909.19	8.7
Gross profit	1,899,798,210.19	1,980,790,147.00	(4.1)
Gross profit margin	32.6%	35.4%	Down by 2.8 percentage points
Administrative expenses	362,736,753.44	336,256,432.48	7.9
Research and development expenses	3,142,083.67	5,890,491.17	(46.7)
Financial expenses	295,533,687.29	375,342,757.22	(21.3)
Asset impairment losses	0.00	39,478,982.44	(100.0)
Credit impairment losses	41,062,966.61	17,073,527.06	140.5
Other income	44,937,825.07	58,624,467.15	(23.3)
Investment income	160,168,508.18	154,900,058.64	3.4
Net non-operating income (Note 1)	(21,600,261.02)	5,997,086.53	(460.2)
Income tax expenses	365,639,159.95	311,592,960.50	17.3

Note 1: Net non-operating income = Non-operating income – Non-operating expenses

In the first half of 2021, the Group's revenue increased by RMB233,191,668.49 year-on-year, or 4.2% driven by the growth of container cross-border train business and transportation agent business as well as growth of business volume of bulk and general cargo and Passenger and Ro-Ro Segment. However, the decrease of business volume of container, ore and grain has restrained the growth of revenue.

In the first half of 2021, the Group's cost of sales increased by RMB314,183,605.30 year-on-year, or 8.7%, mainly due to the combined impact of the increase in container agency fee accompanying revenue increase, the rising labour costs resulting from the termination of social security policy reductions as well as the increase of depreciation expenses.

In the first half of 2021, the Group's gross profit decreased by RMB80,991,936.81 year-on-year, or 4.1%. This is mainly due to the decrease in the revenue resulting from the decreased business volume of container throughput for foreign trade, ore and grain with a high gross profit margin, and the increase of expenses related to the restoration of social security, an increase in depreciation expenses, as well as the rising costs caused by efforts on prevention and control of the epidemic.

In the first half of 2021, the Group's administrative expenses increased by RMB26,480,320.96 year-on-year, or 7.9%, mainly due to the increase in restoration of social security.

In the first half of 2021, the Group's research and development expenses decreased by RMB2,748,407.50 year-on-year, or 46.7%, mainly due to the impact of excluding from consolidating the information companies, the equity interests in which was used as consideration to take a stake in a new joint venture.

In the first half of 2021, the Group's financial expenses decreased by RMB79,809,069.93 year-on-year, or 21.3%, mainly due to reduced interest expenses as a result of the decline in the Group's debt scale.

In the first half of 2021, the Group's asset impairment losses decreased by RMB39,478,982.44 year-on-year, or 100% mainly because the Group made provision in the same period of last year for asset impairment losses for its subsidiaries to be liquidated.

In the first half of 2021, the Group's credit impairment losses increased by RMB23,989,439.55 year-on-year, or 140.5%, mainly due to the fact that impairment losses were provided based on credit impairment model as certain major customers of the Oil Segment had not settled storage fees.

In the first half of 2021, the Group's other income decreased by RMB13,686,642.08 year-on-year, or 23.3%, which was mainly due to the combined impact of decrease of subsidies on China-Europe train lines in inland ports companies and of subsidies for keeping a stable number of employees.

In the first half of 2021, the Group's investment income increased by RMB5,268,449.54 year-on-year, or 3.4%, mainly due to the increase of performance of associates and joint ventures that operate automobile and bulk and general cargo businesses. However, the performance of companies that operate LNG business declined.

In the first half of 2021, the Group's net non-operating income decreased by RMB27,597,347.55 year-on-year, or 460.2%, mainly due to the impact of demurrage charge provided for bulk and general cargo terminal operation.

In the first half of 2021, the Group's income tax expenses increased by RMB54,046,199.45 year-on-year, or 17.3%, mainly due to the change in deferred income tax generated by Yingkou Port Liability Co., Ltd. under common control.

ASSETS AND LIABILITIES

As at 30 June 2021, the Group's total assets and net assets amounted to RMB53,604,149,678.06 and RMB38,707,219,237.42 respectively. Net asset value per share was RMB1.57, slightly increased from RMB1.55 as at 31 December 2020.

As of 30 June 2021, the Group's total liabilities were RMB14,896,930,440.64, of which the total outstanding borrowings were RMB4,608,107,519.56 (this part of borrowings carries a fixed interest rate), and the gearing ratio was 27.8% (the total liabilities amounted to RMB14,896,930,440.64/the total assets amounted to RMB53,604,149,678.06), a decrease of 2.9 percentage points from 30.7% as of 31 December 2020, mainly due to the repayment of corporate bonds during the period which reduced its debt scale.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2021, the Group had a balance of cash and cash equivalents of RMB5,765,460,628.39, representing a decrease of RMB1,370,877,610.48 as compared to that of 31 December 2020.

In the first half of 2021, the Group's net cash inflows generated from operating activities amounted to RMB926,801,954.35, net cash inflows for investing activities amounted to RMB853,377,280.44, and net cash outflows for financing activities amounted to RMB3,151,482,847.84.

Benefiting from the stable operating cash inflows, our ability to raise capital through multiple financing channels such as bond issuance and bank borrowings, and the Group's sound and prudent decision-making in assets and equity investments, the Group maintained its solid financial position and capital structure.

As at 30 June 2021, the Group's outstanding borrowings amounted to RMB4,608,107,519.56 (this part of borrowings carries a fixed interest rate), in which RMB1,081,016,335.94 were borrowings repayable within one year, and RMB3,527,091,183.62 were borrowings repayable after one year.

As of 30 June 2021, the Group's net debt-equity ratio was 14.9% (31 December 2020: 15.5%), mainly due to the reduction in the scale of the Company's debt due to debt repayment in the first half of the year. The Group protected itself against solvency risk and maintained an overall healthy financial structure.

As of 30 June 2021, the Group's unutilised bank line of credit amounted to RMB10.35 billion.

As an A-share and H-share dual-listed company, the Group enjoys access to both domestic and overseas capital markets for financing. China Chengxin International Credit Rating Co., Ltd., being an external rating agency, has assigned issuer credit composite ratings of AAA to the Group with stable credit rating outlook, indicating the Group's sound condition in capital market financing.

The Group continued to closely monitor its interest rate risk and exchange rate risk. As of 30 June 2021, the Group had not entered into any foreign exchange hedging contracts.

CONTINGENCIES

Pending Litigations and Arbitrations

Pending litigation and arbitration concerning Liaoning Port Holdings (Yingkou) Co., Ltd. (遼港控股(營口)有限公司), a subsidiary of the Group.

On 19 August 2015, Kunlun International Trading Limited (昆侖國際貿易有限公司) (hereinafter referred to as "**Kunlun International**") filed a lawsuit with Dalian Maritime Court against Yingkou Port Liability Co., Ltd. on the rejection of its application for delivery of goods, requesting Yingkou Port to compensate for a loss of RMB285.60 million and accrued interest. On 28 December 2018, Dalian Maritime Court issued the first instance judgment titled (2015) Da Hai Shang Chu Zi No. 517 ((2015)大海商初字第 517 號), ruling that Yingkou Port shall pay Kunlun International short delivery losses of RMB50.46 million, and the interest thereon at the loan interest rate set by the People's Bank of China for the same period from 20 August 2015 to the date of actual payment. The court ruled that Yingkou Port shall pay Kunlun International a net compensation of RMB32.76 million after taking into full account of the storage fees and other fees of RMB25.88 million payable to Yingkou Port by Kunlun International. At the same time, the equity interests in Yingkou Xingang Ore Terminal Co., Ltd. and Sinograin Yingkou Storage and Transportation Co., Ltd. held by Yingkou Port were frozen for a period of 3 years. Yingkou Port made provisions for estimated liabilities of RMB32.76 million as at the end of 2018 based the above ruling.

Both Yingkou Port and Kunlun International refused to accept the judgment and filed a second instance to the Higher People's Court of Liaoning Province in January 2019. The Higher People's Court of Liaoning Province issued a civil ruling ((2019) Liao Min Zhong No. 685 ((2019)遼民終 685 號)) on 6 November 2019, ruling that: 1) the civil judgment titled (2015) Da Hai Shang Chu Zi No. 517 ((2015)大海商初字第 517 號) issued by Dalian Maritime Court be revoked; 2) the case be remanded to Dalian Maritime Court.

On 31 August 2020, Yingkou Port offered Dalian Maritime Court with a bank guarantee of RMB216,107,800 as equivalent guarantee asset for a guarantee period from 31 August 2020 to 30 August 2022. On 1 September 2020, Dalian Maritime Court made a ruling that the equity interests in Yingkou Xingang Ore Terminal Co., Ltd. and Sinograin Yingkou Storage and Transportation Co., Ltd. held by Yingkou Port shall be released. Kunlun International filed with Dalian Maritime Court for a review of the ruling. On 7 September 2020, Dalian Maritime Court issued a civil ruling (the first (2020) Liao 72 Min Chu No. 27 ((2020)遼 72 民初 27 號之一)), rejecting Kunlun International's request for a review.

On 10 June 2021, Dalian Maritime Court issued a civil ruling ((2020) Liao 72 Min Chu No. 27 ((2020)遼 72 民初 27 號)), rejecting all of the claims of Kunlun International. Kunlun International refused to accept the ruling, and filed a second instance to the Higher People's Court of Liaoning Province in June 2021.

As at the approval date of the interim financial statements, the hearing of this case has not been initiated by the Higher People's Court of Liaoning Province.

Pending litigation and arbitration concerning DCT Logistics Co., Ltd., a subsidiary of the Group.

From January 2020 to February 2021, Shunde (Dalian) Supply Chain Management Co., Ltd. (舜德(大連)供應鏈管理股份有限公司) (hereinafter referred to as "**Shunde**") carried out cooperation with Qingdao Kaitou International Trade Co., Ltd. (青島開投國際貿易有限公司 and, Fujian Rongjiang Import & Export Co., Ltd. and other companies (hereinafter referred to as "**Import Agents**" or "**Warehousing Clients**") by entering into Import Agent Agreement or Agent Procurement Contract with such Import Agents, agreeing the agent of Shunde' s imported goods and issuance of letter of credit in the name of the Import Agents for the payment of imported goods, and the risks and liabilities of related imported goods shall be borne by Shunde. Meanwhile, the Import Agent signed a Customs Declaration Logistics Warehousing Agreement or Import Freight Forwarding Agreement with DCT Logistics Co., Ltd. (hereinafter referred to as "**DCT Logistics**"), a subsidiary of the Group, agreeing that DCT Logistics handles import goods customs declaration, goods warehousing and custody services for the Import Agents. In actual business, the costs incurred under the Customs Declaration Logistics Warehousing Agreement or Import Freight Forwarding Agreement shall be settled by Shunde in accordance with the Packing and Unpacking (Packing up) Agreement it signed with DCT Logistics. Given that both the ultimate owner of the imported goods in these businesses and the relevant warehousing cost settler are Shunde, DCT Logistics released the relevant goods under the instructions of Shunde, the ultimate cargo owner. As Shunde failed to repay part of the import letter of credit payment to the Import Agents as scheduled, from the end of March 2021 to May 2021, the Import Agents filed lawsuits against DCT Logistics in Dalian Maritime Court and other people's courts, requesting DCT Logistics and Shunde return the relevant goods under the Customs Declaration Logistics Warehousing Agreement or the Import Freight Forwarding Agreement signed with DCT Logistics. In May 2021, DCT Logistics was approved by the Dalian Maritime Court to file a pre-litigation property preservation against Shunde. Up to now, the de facto controller of Shunde has been filed and investigated by the public security organ for suspected fraud.

Based on the evidence that the Group has already obtained and the professional opinions of external legal advisor, the management of the Group believes that the Warehousing Clients are Shunde's import business agents, and the goods involved in the case are actually owned by Shunde, and the release by DCT Logistics of the goods to Shunde, the owner of the goods, did not infringe the rights of the Warehousing Clients; the advances provided by the Warehousing Clients to Shunde was not repaid by Shunde as scheduled, and there was no causal relationship with the delivery of goods by DCT Logistics. As at the approval date of the interim financial statements, the above-mentioned cases have been accepted by the relevant courts, but so far none of the cases have been formally heard, and preliminary judgments have not been made. The outcomes of such litigation and compensation obligations (if any) cannot be temporarily estimated reliably. As relevant litigation involves many related parties, the case is very complicated, and the Warehousing Clients are currently actively negotiating settlement plans with Shunde and making certain progress. Therefore, the amount of litigation involved in these pending litigations of the Group cannot be determined for the time being.

USE OF PROCEEDS

Use of Proceeds for A Shares

The Company convened the second meeting of the sixth session of the Board in 2021 and the first meeting of the sixth session of the supervisory committee in 2021 on 25 March 2021, at which the Announcement of Liaoning Port Co., Ltd. on Permanent Replenishment of Working Capital by Part of the Remaining Proceeds for A Shares was considered and passed, and the Company was approved to use the remaining funds of investment projects funded by the proceeds for A Shares for permanent replenishment of working capital. Such proposal has been passed by voting at the 2020 annual general meeting of the Company convened on 16 June 2021. For details, please refer to the announcement (Lin 2021-025) (www.sse.com.cn) and the announcement (2021-036) (www.sse.com.cn) published by the Company on 25 March 2021 and 16 June 2021, respectively.

CAPITAL EXPENDITURE

In the first half of 2021, the Group's capital expenditure amounted to RMB78,728,622.10, which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and other external financing.

An analysis of the performance of each business segment of the Group in the first half of 2021 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2021 with comparative figures for the first half of 2020:

	For the six months ended 30 June 2021 ('0,000 tonnes)	For the six months ended 30 June 2020 ('0,000 tonnes)	Increase/ (decrease)
Crude oil	1,851.2	2,103.8	(12.0%)
—Foreign trade imported crude oil	1,194.6	1,392.3	(14.2%)
Refined oil	783.9	920.2	(14.8%)
Liquefied chemicals	95.3	83.3	14.4%
LNG	225.1	334.9	(32.8%)
Others	49.0	1.7	2,782.4%
Total	3,004.5	3,443.9	(12.8%)

In the first half of 2021, the Group handled a total of 30.045 million tonnes of oil/liquefied chemicals throughput, representing a year-on-year decrease of 12.8%.

In the first half of 2021, the Group's crude oil throughput decreased by 12.0% year-on-year to 18.512 million tonnes, of which imported crude oil throughput was 11.946 million tonnes, representing a year-on-year decrease of 14.2%. The decline in the Group's crude oil throughput in the first half of the year was mainly due to the low freight of international tankers and enhanced capacity of cargo terminals to dock, and the fact that major customers for transshipment chose to transship oversea for imported crude oil and the small-and-medium tankers docked directly in territorial wharf for unloading.

In the first half of 2021, the Group's refined oil throughput amounted to 7.839 million tonnes, representing a year-on-year decrease of 14.8%. At the beginning of the year, China reshaped its supply for refined oil resource, and the participation of large private refineries led to fiercer competition in the refined oil sales market in China, which resulted in the fact that large private refineries conducted sea business in their own terminals. This was the main reason for the decrease in the Group's refined oil throughput.

The performance of the Oil Segment is set out as follows:

Item	In the first half of 2021 (RMB)	In the first half of 2020 (RMB)	Change (%)
Revenue	914,171,712.67	899,504,943.76	1.6
Share of the Group's revenue	15.7%	16.1%	Down by 0.4 percentage points
Gross profit	378,672,015.41	366,758,573.99	3.2
Share of the Group's gross profit	19.9%	18.5%	Up by 1.4 percentage points
Gross profit margin	41.4%	40.8%	Up by 0.6 percentage points

In the first half of 2021, the revenue from the Oil Segment increased by RMB14.67 million or 1.6% year-on-year, mainly due to the increase in crude oil storage revenue.

In the first half of 2021, the gross profit margin of the Oil Segment increased by 0.6 percentage points year-on-year, mainly due to the increase of revenue of crude oil storage with a high gross profit margin.

In the first half of 2021, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Flexibly allocating storage tank resources and meeting customers' needs to achieve the increase in revenue of warehouse usage.

- Giving full play to the advantages of the collection and distribution capacity and expanding the railway transshipment business of imported crude oil to achieve the increase in the business volume.

- Signing strategic cooperation agreement with customers to expand crude oil transshipment business to Hebei.

Container Segment

The following table sets out the Container Segment's throughput handled by the Group in the first half of 2021, with comparative figures for the first half of 2020:

		For the six months ended 30 June 2021 ('0,000 TEUs)	For the six months ended 30 June 2020 ('0,000 TEUs)	Increase/ (decrease)
Foreign trade	self-owned terminals	145.0	217.5	(33.3%)
	terminals with shareholding (Note 1)	3.0	3.4	(11.8%)
	Subtotal	148.0	220.9	(33.0%)
Domestic trade	self-owned terminals	289.0	339.5	(14.9%)
	terminals with shareholding (Note 1)	72.1	63.3	13.9%
	Subtotal	361.1	402.8	(10.4%)
Total	self-owned terminals	434.0	557.0	(22.1%)
	terminals with shareholding (Note 1)	75.1	66.7	12.6%
	Total	509.1	623.7	(18.4%)

Note 1: Throughput at other ports handled by the Group refers to the aggregate throughput of Jinzhou New Age Container Terminal Co., Ltd. (錦州新時代集裝箱碼頭有限公司), which is owned as to 15% by the Group, and Qinhuangdao Port New Harbour Container Terminal Co., Ltd. (秦皇島港新港灣集裝箱碼頭有限公司), which is owned as to 15% by the Group.

In the first half of 2021, in terms of container throughput, the Group handled a total of 5.091 million TEUs, representing a year-on-year decrease of 18.4%.

The performance of the Container Segment is set out as follows:

Item	In the first half of 2021 (RMB)	In the first half of 2020 (RMB)	Change (%)
Revenue	1,892,426,020.71	1,752,749,897.09	8.0
Share of the Group's revenue	32.5%	31.3%	Up by 1.2 percentage points
Gross profit	635,309,234.00	670,039,355.55	(5.2)
Share of the Group's gross profit	33.4%	33.8%	Down by 0.4 percentage points
Gross profit margin	33.6%	38.2%	Down by 4.6 percentage points

In the first half of 2021, the revenue from the Container Segment increased by RMB139.68 million or 8.0% year-on-year, mainly due to the impact of the growth of the business of cross-border train lines and container shipping agency business. However, the decrease in the business volume of container terminal and branch line in Bohai Rim region resulted in the decline in the revenue.

In the first half of 2021, the gross profit margin of the Container Segment decreased by 4.6 percentage points year-on-year, mainly due to the revenue increase in the agency business and cross-border train lines business with a low gross profit margin, and the revenue decrease in foreign trade container business with a high gross profit margin.

In the first half of 2021, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Overcoming impacts from factors including the COVID-19 epidemic and the intense operation of global route market, to ensure the stable production and operation at terminals, and by virtue of efficient terminal service and perfect feeder network layout of the Group, to focus on the expansion into route markets including Southeast Asia, Japan and South Korea, etc., and to newly add 4 new foreign trade routes, further optimising network layout of shipping routes to meet the differentiated logistics needs of different customers.

- Implementing Bohai Rim region strategy, deepening the transshipment co-load cabin cooperation, stabilizing branch train line schedule, effectively reducing operational costs, improving customer service satisfaction, and focusing on the development of domestic and foreign trade project resources, which further manifested the pivotal role of Bohai Rim region.

- Enhancing business collaboration and cooperation with shipping companies, and railway bureaus in various links of sea-rail combined transportation, deepening the exploration into inland resource market, and newly opening various domestic and foreign trade train lines. Increasing efforts in the resource organization to newly add the exit channel at the Alataw Pass at the basis of stable operation of current Sino-Euro train lines and channels to continuously enhance the competition in Sino-Euro port train line market.

Automobile Terminal Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2021, with comparative figures for the first half of 2020:

		For the six months ended 30 June 2021	For the six months ended 30 June 2020	Increase/ (decrease)
Vehicles (units)	Foreign trade	24,207	6,706	261.0%
	Domestic trade	414,746	318,616	30.2%
	Total	438,953	325,322	34.9%
Equipment (tonnes)		5,739	10,523	(45.5%)

In the first half of 2021, the Group handled a total of 438,953 vehicles in automobile terminal, representing a year-on-year increase of 34.9%.

The performance of the Automobile Terminal Segment is set out as follows:

Item	In the first half of 2021 (RMB)	In the first half of 2020 (RMB)	Change (%)
Revenue	26,501,399.86	24,888,329.96	6.5
Share of the Group's revenue	0.5%	0.4%	Up by 0.1 percentage point
Gross profit	5,521,101.35	(2,487,946.79)	321.9
Share of the Group's gross profit	0.3%	(0.1%)	Up by 0.4 percentage point
Gross profit margin	20.8%	(10.0%)	Up by 30.8 percentage points

In the first half of 2021, the revenue from the Automobile Segment increased by RMB1.61 million year-on-year, an increase of 6.5%, mainly due to the combined impact of the increase in revenue from vehicles for railway handling services of Harbour ECL and the decrease in revenue from RV trading.

In the first half of 2021, the gross profit margin of the Automobile Segment increased by 30.8 percentage points year-on-year, mainly due to the impact of the decrease in revenue from RV trading with a low gross profit margin.

In the first half of 2021, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Leveraging on export routes of BMW, we have expanded export cargos such as Volvo and initially achieved exporting BMW as a breakthrough to drive other export cargos to aggregate. Automobile terminal set a new record in the foreign trade business in the first half of the year since the opening of the port.

- The development of the cross-border automobile transportation business in Japan marked the opening of China's first sea-to-rail intermodal corridor of commercial vehicles from East Asia to Central Asia.

- The domestic trade ro-ro transportation route of FAW-Volkswagen to Ningbo has been resumed, and the domestic trade ro-ro transportation route of FAW Toyota to Ningbo has been newly opened.

Bulk and General Cargo Segment

The following table sets out the throughput handled by the Group's bulk and general cargo terminal in the first half of 2021, with comparative figures for the first half of 2020:

	For the six months ended 30 June 2021 ('0,000 tonnes)	For the six months ended 30 June 2020 ('0,000 tonnes)	Increase/ (decrease)
Steel	1,470.4	1,369.0	7.4%
Coal	573.7	769.7	(25.5%)
Equipment	38.0	27.3	39.2%
Ore	3,996.2	4,173.4	(4.3%)
Others	2,225.9	1,573.1	41.5%
Total	8,304.2	7,912.5	5.0%

In the first half of 2021, the throughput of the Group's Bulk and General Cargo Segment amounted to 83.042 million tonnes, representing a year-on-year increase of 5.0%.

In the first half of 2021, the throughput of the Group's ore segment amounted to 39.962 million tonnes, representing a year-on-year decrease of 4.3%. Such decrease was mainly due to the fact that since the beginning of the year, the ore price was high, steel mills slowed down their import of foreign ore, while the 400,000-ton berth in Yantai Port was put into operation to divert part of the blended ore international transit cargo source.

In the first half of 2021, the Group's steel throughput was 14.704 million tonnes, representing a year-on-year increase of 7.4%. In light of rising price of bulk commodities, the price of steel remained high, steel enterprises were proactively producing and the sea business of steel increased.

In the first half of 2021, the Group's coal throughput was 5.737 million tonnes, representing a year-on-year decrease of 25.5%, mainly due to the fact that domestic coal price rose sharply in the first half of the year with price remaining fluctuated at a high level, as well as the sticky high ocean freight and the relatively high integrated logistics cost of customers, which resulted in the end users' weak purchasing desire.

The performance of the Bulk and General Cargo Segment is set out as follows:

Item	In the first half of 2021 (RMB)	In the first half of 2020 (RMB)	Change (%)
Revenue	2,083,446,934.26	1,967,110,008.64	5.9
Share of the Group's revenue	35.7%	35.2%	Up by 0.5 percentage points
Gross profit	849,866,350.60	771,036,592.56	10.2
Share of the Group's gross profit	44.7%	38.9%	Up by 5.8 percentage points
Gross profit margin	40.8%	39.2%	Up by 1.6 percentage points

In the first half of 2021, the revenue from the Bulk and General Cargo Segment increased by RMB116.34 million or 5.9% year-on-year. This was mainly due to the increase in the business volume of mining construction materials, steel and other general cargo, which drove the growth of revenue.

In the first half of 2021, the gross profit margin of the Bulk and General Cargo Segment increased by 1.6 percentage points year-on-year, mainly due to the impact of the increase in the steel business with a higher gross profit margin and the recovering adjustment of handling fee rates for some types of cargos.

In the first half of 2021, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Actively visiting many customers in the hinterland and strengthening the cooperation with customers continuously.

- Deepening the cooperation with Vale to expand RMB spot trades and promote the construction of mixed ore transshipment and distribution center in Northeast Asia.

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2021, with comparative figures for the first half of 2020:

	For the six months ended 30 June 2021 ('0,000 tonnes)	For the six months ended 30 June 2020 ('0,000 tonnes)	Increase/ (decrease)
Corn	186.3	356.0	(47.7%)
Soybean	212.9	194.2	9.6%
Barley	30.1	32.8	(8.2%)
Others	55.7	91.5	(39.1%)
Total	485.0	674.5	(28.1%)

In the first half of 2021, the throughput of the Group's Bulk Grain Segment amounted to 4.850 million tonnes, representing a year-on-year decrease of 28.1%.

In the first half of 2021, the Group's soybean throughput was 2.129 million tonnes, representing a year-on-year increase of 9.6%. Such increase was due to the active procurement of imported goods by traders as a result of a lower price caused by an increase in output of soybean in North and South Americas, coupled with the weakening impacts of the Sino-U.S. trade friction.

The performance of the Bulk Grain Segment is set out as follows:

Item	In the first half of 2021 (RMB)	In the first half of 2020 (RMB)	Change (%)
Revenue	216,998,801.76	250,725,278.91	(13.5)
Share of the Group's revenue	3.7%	4.5%	Down by 0.8 percentage point
Gross profit	29,325,268.01	69,212,177.25	(57.6)
Share of the Group's gross profit	1.5%	3.5%	Down by 2.0 percentage points
Gross profit margin	13.5%	27.6%	Down by 14.1 percentage points

In the first half of 2021, the revenue from the Bulk Grain Segment decreased by RMB33.73 million or 13.5% year-on-year, mainly due to the decrease in the scale of revenue in handling resulted from the decrease in the throughput of corn and barley.

In the first half of 2021, the gross profit margin of the Bulk Grain Segment decreased by 14.1 percentage points year-on-year mainly due to the decrease in the revenue caused by the decline of the throughput of corn and the increase in the labour costs and depreciation expenses.

In the first half of 2021, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Promoting transportation of Heilongjiang-Dalian bulk grain train and improving the efficiency of transporting grains from inland to the port.

- Cooperating with shipping companies to add routes for transporting grains from Dalian to Shandong, East China and South China, to improve the network layout of routes.

Passenger and Ro-Ro Segment

The following table sets out the passenger and roll-on, roll-off throughput handled by the Group in the first half of 2021, with comparative figures in the first half of 2020:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Increase/ (decrease)
Passengers ('0,000 persons)	107.6	68.4	57.3%
Vehicles ('0,000 units)	39.8	31.2	27.6%

Throughput of passengers and roll-on, roll-off terminal was 1.076 million persons, representing a year-on-year increase of 57.3%. Throughput of vehicles amounted to 398,000 units, representing a year-on-year increase of 27.6%, mainly due to the fact that China's epidemic in general entered into its normal prevention and control stage, the ro-ro passenger ships basically resumed to normal operation, and the throughput of passengers and ro-ro vehicles increased over the same period.

The performance of the Passenger and Ro-Ro Segment is set out as follows:

Item	In the first half of 2021 (RMB)	In the first half of 2020 (RMB)	Change (%)
Revenue	63,610,058.25	54,650,841.81	16.4
Share of the Group's revenue	1.1%	1.0%	Up by 0.1 percentage point
Gross profit	(12,431,860.33)	(13,171,938.43)	5.6
Share of the Group's gross profit	(0.7%)	(0.7%)	Remain stable
Gross profit margin	(19.5%)	(24.1%)	Up by 4.6 percentage points

In the first half of 2021, the revenue from the Passenger and Ro-Ro Segment increased by RMB8.96 million or 16.4% year-on-year, mainly due to the fact that passenger transportation business gradually resumed and the revenue of operation increased due to the reduced negative impact of COVID-19 epidemic.

In the first half of 2021, the gross profit margin of the Passenger and Ro-Ro Segment increased by 4.6 percentage points year-on-year, mainly due to the fact that the passenger transportation business gradually resumed after the epidemic.

In the first half of 2021, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- In the first half of the year, working on prevention and control of the epidemic with all efforts, strictly implementing prevention and control plans and measures and strengthening inspections of passengers arriving from areas with mid- or high-risk areas to ensure the prevention and control of cold chain goods transport vehicles and imported non-cold chain transport vehicles.

- To organize and carry out special inspections of the security inspection process of passenger and ro-ro vehicles, purchase advanced equipment to improve the efficiency and level of security inspections, and establish a professional vehicle security inspection center to implement professional management and control.

Value-added Services Segment

Tugging

In the first half of 2021, the Group strengthened expansion of the market, and therefore recorded a rapid increase in tugging business by 4.71% year-on-year.

Tallying

In the first half of 2021, the Group's tallying business was relatively stable through active market development. The total tallying throughput handled by the Group was 18.652 million tonnes, remaining stable over the same period.

Railway

In the first half of 2021, benefiting from the rapid growth of import demands for bulk and general cargoes, the increment of railway collection and distribution was significant. In terms of the operation of railway transportation, the Group handled a total of 420,000 carriages.

The performance of the Value-added Services Segment is set out as follows:

Item	In the first half of 2021 (RMB)	In the first half of 2020 (RMB)	Change (%)
Revenue	544,819,043.16	562,510,455.41	(3.1)
Share of the Group's revenue	9.3%	10.1%	Down by 0.8 percentage points
Gross profit	143,479,028.86	198,886,120.12	(27.9)
Share of the Group's gross profit	7.6%	10.0%	Down by 2.4 percentage points
Gross profit margin	26.3%	35.4%	Down by 9.1 percentage points

In the first half of 2021, the revenue from the Value-added Services Segment decreased by RMB17.69 million or 3.1% year-on-year, mainly due to the impact of the decrease in consolidated income resulting from the cease of inclusion of the information companies in the consolidation scope.

In the first half of 2021, the gross profit margin of the Value-added Services Segment decreased by 9.1 percentage points year-on-year, mainly due to the impact of the cease of inclusion of the information companies with better profitability in the consolidation scope and the increase of depreciation expenses and social security fees.

PROSPECTS OF THE SECOND HALF OF 2021

Competitive Landscape and Industry Trend

The economy of China is in the process of returning from rapid recovery to normalization. According to the "Global Economic Outlook" report released by The World Bank, the global economic growth forecast in 2021 has been revised up to 5.6% from the previous estimate of 4%, and China's economic growth forecast has been revised up to 8.5% from the previous estimate of 7.9%. It is expected that China's economy as a whole will return to its pre-epidemic level throughout the year. However, the epidemic situation abroad is still spreading. The unsynchronized development of the epidemic in major economies has affected the overall pace of recovery. The weakening of the release of aggregate demand and the slowing of the recovery of supply have weakened the momentum of recovery.

In the second half of the year, the Group's major initiatives for market development of its business segments are as follows:

Oil Segment

- To deeply cultivate the market of crude oil transshipped in Hebei region; develop whole-process imported crude oil logistics system in Bohai Rim and consolidate crude oil transshipment sources.
- To advance handling of qualifications for loading and discharging and warehousing of fuel oil, improve port service functions and drive the improvement in throughput.
- To focus on the release of refining capacity in Northeast China and give full play to its own advantages; continue to deepen the railway transshipment cooperation with customers and expand the transfer and dispatch market of crude oil and refined oil in the hinterland of the Northeast China.

Container Segment

- To pay close attention to the impact of the epidemic on the market, stabilize domestic and foreign trade routes, and actively strive for new routes.

- To unify transshipment strategies, improve cooperation ability and reduce operational costs to promote transformation and development of feeders in Bohai Rim and consolidate position of a transshipment port.

- To strengthen business synergy, promote resource integration and constantly explore and optimise the inland collection and distribution system in the Three Northeastern Provinces, with an aim to further increase development of cargo supply in cross-border train lines and to continuously develop new channels and new routes.

Automobile Terminal Segment

- To increase the docking with the commercial vehicle logistics market in Japan and South Korea, vigorously promote the cross-border transportation mode of the Company's commercial vehicles, and explore new brands of cross-border transportation.

- To expand the export business of other brands of commercial vehicles based on the existing BMW and Volvo export routes.

- To promote the reconstruction and expansion of railway siding to enhance the Company's collection and distribution capabilities.

Bulk and General Cargo Segment

- To actively promote the sale of blended ore "RMB spot" in Hebei, and expand the market scale of blended ore products.

- To strengthen the business coordination of internal ports, give full play to the advantages of integration; build a coordinated port for loading and discharging imported iron ore; improve the overall berth utilization efficiency of the ore terminal, and ensure the supply of raw materials for steel mills.

Bulk Grain Segment

- To continue to deepen business cooperation with Jiusan Group, strengthen the efficiency of cargo loading and discharging at the port, and fully guarantee the smooth handling of soybeans.

- To give full play to the bonded processing function of Dayao Bay Comprehensive Bonded Zone, and develop the processing business of imported corn in the region.

Passenger and Ro-Ro Segment

- To get fully prepared for the launch of two new passenger and ro-ro ships with a capacity of 30,000 tonnes, and work on marketing jointly with shipping companies.

- To actively conduct transport business for the passengers of inter-provincial routes "Lvshun – Tuojidao Island – Changdao Island (旅順－砣磯島－長島)"。

Value-added Services Segment

- Tugging

  The Company will expand revenue sources and reduce costs and expenditures by developing tugging business in surrounding markets, increasing throughput of tugging outside the port and expanding domestic coastal tugging services.

- Tallying

  The Company will accelerate the development of intelligent tallying system to reduce labour costs. It will insist on diversified development model of tallying business, and actively expand inspection and verification business including draft survey, measurement, loading and discharging supervision.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2021, no further redemption of our Company's listed securities had been made by the Company. Neither the Company nor any of its subsidiaries had further purchased or sold the listed securities of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2021, the Company had complied with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and so far as known to the directors of the Company, there had been no deviation from the code provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2021, the Company had adopted a code of conduct governing director's and supervisor's dealings in the Company's securities on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuer ("**Model Code**"). Upon specific enquiries, all directors and supervisors have confirmed that they had complied with the provisions of the Model Code and the code of conduct governing their dealings in the Company's securities during the relevant period.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company consists of Mr. LI Zhiwei as an independent non-executive director, Mr. YUAN Yi as a non-executive director and Mr. LAW Man Tat as an independent non-executive director. Mr. LI Zhiwei, an independent non-executive director, acts as the chairman of the audit committee. The audit committee has reviewed the unaudited interim results for the six months ended 30 June 2021.

Save as disclosed in this announcement, from 1 January 2021 to 30 June 2021, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix 16 to the Listing Rules.

By Order of the Board
Liaoning Port Co., Ltd.
WANG Huiying and LEE, Kin Yu Arthur
Joint Company Secretaries

Dalian City, Liaoning Province, the PRC
26 August 2021

As at the date of this announcement, the Board comprises:
Executive Directors: WEI Minghui, SUN Dequan and QI Yue
Non-executive Directors: CAO Dong, YUAN Yi and NA Danhong
Independent Non-executive Directors: LI Zhiwei, LIU Chunyan and LAW Man Tat

* *The Company is registered as Non-Hong Kong Company under Part XI of the previous Companies Ordinance (equivalent to Part 16 of the Companies Ordinance with effect from 3 March 2014) under the English name "Liaoning Port Co., Ltd.".*

* *For identification purposes only*