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

## **ANNOUNCEMENT OF INTERIM RESULTS FOR 2022**

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 2022.

## OPERATING RESULTS

The results for the six months ended 30 June 2022, 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 2022 (UNAUDITED)

(All amounts in RMB Yuan unless otherwise stated; this applies to the below section)

ASSETS	30 June 2022 Consolidated	31 December 2021 Consolidated
Current assets		
Cash at bank and on hand	5,454,952,913.02	4,682,837,844.76
Financial assets held for trading	–	–
Notes receivable	242,541,221.98	382,699,154.88
Accounts receivable	3,021,128,291.66	2,484,558,788.25
Receivables financing	89,051,177.24	40,454,782.00
Other receivables	514,542,603.10	418,964,033.51
Inventories	122,729,919.76	113,803,685.78
Contract assets	–	–
Advances to suppliers	91,003,271.14	57,266,286.24
Non-current assets due within one year	25,705,000.00	25,705,000.00
Other current assets	380,952,904.02	477,689,360.75
Total current assets	9,942,607,301.92	8,683,978,936.17

ASSETS	30 June 2022 Consolidated	31 December 2021 Consolidated
Non-current assets		
Long-term receivables	–	4,706,562.92
Long-term equity investments	3,875,486,703.42	3,854,128,735.24
Investments in other equity instruments	166,338,826.69	179,291,854.27
Investment properties	176,603,093.69	184,436,193.34
Fixed assets	30,905,716,748.85	31,618,423,562.64
Construction in progress	2,632,479,814.00	2,697,449,538.01
Right-of-use assets	5,109,115,203.84	4,414,466,347.72
Intangible assets	5,534,018,194.20	5,624,837,547.39
Goodwill	225,929,504.67	225,929,504.67
Long-term prepaid expenses	51,227,978.81	48,222,076.27
Development expenditure	14,124,413.00	13,695,980.00
Deferred income tax assets	249,705,449.75	237,861,355.01
Other non-current assets	20,141,949.35	25,821,465.85
Total non-current assets	48,960,887,880.27	49,129,270,723.33
Total assets	58,903,495,182.19	57,813,249,659.50

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2022 Consolidated	31 December 2021 Consolidated
Current liabilities		
Short-term borrowings		
Notes payable		
Accounts payable	309,675,145.74	299,243,621.90
Advances from customers	8,391,535.82	8,310,000.53
Contract liabilities	229,646,376.32	394,018,044.43
Employee benefits payable	179,325,955.80	283,539,639.27
Taxes payable	118,523,013.82	157,612,682.63
Other payables	2,798,334,937.86	5,211,704,627.42
Non-current liabilities due within one year	1,937,012,835.17	1,317,029,437.70
Other current liabilities	11,154,717.37	18,200,512.62
Total current liabilities	5,592,064,517.90	7,689,658,566.50
Non-current liabilities		
Long-term borrowings	872,060,332.00	1,020,537,454.00
Bonds payable	4,985,477,607.71	2,486,907,371.14
Lease liabilities	5,212,800,371.02	4,479,123,277.25
Long-term payables	17,500,000.00	17,500,000.00
Estimated liabilities	170,708,538.56	212,308,104.33
Deferred income	481,760,458.21	503,761,225.92
Deferred income tax liabilities	274,302,507.50	288,311,027.10
Other non-current liabilities	46,816,580.62	61,401,012.91
Total non-current liabilities	12,061,426,395.62	9,069,849,472.65

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2022 Consolidated	31 December 2021 Consolidated
Total liabilities	17,653,490,913.52	16,759,508,039.15
Shareholders' equity		
Share capital	23,987,065,816.00	23,987,065,816.00
Capital surplus	9,025,245,665.81	9,022,246,406.02
Other comprehensive income	59,448,222.31	59,093,962.51
Specific reserve	122,995,239.81	92,693,542.25
Surplus reserve	1,346,971,923.09	1,346,971,923.09
Undistributed profits	3,532,117,333.79	3,437,962,835.75
Total equity attributable to shareholders of the parent company	38,073,844,200.81	37,946,034,485.62
Minority interests	3,176,160,067.86	3,107,707,134.73
Total shareholders' equity	41,250,004,268.67	41,053,741,620.35
Total liabilities and shareholders' equity	58,903,495,182.19	57,813,249,659.50

CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)  
(All amounts in RMB Yuan unless otherwise stated)

Item		For the six months ended 30 June 2022	For the six months ended 30 June 2021 (restated)
		Consolidated	Consolidated
I. Revenue		5,788,566,152.86	6,090,705,960.02
Less:	Cost of sales	4,243,209,288.28	4,058,396,559.75
	Taxes and surcharges	59,249,690.12	62,059,961.45
	Selling expenses	–	–
	Administrative expenses	353,296,807.88	372,358,248.86
	Research and development expenses	1,752,528.33	3,142,083.67
	Financial expenses	228,116,615.03	294,957,533.29
	Including: Interest expenses	260,985,446.47	346,530,184.37
	Interest income	39,958,963.60	49,106,482.19
Add:	Other income	52,993,429.90	44,962,395.25
	Investment income	101,502,060.52	160,168,508.18
	Including: Investment income from associates and joint ventures	100,011,993.36	112,874,969.68
	Gains on changes in fair value	–	–
	Asset impairment losses	–	–
	Credit impairment losses	(25,925,791.04)	(41,000,040.13)
	Gains on disposals of assets	4,639,108.71	35,747,483.71
II. Operating profit		1,036,150,031.31	1,499,669,920.01
Add:	Non-operating income	36,816,997.90	3,427,949.41
Less:	Non-operating expenses	705,096.23	25,020,521.49

Item		For the six months ended 30 June 2022	For the six months ended 30 June 2021 (restated)
		Consolidated	Consolidated
III. Total profit		1,072,261,932.98	1,478,077,347.93
Less:	Income tax expenses	260,536,507.28	333,801,273.69
IV. Net profit		811,725,425.70	1,144,276,074.24
Including: Net profit from continuing operations		811,725,425.70	1,144,276,074.24
Classified by ownership of the equity			
Net profit attributable to shareholders of the parent company		741,962,637.45	1,059,390,351.45
Gains or losses of minority interests		69,762,788.25	84,885,722.79
V. Earnings per share			
	Basic earnings per share (RMB/yuan)	0.03	0.05
	Diluted earnings per share (RMB/yuan)	0.03	0.05
VI. Other comprehensive income, net of tax		195,368.82	(3,750,583.64)
	Other comprehensive income, net of tax, attributable to shareholders of the parent company	354,259.80	(4,382,550.88)
	(I) Other comprehensive income that may not be reclassified to profit or loss	(9,555,879.71)	(1,713,932.52)
	1. Changes in fair value of investments in other equity instruments	(9,555,879.71)	(1,713,932.52)
	(II) Other comprehensive income that will be reclassified to profit or loss	9,910,139.51	(2,668,618.36)
	1. Exchange differences on translation of foreign currency financial statements	9,910,139.51	(2,668,618.36)
	Other comprehensive income, net of tax, attributable to minority interests	(158,890.98)	631,967.24

Item	For the six months ended 30 June 2022	For the six months ended 30 June 2021 (restated)
	Consolidated	Consolidated
VII. Total comprehensive income	811,920,794.52	1,140,525,490.60
Including: Attributable to shareholders of the parent company	742,316,897.25	1,055,007,800.57
Attributable to minority interests	69,603,897.27	85,517,690.03



## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

(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-share) 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.

Yingkou Port Liability Co., Ltd. (hereinafter referred to as “**Yingkou Port**”) is a joint stock company approved by the People’s Government of Liaoning Province (Document Liao Zheng [2000] No. 46), and established by five promoters including, among others, Yingkou Port Authority (later converted into Yingkou Port Group Co., Ltd., hereinafter referred to as “**Yingkou Port Group**”) on 22 March 2000. Yingkou Port was listed for trading on the Shanghai Stock Exchange on 26 January 2002.

In order to promote the integration of the ports in Liaoning, upon the gratuitous transfer of the equity interests held by Dalian SASAC and Yingkou SASAC in PDA Group and Yingkou Port Group to Liaoning North East Asia Gang Hang Development Co., Ltd. (遼寧東北亞港航發展有限公司) (renamed as “Liaoning Port Group Limited”, hereinafter referred to as “**Liaoning Port Group**”) in February 2018, respectively, the actual controller of the Company and Yingkou Port was changed from Dalian SASAC and Yingkou SASAC to Liaoning SASAC, respectively. 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**”), and therefore the ultimate actual controller of the Company and Yingkou Port was changed to China Merchants Group.

As considered and approved at the 2020 second extraordinary general meeting of the Company convened on 25 September 2020, the 2020 first A Shareholders class meeting, the 2020 first H Shareholders class meeting, and approved by the Reply on Approval of Dalian Port (PDA) Company Limited’s Merger with Yingkou Port Liability Co., Ltd. by Absorption and Fundraising (Zheng Jian Xu Ke [2020] No. 3690) issued by China Securities Regulatory Commission, the Company has completed the merger by absorption through share swap on 4 February 2021. The Company (or its wholly-own subsidiaries) has inherited and taken over all assets, liabilities, businesses, personnel, contracts and all other rights and obligations of Yingkou Port. On 29 January 2021, upon the approval of Decision on the Cessation of Listing of the Shares of Yingkou Port Liability Co., Ltd. ([2021] No. 3690) by the Shanghai Stock Exchange, Yingkou Port will be delisted and deregistered. On 4 February 2021, upon the completion of such merger by absorption through share swap, the total share capital of the Company increased from 12,894,535,999 to 22,623,429,453, in which Yingkou Port Group, the parent company of Yingkou Port, has 30.57% equity interests. On 9 February 2021, the 9,728,893,454 A shares newly issued to the original shareholders of Yingkou Port involved in this merger by share swap were listed for trading. In accordance with the Reply by Zheng Jian Xu Ke [2020] No. 3690 to the Fundraising of the Company, the Company had issued 1,363,636,363 RMB ordinary shares (A shares) to eight specific investors including Anshan Iron & Steel Co. Ltd. on 17 November 2021. Total share capital of the Company increased from 22,623,429,453 to 23,987,065,816, in which Yingkou Port Group has 28.83% equity interests.

According to the Agreement in relation to the Voting Right Entrustment of Liaoning Port Co., Ltd. between Dalian Port Corporation Limited and Yingkou Port Group Corporation Limited entered into by PDA Group and Yingkou Port Group on 29 March 2021, PDA Group agreed to fully entrust the exercise of shareholders' rights of its equity interests in the Company, other than right to earnings, right of disposition (including share pledge) and share options, to Yingkou Port Group, the parent company of the Company was changed from PDA Group to Yingkou Port Group.

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; towage; 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 be conducted after obtaining the relevant license) (with capital contribution from foreign parties restricted to less than 25%).

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

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 2022 are as follows:

**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 consolidated
Asia Pacific Ports Investment Co., Ltd.	Hong Kong	Logistics services	100	100	Note

Note: In June 2022, Asia Pacific Ports Investment Co., Ltd. completed the procedures of deregistration. The deregistration of such company had material impact on neither the consolidation accounting of the Group and the financial position of the Company as at 30 June 2022, nor the consolidation and the operating results and cash flows of the Company for the period from 1 January to 30 June 2022.

**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 “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—Output VAT of the Group’s revenues from port handling, sales of goods, transport income, interest income from related party borrowings, project construction, leasing of real estate and labor dispatch services is calculated 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.

#### 2. Tax preference

##### *Property tax and land use tax*

According to the Tentative Regulations of the People’s Republic of China on Urban Land Use Tax and the Regulations on 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 on 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 were exempted from land use tax for the period.

According to the Tentative Regulations of the People’s Republic of China on 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 (Notice No. 39 of the Ministry of Finance, State Administration of Taxation and General Administration of Customs in 2019), and the Certain Policies to Promote the Recovery and Development of Distressed Industries in the Service Sector (Fa Gai Cai Jin [2022] No. 271) issued by 14 departments including the National Development and Reform Commission, the Group shall, from 1 April 2019 to 31 December 2022, deduct additional 10% of current deductible input tax from VAT payable.

### ***Corporate income tax***

Dalian Jifa South Coast International Logistics Co., Ltd., a subsidiary of the Group, has obtained on 19 November 2021, the Certificate of High and New Technological Enterprise (Certificate No. GR202121200628) issued by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance and Dalian Municipal Taxation Bureau of the State Administration of Taxation, and the term of validity of the certificate is three years. 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 company is 15%.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises (Announcement of the Ministry of Finance and the State Administration of Taxation [2019] No. 13), the Announcement on further Implementation of Preferred Tax Policies for Small and Micro Enterprises (Announcement of the Ministry of Finance and the State Administration of Taxation [2022] No. 13), the portion of annual taxable income of a small low-profit enterprise which does not exceed RMB1 million shall be calculated at a reduced rate of 25% as taxable income amount and be subject to corporate income tax at 20% tax rate; the portion of annual taxable income over RMB1 million but not exceeding RMB3 million shall be calculated at a reduced rate of 50% as taxable income amount and be subject to corporate income tax at 20% tax rate from 1 January 2019 to 31 December 2024. Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on the Announcement on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Entrepreneurs (Announcement of the Ministry of Finance and the State Administration of Taxation [2021] No. 12), from 1 January 2021 to 31 December 2022, the portion of annual taxable income of a small low-profit enterprise which does not exceed RMB1 million, in addition to the preferential policies stipulated in the Notice on Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises (Announcement of the Ministry of Finance and the State Administration of Taxation, [2019] No. 13), the corporate income tax shall be levied by half. The above preferred tax policies were applicable for several subsidiaries of the Group, namely Dalian Changxing Island Economic Zone Wanpeng Port Construction Supervision & Consultation Co., Ltd., Qinhuangdao Jigang Shipping Agency Co., Ltd., and Dalian Port Haiheng Ship Management Co., Ltd. for the period.

### ***“Six Taxes and Two Fees” Reduction Policy***

Pursuant to the Announcement of the Ministry of Finance and the State Administration of Taxation Regarding Further Implementing the “Six Taxes and Two Fees” Reduction and Exemption Policies for Small and Micro Enterprises (Announcement [2022] No. 10 of the Ministry of Finance and the State Administration of Taxation), from 1 January 2022 to 31 December 2024, small-scale taxpayers and small low-profit enterprises of the Group are entitled to a 50% reduction of resource tax, city maintenance and construction tax, property tax, urban land use tax, stamp tax (excluding securities trading stamp tax), farmland occupation tax, educational surcharge, and local educational surcharge. The above preferred tax policies were applicable for several subsidiaries of the Group, namely Dalian Changxing Island Economic Zone Wanpeng Port Construction Supervision & Consultation Co., Ltd., Qinhuangdao Jigang Shipping Agency Co., Ltd., Dalian Jifa Shipping Agency Co., Ltd., Dalian Gangrun Gas Co., Ltd., and Dalian Port Haiheng Ship Management Co., Ltd. for the period.

#### IV. EXPLANATORY NOTES FOR MAIN ITEMS IN CONSOLIDATED FINANCIAL STATEMENT

##### 1. Notes receivable

Item	30 June 2022 (unaudited)	31 December 2021
Commercial acceptance notes	–	–
Bank acceptance notes	242,541,221.98	382,699,154.88
Total	242,541,221.98	382,699,154.88

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.

The Group's notes receivable which have been endorsed or discounted but not mature yet as at the balance sheet date are as follows:

Item	30 June 2022 (unaudited)		31 December 2021	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	3,627,579.90	–	118,249,731.60	433,700.00

As at 30 June 2022, the Group had no pledged notes receivable (31 December 2021: Nil).

As at 30 June 2022, there were no discounted notes or notes that were recognised as accounts receivable due to the drawer's disability to perform (31 December 2021: Nil).

##### 2. Accounts receivable

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

Item	30 June 2022 (unaudited)	31 December 2021
Within 1 year (including 1 year)	1,559,938,020.71	1,267,897,767.45
1 to 2 years (including 2 years)	634,389,550.46	654,370,784.28
2 to 3 years (including 3 years)	634,880,464.44	675,178,206.36
Over 3 years	547,365,965.24	218,450,854.39
Subtotal	3,376,574,000.85	2,815,897,612.48
Less: provision for bad debts of accounts receivable	355,445,709.19	331,338,824.23
Total	3,021,128,291.66	2,484,558,788.25

The movements of 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	Recovery during the period/year	Disposal of subsidiaries in the period/year	Reversal or write-off during the period/year	Balance as at the end of the period/year
30 June 2022 (unaudited)	331,338,824.23	57,037,399.06	(32,930,514.10)	-	-	355,445,709.19
31 December 2021	235,148,773.11	115,061,903.76	(18,324,250.00)	(547,602.64)	-	331,338,824.23

Item	30 June 2022			
	Book balance		Provision for bad debts	
	Amount	Provision percentage (%)	Amount	Provision percentage (%)
Provision for bad debt on individual basis	-		-	
Provision for bad debts based on credit risk rating	3,376,574,000.85	100	355,445,709.19	10.53
Total	3,376,574,000.85	100	355,445,709.19	10.53

As at 30 June 2022, details of accounts receivable of which provision for bad debts is made according to its credit risk rating are as follows (unaudited):

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
Portfolio A	923,829,414.05	0.00%-0.10%	97,807.74
Portfolio B	35,033,074.50	0.10%-0.30%	58,483.76
Portfolio C	2,355,586,380.61	0.30%-50.00%	293,277,036.00
Portfolio D	62,125,131.69	50.00%-100.00%	62,012,381.69
Total	3,376,574,000.85		355,445,709.19

As at 31 December 2021, details of accounts receivable of which provision for bad debts is made according to its credit risk rating are as follows:

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
Portfolio A	642,641,030.12	0.00%-0.10%	72,110.87
Portfolio B	25,605,127.86	0.10%-0.30%	63,945.25
Portfolio C	2,052,997,992.34	0.30%-50.00%	236,623,611.02
Portfolio D	94,653,462.16	50.00%-100.00%	94,579,157.09
Total	2,815,897,612.48		331,338,824.23

The top five balances by the amounts of accounts receivable as at 30 June 2022 were summarised as below (unaudited):

Item	Balance	Provision for bad debts	Percentage of total accounts receivable (%)
Total balances of accounts receivables of the top five	2,528,849,626.01	289,992,830.66	74.89

### 3. Receivables financing

Item	30 June 2022 (unaudited)	31 December 2021
Bank acceptance notes measured at fair value	89,051,177.24	40,454,782.00
Total	89,051,177.24	40,454,782.00

The Group's receivables financing which have been endorsed or discounted but not mature yet as at the balance sheet date are as follows:

Item	30 June 2022 (unaudited)		31 December 2021	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	231,136,545.80	2,000,000.00	288,398,660.07	8,253,435.95

As at 30 June 2022, the Group has no receivables financing pledged (31 December 2021: Nil).

#### 4. Other receivables

Item	30 June 2022 (unaudited)	31 December 2021
<b>Interest receivable</b>	<b>2,554,555.68</b>	<b>1,803,884.62</b>
Fixed term deposit	–	–
Current deposit	–	–
Borrowings from related parties	2,554,555.68	1,803,884.62
<b>Dividends receivable</b>	<b>180,341,476.40</b>	<b>155,988,379.90</b>
Dalian Port Yidu Cold Chain Co., Ltd.	88,189,824.35	88,189,824.35
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23
Dalian Port Logistic Network Co., Ltd.	13,295,232.49	13,295,232.49
Dalian Automobile Terminal Co., Ltd.	11,200,000.00	11,200,000.00
China Oil Dock Management (Dalian) Co., Ltd.	10,708,406.15	–
Dalian Petro China International Warehousing and Transportation Co., Ltd.	9,720,584.95	–
Dalian Singamas International Container Co., Ltd.	8,350,187.78	8,350,187.78
Dalian Port Logistics Technology Co., Ltd.	8,200,000.00	10,000,000.00
Taicang Xinggang Tug Co., Ltd.	6,130,105.40	–
China United Tally (Dalian) Co., Ltd.	1,112,267.52	1,112,267.52
Dalian Dagang China Shipping Container Terminal Co., Ltd.	637,328.53	637,328.53
Dalian Port Design and Research Institute Co., Ltd.	290,000.00	696,000.00
<b>Other receivables</b>	<b>420,954,251.62</b>	<b>348,659,602.76</b>
Receivables from income of entrusted management services	78,152,636.08	85,232,416.60
Receivables from project payment and guarantee deposit	32,783,052.91	31,943,816.99
Borrowings from related parties	23,000,000.00	23,000,000.00
Settlement to be transferred	60,866,355.01	17,897,611.31
Port miscellaneous expenses	7,946,338.31	10,140,671.00
Receivables from deposit and security deposit	22,357,569.85	19,905,803.84
Government subsidies receivable	100,435,429.98	89,578,655.40
Public infrastructure maintenance expenses	5,476,749.02	7,128,371.74
Advances receivable	37,022,931.51	24,290,086.79
Others	52,913,188.95	39,542,169.09
<b>Less: Credit loss provision</b>	<b>89,307,680.60</b>	<b>87,487,833.77</b>
<b>Total</b>	<b>514,542,603.10</b>	<b>418,964,033.51</b>



**(1) Interest receivable**

Classification of interest receivable

Item	30 June 2022 (unaudited)	31 December 2021
Borrowings from related parties	2,554,555.68	1,803,884.62
Less: Provision for credit loss	53,199.41	53,199.41
Book value	2,501,356.27	1,750,685.21

As at 30 June 2022, the Group has no significant amount of overdue interest (31 December 2021: Nil).

Provision for credit loss of interest receivable

	Stage I	Stage II	Stage III	Total
	Expected credit loss over the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Opening balance	53,199.41	-	-	53,199.41
Provision for the period	-	-	-	-
Closing balance	53,199.41	-	-	53,199.41

For the six months ended 30 June 2022, there was no bad debt provision (2021: RMB53,199.41), and no recovery or reversal of bad debt provision (2021: Nil).

(2) *Dividends receivable*

Investee	30 June 2022 (unaudited)	31 December 2021
Dalian Port Yidu Cold Chain Co., Ltd.	88,189,824.35	88,189,824.35
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23
Dalian Port Logistics Network Co., Ltd.	13,295,232.49	13,295,232.49
Dalian Automobile Terminal Co., Ltd.	11,200,000.00	11,200,000.00
China Oil Dock Management (Dalian) Co., Ltd.	10,708,406.15	–
Dalian Petro China International Warehousing and Transportation Co., Ltd.	9,720,584.95	–
Dalian Singamas International Container Co., Ltd.	8,350,187.78	8,350,187.78
Dalian Port Logistics Technology Co., Ltd.	8,200,000.00	10,000,000.00
Taicang Xinggang Tug Co., Ltd.	6,130,105.40	–
China United Tally (Dalian) Co., Ltd.	1,112,267.52	1,112,267.52
Dalian Dagang China Shipping Container Terminal Co., Ltd.	637,328.53	637,328.53
Dalian Port Design and Research Institute Co., Ltd.	290,000.00	696,000.00
Total	180,341,476.40	155,988,379.90
Less: Provision for credit loss	2,659,059.32	2,659,059.32
Book value	177,682,417.08	153,329,320.58

Material dividends receivable aged over 1 year

Investee	30 June 2022 (unaudited)	31 December 2021	Reasons for unrecovery	Closing balance of credit loss provision
Dalian Port Yidu Cold Chain Co., Ltd.	88,189,824.35	88,189,824.35	Delay of payment	2,645,694.73
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23	Delay of payment	6,752.26
Dalian Port Logistics Network Co., Ltd.	13,295,232.49	–	Delay of payment	1,329.53
Dalian Port Logistics Technology Co., Ltd.	8,200,000.00	10,000,000.00	Delay of payment	3,000.00
Dalian Singamas International Container Co., Ltd.	8,350,187.78	8,350,187.78	Delay of payment	2,282.80
Total	140,542,783.85	129,047,551.36		2,659,059.32

Movements in provision for credit losses on dividends receivable

	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	2,659,059.32	-	-	2,659,059.32
Provision during the period	-	-	-	-
Closing balance	2,659,059.32	-	-	2,659,059.32

For the six months ended 30 June 2022, there was no provision for bad debts (2021: RMB2,659,059.32), and no bad debt provision recovered or reversed (2021: Nil).

**(3) An ageing analysis of other receivables is as follows:**

Item	30 June 2022 (unaudited)	31 December 2021
Within 1 year (including 1 year)	241,163,843.48	161,254,527.10
1 to 2 years (including 2 years)	15,882,612.66	36,011,047.76
2 to 3 years (including 3 years)	22,171,204.45	33,579,609.74
Over 3 years	141,736,591.03	117,814,418.16
Subtotal	420,954,251.62	348,659,602.76
Less: Provision for bad debts of other receivables	86,595,421.87	84,775,575.04
Total	334,358,829.75	263,884,027.72

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 2022 (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	53,194.87	33,411,438.46	51,310,941.71	84,775,575.04
Opening balance during the period that				
– Transferred to stage II	(18.00)	18.00	–	–
– Transferred to stage III	(70.20)	(270,000.00)	270,070.20	–
Provision during the period	61,486.75	336,751.11	1,676,864.97	2,075,102.83
Reversal during the period	–	–	(255,256.00)	(255,256.00)
Closing balance	114,593.42	33,478,207.57	53,002,620.88	86,595,421.87

For the six months ended 30 June 2022, the provision for bad debts amounted to RMB2,075,102.83 (2021: RMB15,257,349.52), and the bad debt provision recovered or reversed amounted to RMB255,256.00 (2021: Nil).

As at 30 June 2022, a summary of the top five other receivables is as follows (unaudited):

Item	Closing balance	Provision for bad debts	% of total other receivables
Total balances of top five other receivables	245,124,209.06	30,163,657.56	58.24

As at 30 June 2022, government subsidies receivables are as follows (unaudited):

Item	Subsidy items	Amount	Ageing	Basis
Dalian Jiye Logistics Co., Ltd.	Subsidy to China – Europe Railway Lines	61,566,312.90	Within 1 year	Opinions on the Support Policy of Dalian China – Europe Railway Lines and Administrative Measures for the Special Funds of Dalian China-Europe Railway Lines
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Subsidy for container freight	20,901,925.08	Within 1 year, 1-2 years and 2-3 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	3-4 years, 4-5 years and above 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	4,446,400.00	3-4 years	Request for Instructions Concerning Supporting the Development of Container Freight in Dongying Port Zone
Liaoning Port Holdings (Yingkou) Co., Ltd.	Subsidy for inspection warehousing	1,161,600.00	Within 1 year	Notice on Appropriating the Pilot Funds for Exempting Foreign Trade Enterprises from Storage Cost for Lifting and Shifting
Total		100,435,429.98		

## 5. Inventories

Item	30 June 2022 (unaudited)			31 December 2021		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	108,900,338.14	9,246,496.78	99,653,841.36	97,769,561.70	9,246,496.78	88,523,064.92
Finished goods	4,044,357.69	–	4,044,357.69	4,044,357.69	–	4,044,357.69
Turnover materials	12,674,208.26	–	12,674,208.26	12,230,371.35	–	12,230,371.35
Contract performance cost	5,651,175.98	–	5,651,175.98	8,279,690.75	–	8,279,690.75
Others	706,336.47	–	706,336.47	726,201.07	–	726,201.07
Total	131,976,416.54	9,246,496.78	122,729,919.76	123,050,182.56	9,246,496.78	113,803,685.78

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

Item	31 December 2021	Increase in the current period		Decrease in the current period		30 June 2022 (unaudited)
		Provision	Others	Reversal or write-off	Others	
Raw materials	9,246,496.78	–	–	–	–	9,246,496.78
Total	9,246,496.78	–	–	–	–	9,246,496.78

## 6. Investments in other equity instruments

For the six months ended 30 June 2022 (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	33,508,795.76	86,352,429.76	-	-
Qinhuangdao Port Xingangwan Container Terminal Co., Ltd.	60,000,000.00	(12,431,562.22)	47,568,437.78	-	-
Dalian Port Design and Research Institute Co., Ltd.	634,600.00	686,774.14	1,321,374.14	-	-
Da-In Ferry Co., Ltd.	1,900,057.50	5,677,792.52	7,577,850.02	-	-
Fujian Ninglian Port Co., Ltd.	12,000,000.00	294,318.77	12,294,318.77	-	-
Dalian Xin Beiliang Co., Ltd.	16,184,400.00	(4,959,983.78)	11,224,416.22	-	-
Total	143,562,691.50	22,776,135.19	166,338,826.69	-	-

## 7. Accounts payable

Item	30 June 2022 (unaudited)	31 December 2021
Vessel leasing fees and ocean freight	185,662,752.14	153,941,213.41
Purchase of goods	10,054,853.60	7,114,150.69
Purchase of auxiliary materials	113,957,540.00	138,188,257.80
Total	309,675,145.74	299,243,621.90

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

Item	30 June 2022 (unaudited)	31 December 2021
Within 1 year (including 1 year)	278,711,044.93	266,927,636.69
1 to 2 years (including 2 years)	5,020,096.91	3,838,076.28
2 to 3 years (including 3 years)	1,447,259.65	1,103,354.68
Over 3 years	24,496,744.25	27,374,554.25
<b>Total</b>	<b>309,675,145.74</b>	<b>299,243,621.90</b>

As at 30 June 2022, 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
<b>Total</b>	<b>8,000,000.00</b>	

#### **8. Contract liabilities**

Item	30 June 2022 (unaudited)	31 December 2021
Port miscellaneous expenses	176,873,017.12	342,520,731.08
All-in charges for cargo handling due within one year	13,299,000.00	13,728,000.00
Freight	23,394,739.64	22,750,876.88
Others	16,079,619.56	15,018,436.47
<b>Total</b>	<b>229,646,376.32</b>	<b>394,018,044.43</b>



## 9. Other payables

Item	30 June 2022 (unaudited)	31 December 2021
<b>Interest payable</b>	–	–
Interest payable on short-term borrowings	–	–
Interest payable on bonds	–	–
Interest of long-term borrowings with instalment payments and principal due upon maturity	–	–
<b>Dividends payable</b>	<b>759,927,668.07</b>	<b>109,959,372.43</b>
Yingkou Port Group Corporation Limited	186,736,995.32	–
Dalian Port Corporation Limited	162,875,371.37	–
Team Able International Limited	73,297,872.00	–
Singapore Dalian Port Investment Pte. Ltd.	51,396,226.34	51,396,226.34
Broadford Global Limited	23,121,360.77	–
China Shipping Terminal Development Co., Ltd.	21,724,789.52	21,724,789.52
Nippon Yusen Kabushiki Kaisha	13,540,928.86	13,540,928.86
Pangang Group Co., Ltd. (攀鋼集團有限公司)	12,801,788.15	–
Anshan Iron & Steel Co. Ltd. (鞍山鋼鐵集團有限公司)	12,114,935.05	–
No.1 Engineering Company Ltd. of CCCC First Harbor Engineering Company Ltd. (中交一航局第一工程有限公司)	10,519,480.50	–
COSCO SHIPPING Ports (Dalian) Limited	8,598,984.02	8,598,984.02
COSCO SHIPPING Ports Development Co., Ltd.	7,235,007.25	7,235,007.25
CCCC Tianjin Dredging Co., Ltd. (中交天津航道局有限公司)	6,066,233.86	–
Dalian Bonded Zhengtong Co., Ltd.	5,779,554.22	5,779,554.22
Guotai Junan Securities Co., Ltd.	3,496,313.51	–
United States Sankyo Holdings Limited	2,223,000.46	935,490.12
Liaoning Gangwan Financial Holding Group Co., Ltd. (遼寧港灣金融控股集團有限公司)	1,817,358.93	–
NYK Bulk & Projects Carriers Ltd.	1,778,400.37	748,392.10
Other holders of A shares	131,435,450.36	–
Other holders of H shares	23,367,617.21	–

Item	30 June 2022 (unaudited)	31 December 2021
<b>Other payables</b>	<b>2,038,407,269.79</b>	<b>5,101,745,254.99</b>
Project payment and guarantee deposit	304,333,759.01	320,667,434.62
Deposit and security deposit	127,998,913.68	84,051,731.32
Freight	5,987,439.01	5,780,651.87
Late fee	–	48,829,620.29
Last payment for assets acquisition (Note)	1,419,113,412.91	4,429,144,304.85
Others	180,973,745.18	213,271,512.04
<b>Total</b>	<b>2,798,334,937.86</b>	<b>5,211,704,627.42</b>

Note: Liaoning Port Holdings (Yingkou) Co., Ltd. (遼港控股(營口)有限公司), a wholly-owned subsidiary of the Company, acquired related business and assets from Yingkou Port Group Corporation Limited (營口港務集團有限公司) at the total transaction consideration of RMB8,524,108,020.02 (excluding tax) in 2021. In accordance with the transaction agreement, Liaoning Port Holdings (Yingkou) Co., Ltd. had made the first instalment of transaction amount totalling RMB4,524,108,020.02 to Yingkou Port Group Corporation Limited on 14 December 2021, among which the settlement of bank acceptance notes was RMB179,826,643.55. An amount of RMB3,000,000,000.00 was settled in the first half of 2022 and the remaining amount of RMB1,000,000,000.00 will be settled before 30 September 2022. In addition, the VAT of RMB419,113,412.91 related to the acquisitions was outstanding as of 30 June 2022.

As at 30 June 2022, major other payables of the Group with ageing over one year are as follows:

Unit name	Amounts	Reason for outstanding amounts
Muling Economic Development District Infrastructure Construction and Investment Co., Ltd.* (穆棧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.	46,995,378.27	The condition for payment is unsatisfied
<b>Total</b>	<b>68,502,332.27</b>	

## 10. Revenue and cost of sales

Revenue is as follows:

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Revenue from principal operations	5,598,285,951.62	5,887,959,750.55
Revenue from other operations	190,280,201.24	202,746,209.47
Total	5,788,566,152.86	6,090,705,960.02

Cost of sales is as follows:

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Cost of principal operations	4,078,708,208.75	3,890,076,913.27
Cost of other operations	164,501,079.53	168,319,646.48
Total	4,243,209,288.28	4,058,396,559.75

Breakdown of revenue from contracts with customers

For the six months ended 30 June 2022 (unaudited)

Reporting segment	Commodity	Labour or services	Others	Total
Container terminal and related logistics services	1,237,388.10	1,715,261,940.45	50,990,841.02	1,767,490,169.57
Oil/liquefied chemicals terminal and related logistics services	14,936,981.33	754,369,015.38	12,330,228.51	781,636,225.22
Bulk and general cargo terminal and related logistics services	1,787,326.49	2,234,690,106.19	5,496,683.06	2,241,974,115.74
Bulk grain terminal and related logistics services	–	303,016,200.18	8,591,424.29	311,607,624.47
Passenger and roll-on/roll-off terminal and related logistics services	603,732.91	54,780,830.32	3,821,714.17	59,206,277.40
Port value-added and ancillary services	62,458,069.36	427,919,101.31	44,803,804.12	535,180,974.79
Automobile terminal and related logistics services	–	21,233,539.07	1,270,323.74	22,503,862.81
Others	–	22,579,548.33	46,387,354.53	68,966,902.86
Total	81,023,498.19	5,533,850,281.23	173,692,373.44	5,788,566,152.86

Item	Commodity	Labour or services	Others	Total
Time of revenue recognition				
Recognised at a certain point of time				
Revenue from sales of goods	81,023,498.19	–	–	81,023,498.19
Revenue from commodity trading				
Recognised over a certain period				
Revenue from agency services	–	389,715,762.83	–	389,715,762.83
Revenue from project construction and inspection services	–	34,111,422.34	–	34,111,422.34
Revenue from transportation	–	600,280,818.04	–	600,280,818.04
Revenue from port operation services	–	4,306,903,918.55	–	4,306,903,918.55
Revenue from port management services	–	176,959,412.54	–	176,959,412.54
Revenue from tallying services	–	25,878,946.93	–	25,878,946.93
Others	–	–	69,755,815.64	69,755,815.64
Others				
Revenue from leasing services	–	–	103,936,557.80	103,936,557.80
Total	81,023,498.19	5,533,850,281.23	173,692,373.44	5,788,566,152.86

Revenue by category is as follows:

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Revenue from sales of goods	81,023,498.19	80,821,591.80
Revenue from agency services	389,715,762.83	299,418,188.30
Revenue from project construction and inspection services	34,111,422.34	34,983,937.02
Revenue from transportation	600,280,818.04	671,025,139.45
Revenue from port operation services	4,306,903,918.55	4,586,591,038.16
Revenue from port management services	176,959,412.54	193,007,831.57
Revenue from tallying services	25,878,946.93	26,113,522.74
Revenue from information services	–	3,887,887.47
Revenue from leasing services	103,936,557.80	104,559,462.53
Others	69,755,815.64	90,297,360.98
Total	5,788,566,152.86	6,090,705,960.02

#### 11. Financial expenses

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Interest expenses	124,091,383.26	169,399,869.56
Other interests	–	–
Less: Interests capitalized	–	–
Interest expenses	124,091,383.26	169,399,869.56
Less: Interest income	39,958,963.60	49,106,482.19
Exchange gain or loss (“-” for net gain)	6,537,536.50	(2,898,001.30)
Interest expenses of lease liabilities	136,894,063.21	177,130,314.81
Others	552,595.66	431,832.41
Total	228,116,615.03	294,957,533.29

The breakdown of interest income is as follows:

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Cash at bank and on hand	39,958,963.60	49,106,482.19

**12. Credit impairment losses**

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Impairment losses on accounts receivable	(24,106,884.96)	(33,759,418.32)
Impairment losses on other receivables	(1,819,846.83)	(7,245,158.12)
Impairment losses on long-term receivables	940.75	4,536.31
Total	(25,925,791.04)	(41,000,040.13)

**13. Other income**

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Government subsidies related to daily activities	37,912,678.00	26,297,824.73
Refund of commission for paying individual income tax	837,969.17	1,239,884.27
Additional deduction of VAT	14,242,782.73	17,424,686.25
Total	52,993,429.90	44,962,395.25

Government subsidies related to daily activities are as follows:

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)	Related to assets/income
Relocation compensation	12,665,074.26	12,951,918.18	Related to assets
Production safety	635,989.28	635,989.28	Related to assets
Energy conservation and emission reduction special fund	467,850.37	470,057.36	Related to assets
Equipment reconstruction subsidies	4,338,299.26	4,338,336.64	Related to assets
Sea-rail combined transport subsidies	682,261.38	2,147,191.53	Related to assets
Transport junction passenger station item	2,727,211.80	2,046,699.08	Related to assets
Others related to assets	335,427.24	319,056.15	Related to assets
Operation subsidies	13,186,037.29	3,298,915.42	Related to income
Stable position subsidies	2,791,921.41	3,268.44	Related to income
Container subsidies	33,310.00	34,930.00	Related to income
Others related to income	49,295.71	51,462.65	Related to income
Total	37,912,678.00	26,297,824.73	

**14. Investment income**

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Investment income from long-term equity investments under the equity method	100,011,993.36	112,874,969.68
Investment income from disposal of subsidiaries	–	10,675,233.85
Investment income from disposal of long-term equity investments	197,238.03	15,589.45
Dividend income from other investments on hand in equity instruments	–	10,212,840.09
Investment income from disposal of held-for-trading financial assets	–	24,737,238.45
Others	1,292,829.13	1,652,636.66
Total	101,502,060.52	160,168,508.18

There were no major restrictions on the repatriation of investment income.

**15. Income tax expenses**

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Current income tax	283,150,864.73	340,341,552.14
Deferred income tax	(22,614,357.45)	(6,540,278.45)
Total	260,536,507.28	333,801,273.69



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

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Total profit	1,072,261,932.98	1,478,077,347.93
Income tax at the applicable tax rates	268,065,483.25	369,519,336.98
Effect of different tax rates applicable to some subsidiaries	(1,554,475.69)	1,745,510.52
Adjustments on the current income tax of previous periods	116,089.88	7,866,542.08
Non-taxable income	(28,169,266.91)	(63,723,537.46)
Non-deductible expenses	4,351,320.45	5,026,465.94
Utilizing deductible losses from previous years	(5,475,345.18)	(2,722,836.04)
Effect of unrecognised deductible temporary difference and deductible losses	23,531,300.54	16,678,932.36
Others	(328,599.06)	(589,140.69)
Income tax expenses	260,536,507.28	333,801,273.69

#### 16. Earnings per share (“EPS”)

The basic EPS is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

Item	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (restated) (unaudited)
Net profit for the period attributable to ordinary shareholders of the parent company	741,962,637.45	1,059,390,351.45
Weighted average number of ordinary shares in issue of the Company	23,987,065,816.00	22,623,429,453.00
Basic earnings per share	0.03	0.05

As at 30 June 2022 and 31 December 2021, there were no dilutive potential ordinary shares in issue.

## 17. Segment information

### *Operating segments*

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

- (1) Oil/liquefied chemicals terminal and related logistics services, which are responsible for loading and discharging, storage and transshipment of oil products and liquefied chemicals, port management services;
- (2) Container terminal and related logistics services, which are responsible for loading and discharging, storage and transshipment of containers, leasing of terminals and various container logistics services and sales of properties;
- (3) Bulk and general cargo terminal and related logistics services, which are responsible for loading and discharging of ore, general cargo and provision of related logistics services;
- (4) Bulk grain terminal and related logistics services, which are responsible for loading and discharging of grains and provision of related logistics services;
- (5) Passenger and roll-on/roll-off terminal and related logistics services, which are responsible for passenger transportation, general cargo roll-on and roll-off and provision of related logistics services;
- (6) Port value-added and ancillary services, which are responsible for tallying, tugging, transportation, power supply, information technology and construction services.
- (7) Automobile terminal and related logistics services, which are responsible for loading and discharging of automobile and provision of related logistics services.

Management monitors the results of the Group's operating segments separately for the purpose of decision-making on 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 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 purchases are conducted in accordance with the terms mutually agreed between the parties.

Segment information for the six months ended 30 June 2022 is as follows (unaudited):

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-on/roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics 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										
Revenue from external customers	781,636	1,767,490	2,241,974	311,608	59,206	535,181	22,504	68,967	-	5,788,566
Inter-segment revenue	650	630	83,439	1,154	-	550,973	-	111,967	(748,813)	-
Total revenue of segment	782,286	1,768,120	2,325,413	312,762	59,206	1,086,154	22,504	180,934	(748,813)	5,788,566
Cost of sales	548,900	1,272,787	1,555,215	245,177	78,291	445,643	21,523	75,673	-	4,243,209
Taxes and surcharges	10,270	10,185	23,230	1,336	1,502	2,090	1,300	9,337	-	59,250
Administrative expenses	22,193	92,657	53,161	20,708	12,923	67,999	6,362	77,294	-	353,297
Research and development expenses	-	1,728	-	-	-	-	-	24	-	1,752
Financial expenses	44,752	16,031	57,074	1,220	(130)	5,486	(1,265)	104,948	-	228,116
Credit impairment losses	(54,593)	(1,833)	32,595	(4)	3	(180)	-	(1,914)	-	(25,926)
Investment income	63,264	42,006	754	3,523	(13,244)	4,872	327	-	-	101,502
Including: Investment income from associates and joint ventures	62,553	41,227	754	3,523	(13,244)	4,872	327	-	-	100,012
Gains on disposals of assets	-	3,262	152	-	-	3	-	1,222	-	4,639
Other income	15,349	19,335	2,102	408	2,934	2,113	154	10,598	-	52,993
Operating profit	179,541	436,872	588,897	47,094	(43,687)	20,771	(4,935)	(188,403)	-	1,036,150
Non-operating income	26	2,360	147	251	350	922	-	32,761	-	36,817
Non-operating expenses	-	620	1	17	-	38	-	29	-	705

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics services	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total profit	179,567	438,612	589,043	47,328	(43,337)	21,655	(4,935)	(155,671)	-	1,072,262
Income tax	28,534	99,403	152,784	10,769	(4,514)	5,476	312	(32,227)	-	260,537
Net profit	151,033	339,209	436,259	36,559	(38,823)	16,179	(5,247)	(123,444)	-	811,725
Total assets	10,502,083	12,728,188	19,297,911	2,756,826	1,478,331	3,478,711	871,312	11,359,983	(3,569,850)	58,903,495
Total liabilities	2,028,376	3,876,807	3,769,145	269,415	44,972	477,866	10,378	10,746,382	(3,569,850)	17,653,491
Supplementary information										
Depreciation and amortization expenses	176,533	262,320	381,001	70,264	26,435	136,831	6,863	90,807	-	1,151,054
Long-term equity investments in associates and joint ventures	1,764,942	987,357	26,524	268,969	311,189	210,976	305,530	-	-	3,875,487
Capital expenditures(i)	6,023	33,935	298	11,963	370	2,740	376	103,196	-	158,901

(i) Capital expenditures include the fixed assets, construction in progress, intangible assets, long-term prepaid expenses and capital expenditure of investment properties.

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

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-on/roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics 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										
Revenue from external customers	914,172	1,824,382	2,373,992	216,999	63,610	584,495	26,501	86,555	-	6,090,706
Inter-segment revenue	670	1,021	763	2,488	-	573,180	-	163,618	(741,740)	-
Total revenue of segment	914,842	1,825,403	2,374,755	219,487	63,610	1,157,675	26,501	250,173	(741,740)	6,090,706
Cost of sales	545,801	1,195,078	1,568,898	193,336	76,042	397,173	20,980	61,089	-	4,058,397
Taxes and surcharges	10,943	9,726	10,411	1,565	1,558	2,128	1,296	24,433	-	62,060
Administrative expenses	26,561	91,956	48,601	19,245	13,457	78,414	7,099	87,025	-	372,358
Research and development expenses	-	983	-	-	-	2,138	-	21	-	3,142
Financial expenses	47,204	27,320	76,708	569	(6)	7,300	(751)	136,614	-	294,958
Credit impairment losses	(50,608)	(3,245)	17,977	(2)	(19)	3,122	(1)	(8,224)	-	(41,000)
Investment income	66,881	63,160	3,984	146	(7,980)	4,435	4,789	24,754	-	160,169
Including: Investment income from associates and joint ventures	66,171	41,330	3,984	146	(7,980)	4,435	4,789	-	-	112,875
Gains on disposals of assets	1	18,647	-	-	-	26	-	17,074	-	35,748
Other income	15,943	5,937	2,390	219	2,263	1,745	1,141	15,324	-	44,962
Operating profit	315,880	583,818	693,725	2,647	(33,177)	106,670	3,806	(173,699)	-	1,499,670
Non-operating income	101	584	964	419	4	749	34	573	-	3,428

Item	Oil/liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	Bulk and general cargo terminal and related logistics services	Bulk grain terminal and related logistics services	Passenger and roll-on/roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics services	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-operating expenses	-	9	24,698	1	2	68	66	177	-	25,021
Total profit	315,981	584,393	669,991	3,065	(33,175)	107,351	3,774	(173,303)	-	1,478,077
Income tax	60,331	135,828	157,968	1,258	(4,951)	9,839	640	(27,112)	-	333,801
Net profit	255,650	448,565	512,023	1,807	(28,224)	97,512	3,134	(146,191)	-	1,144,276
Total assets	10,403,341	12,143,176	14,282,685	2,666,911	1,529,110	3,196,050	887,897	12,779,072	(2,160,695)	55,727,547
Total liabilities	2,675,148	3,930,783	4,393,522	199,153	56,507	566,634	20,191	5,243,716	(2,160,695)	14,924,959
Supplementary information										
Depreciation and amortization expenses	189,894	295,603	215,753	56,280	27,498	155,309	6,874	215,605	-	1,162,816
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
Capital expenditures(i)	1,508	2,235	4,772	3,648	894	649	249	64,745	-	78,700

(i) Capital expenditures include the fixed assets, construction in progress, intangible assets, long-term prepaid expenses and capital expenditure of investment properties.

## ***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 2022, there was no revenue generated from one single customer reaching or exceeding 10% of the Group's total revenue (2021: Nil).

## **18. EVENTS AFTER THE BALANCE SHEET DATE**

Nil

## MANAGEMENT DISCUSSION AND ANALYSIS

### SUMMARY

In the first half of 2022, with the easing of global port and logistics congestion, the demand decreased under high inflation and high inventories in Europe and the United States, the disequilibrium condition between supply and demand in the market improved, and international sea freight prices continued to decline. The pandemic situation in China remained severe and the industrial and logistics chains were disrupted, resulting in a slowdown in the growth of operations at coastal ports in China.

In the first half of the year, cargo throughput handled by China's large-scale ports amounted to 7.58 billion tonnes, representing a year-on-year decrease of 0.8%. In particular, cargo throughput handled at coastal ports in China was 4.97 billion tonnes, representing a year-on-year increase of 0.1%. (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 2022, details of the general information on the macro-economy and industries relevant to the Group's principal business are set out as follows:

**Oil Segment:** In the first half of 2022, due to geopolitical factors, international oil prices continued to oscillate sharply from high levels, dampening demand from traders for warehousing trade and maintaining domestic refinery operating rate at low level, resulting in a decline in crude oil imports and refined oil exports. In the first half of the year, China imported 250 million tonnes of crude oil, representing a year-on-year decrease of 3.1%.

**Container Segment:** In the first half of 2022, containers throughput handled by all ports in China amounted to 142.31 million TEUs, representing a year-on-year increase of 3%.

**Automobile Terminal Segment:** In the first half of 2022, the industry and supply chains of the automobile market were severely impacted by factors such as the shortage of automotive chips, rising prices of raw materials for batteries and the outbreak of COVID-19 in major automobile production areas such as Jilin and Shanghai, with some automobile plants in Northeast China and East China cutting or suspending production. For the six months ended 30 June 2022, automobile production and sales volume in China were 12,117,000 vehicles and 12,057,000 vehicles, representing a year-on-year decrease of 3.7% and 6.6%, respectively.

**Bulk and General Cargo Segment:** In the first half of 2022, steel prices continued to decline. The efficiency of steel enterprises fell, some steel mills began to suffer losses, and early maintenance and forced production cuts were frequent. All these resulted in the decrease of the output and demand for related bulk and general cargo such as steel, iron ore, coal and water slag.



**Bulk Grain Segment:** In the first half of 2022, prices of international bulk grain continued to rise and the shipping cost remained high, resulting in a reduction in imported bulk grain. After more than a year of profound changes in the domestic bulk grain market, the supply and demand structure gradually stabilised and prices of bulk grain in the north and south resumed normal, and trading activities in the market for “transporting grain from north to south” was coming into blossom.

**Passenger and Ro-Ro Segment:** In the first half of 2022, due to the COVID-19, a large amount of Ro-Ro vessels on Bohai Bay was suspended in the second quarter and some passenger and cargo Ro-Ro routes were suspended.

## **OVERALL RESULTS REVIEW**

In the first half of 2022, the Group’s net profit attributable to shareholders of the parent company amounted to RMB741,962,637.45, representing a decrease of RMB317,427,714.00 or 30% as compared with RMB1,059,390,351.45 in the first half of 2021.

In the first half of 2022, the decrease in the business volume of the Group’s efficient cargoes such as oil products, containers, bulk and general cargoes and tugboats, the continued increase in fuel prices in line with market conditions and the increase in pandemic prevention and control costs were the main factors resulting in the decrease in profit. However, the growth in the volume of bulk grain, lower interest on corporate bonds to save finance costs, the adoption of accelerated depreciation for fixed asset accounting estimates in last year resulted in a year-on-year reduction in depreciation expenses, settlement of long term debts, settlement of stacking fees and reversal of credit impairment, write-off of projected liabilities based on the progress of cases, and reduced the decline in profit. On a consolidated basis, the Group’s net profit attributable to the parent company reported a year-on-year decrease of 30%

In the first half of 2022, the Group’s basic earnings per share amounted to RMB3.09 cents, representing a decrease of RMB1.59 cents or 33.9% as compared with RMB4.68 cents in the first half of 2021.

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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Changes (%)
Net profit attributable to shareholders of the parent company	741,962,637.45	1,059,390,351.45	(30.0)
Including:			
Revenue	5,788,566,152.86	6,090,705,960.02	(5.0)
Cost of sales	4,243,209,288.28	4,058,396,559.75	4.6
Gross profit	1,545,356,864.58	2,032,309,400.27	(24.0)
Gross profit margin	26.7%	33.4%	Down by 6.7 percentage points
Administrative expenses	353,296,807.88	372,358,248.86	(5.1)
Research and development expenses	1,752,528.33	3,142,083.67	(44.2)
Financial expenses	228,116,615.03	294,957,533.29	(22.7)
Credit impairment losses	25,925,791.04	41,000,040.13	(36.8)
Other income	52,993,429.90	44,962,395.25	17.9
Investment income	101,502,060.52	160,168,508.18	(36.6)
Net non-operating income (Note 1)	36,111,901.67	(21,592,572.08)	267.2
Income tax expenses	260,536,507.28	333,801,273.69	(21.9)

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

In the first half of 2022, the Group's operating revenue decreased by RMB302,139,807.16, or 5% year-on-year, mainly due to the decline in the business volume of oil products as a result of international crude oil prices oscillated sharply from the high level and the policies such as reduction in export quotas for refined oil products; the decline in the business volume of bulk and general cargo such as steels and ores as a result of the continued decline in steel prices and lower efficiency of steel enterprises; and the decline in domestic container business volume due to the impact of the epidemic. However, the growth in the business volume of bulk grain such as corn and the growth in container logistics service business such as China-Europe train lines and shipping export agency offset the decline in operating revenue.

In the first half of 2022, the Group's cost of sales increased by RMB184,812,728.53, or 4.6% year-on-year, mainly due to the combined impacts of the increase in container logistics service fee as a result of an increase in revenue, the higher fuel prices in line with market conditions, increased costs for epidemic prevention and control, and a decrease in depreciation costs.

In the first half of 2022, the Group's gross profit decreased by RMB486,952,535.69, or 24% year-on-year. Gross profit margin was 26.7%, representing a decrease of 6.7 percentage points. The decrease was mainly due to the decline in the business volume of oil products, bulk and general cargo, container and tugboat with high profit margin, as well as higher fuel prices and higher pandemic prevention and control costs. However, the decrease in gross profit was offset by higher business volumes of bulk grain and lower depreciation expenses.

In the first half of 2022, the Group's administrative expenses decreased by RMB19,061,440.98 or 5.1% year on year, mainly due to the combined effect of the year-on-year decrease of depreciation expenses as a result of accelerated depreciation due to the adoption of a common policy of accounting estimates of fixed assets last year and the effective control of expenses in the current period.

In the first half of 2022, the Group's research and development expenses decreased by RMB1,389,555.34 or 44.2% year on year, mainly due to the exclusion from consolidation of the information companies.

In the first half of 2022, the Group's finance costs decreased by RMB66,840,918.26 or 22.7% year on year, mainly due to the repayment of the matured bonds with higher interest rates in the previous year, while the matured bonds were replaced with bonds with lower interest rates in the current year.

In the first half of 2022, the Group's credit impairment losses decreased by RMB15,074,249.09 or 36.8% year on year, mainly due to the offset of credit impairment by the collection of long outstanding balances from customers.

In the first half of 2022, the Group's other income increased by RMB8,031,034.65 or 17.9% year on year, which was mainly due to the increase in revenue of subsidy of China-Europe cross-border train lines.

In the first half of 2022, the Group's investment income decreased by RMB58,666,447.66 or 36.6% year on year, mainly due to the combined effect of the gains from structural deposits and the dividends declared by Jinzhou New Age Container Terminal in the same period of last year.

In the first half of 2022, the Group's net non-operating income increased by RMB57,704,473.75 or 267.2% year on year, mainly due to the combined effect of the write-off of estimated liabilities according to the progress of the cases and the year-on-year decrease in the late fee provided for bulk and general cargo terminal.

In the first half of 2022, the Group's income tax expenses decreased by RMB73,264,766.41 or 21.9% year on year, mainly due to the decrease in taxable income caused by the changes in operating profit.

## **ASSETS AND LIABILITIES**

As at 30 June 2022, the Group's total assets and net assets amounted to RMB58,903,495,182.19 and RMB41,250,004,268.67, respectively. The net asset value per share was RMB1.59, increased slightly compared with the net asset value of RMB1.58 per share as at 31 December 2021.

As at 30 June 2022, the Group's total liabilities amounted to RMB17,653,490,913.52, of which total outstanding borrowings amounted to RMB7,654,396,948.45 (this part of the borrowings carries a fixed interest rate). The gearing ratio was 30.0% (the total liabilities of RMB17,653,490,913.52/the total assets of RMB58,903,495,182.19), representing an increase of 1 percentage point as compared with 29.0% as at 31 December 2021, which was mainly due to the increase of lease liabilities during the current period.

## **FINANCIAL RESOURCES AND LIQUIDITY**

As at 30 June 2022, the Group had a balance of cash and cash equivalents of RMB5,426,719,039.07, representing an increase of RMB993,233,615.77 as compared to that of 31 December 2021.

As at 30 June 2022, the Group's net cash inflows generated from operating activities amounted to RMB1,352,265,742.31, net cash outflows for investment activities amounted to RMB2,200,981,758.17, and net cash inflows generated from financing activities amounted to RMB1,837,906,567.67.

Benefiting from the sufficient operating cash inflows contributed by the Group's healthy business performance, 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 investment, the Group maintained its solid financial position and capital structure.

As at 30 June 2022, the Group's outstanding borrowings amounted to RMB7,654,396,948.45 (this part of the borrowings carries a fixed interest rate), in which RMB1,779,359,008.74 were borrowings repayable within one year, and RMB5,875,037,939.71 were borrowings repayable after one year.

The Group's net debt-equity ratio was 18.5% as at 30 June 2022, as compared with 11.5% as at 31 December 2021, mainly due to the increase in the debt scale as a result of the issuance of corporate bonds. The Group ensured there was no solvency risk and continued to improve its overall financial structure.

As of 30 June 2022, the Group's unutilised bank line of credit amounted to RMB11.25 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 an issuer credit composite rating of AAA to the Group with stable credit rating outlook, indicating the Group's sound condition in capital market financing.

The Group closely monitored its interest rate risk and exchange rate risk. As of 30 June 2022, the Group had not entered into any foreign exchange hedging contracts.

## CONTINGENCIES

### Pending Litigations and Arbitrations

Pending litigation and arbitration concerning DCT Logistics Co., Ltd. (hereinafter referred to as “**DCT Logistics**”), 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**”), the independent third party of the Company, carried out cooperation with certain companies including Qingdao Kaitou International Trade Co., Ltd. (青島開投國際貿易有限公司) (hereinafter referred to as “**Qingdao Kaitou**”), China Chengtong International Co., Ltd. (中國誠通國際貿易有限公司) (hereinafter referred to as “**Chengtong**”), Zhejiang Metals and Materials Co. (物產中大金屬集團有限公司) (hereinafter referred to as “**Zhejiang Metals**”), and Fujian Rongjiang Import & Export Co., Ltd. (hereinafter referred to as “**Rongjiang**”) (hereinafter referred to as “**Import Agents**” or “**Warehousing Clients**”) by entering into Import Agent Agreement or Agent Procurement Contract with such Import Agents, pursuant to which the Import Agents agreed to license Shunde’s imported goods and open 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 Agents signed a Customs Declaration Logistics Warehousing Agreement or Import Freight Forwarding Agreement with 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 agreed rates under 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, such Import Agents filed lawsuits against DCT Logistics in Dalian Maritime Court and other people’s courts, respectively, 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. Subsequently, after thorough communication and negotiation with the parties to the litigation, one of the Warehousing Clients had settled with Shunde and withdrawn its lawsuit against Shunde and DCT Logistics, and this settlement did not involve any compensation obligation for DCT Logistics. The total claims of the other Warehousing Clients amounted to RMB1.06 billion.

On 24 November 2021, Ningbo Maritime Court issued a first instance judgement (Ningbo Maritime Court (2021) Zhe 72 Min Chu No. 1428) regarding the lawsuit case of Chengtong against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB109.6946 million to Chengtong and the interest, based on the amount, to be calculated at prime rate for the corresponding period as announced by the National Interbank Funding Center from 23 March 2021 up to the date of actual payment. Other litigation claims from Chengtong were dismissed. On 9 December 2021, DCT Logistics appealed to the Higher People’s Court of Zhejiang Province against the first instance judgment regarding the case of Chengtong. On 1 April 2022, the Higher People’s Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Zhong No. 21), rejecting all of the claims of DCT Logistics.



On 30 December 2021, Ningbo Maritime Court issued a first instance judgement (Ningbo Maritime Court (2021) Zhe 72 Min Chu No. 1205) regarding the lawsuit case of Zhejiang Metals against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB10.2634 million to Zhejiang Metals and the interest, based on the amount, to be calculated at benchmark borrowing rate as announced by the National Interbank Funding Center from 1 September 2021 up to the date of actual payment. Other litigation claims from Zhejiang Metals were dismissed. On 28 February 2022, DCT Logistics appealed to the Higher People's Court of Zhejiang Province against the first instance judgment regarding the case of Zhejiang Metals. On 11 April 2022, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Zhong No. 129), rejecting all of the claims of DCT Logistics. On 25 May 2022, Ningbo Maritime Court has deducted RMB8.8393 million from the bank deposits of DCT Logistics based on the judgments and rulings in force.

On 31 December 2021, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2021) Liao 72 Min Chu No. 352) regarding the lawsuit case of Qingdao Kaitou against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB299.3826 million to Qingdao Kaitou and the interest, based on the amount, to be calculated at prime rate for the corresponding period as announced by the National Interbank Funding Center from 27 March 2021 up to the date of actual payment. Other litigation claims from Qingdao Kaitou were dismissed. On 28 February 2022, DCT Logistics appealed to the Higher People's Court of Liaoning Province against the first instance judgment regarding the case of Qingdao Kaitou. On 16 August 2022, the Higher People's Court of Liaoning Province issued a civil ruling ((2022) Liao Min Zhong No. 715) as follows: 1) the civil judgment of Dalian Maritime Court (2021) Liao 72 Min Chu No.352 was revoked; 2) the case was referred back to Dalian Maritime Court for retrial. As of the date of approval of the financial statements for issue, Dalian Maritime Court has not yet made a new judgment.

On 27 January 2022, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2021) Liao 72 Min Chu No. 372) regarding the lawsuit case of Rongjiang against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB336.0810 million to Rongjiang and the interest, based on the amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 7 April 2021 up to the date of actual payment, DCT Logistics should compensate Rongjiang for liability insurance fees of preservation of RMB254,800. Other litigation claims from Rongjiang were dismissed. On 1 March 2022, DCT Logistics appealed to the Higher People's Court of Liaoning Province against the first instance judgment regarding the case of Rongjiang. On 4 August 2022, the Higher People's Court of Liaoning Province issued a civil ruling ((2022) Liao Min Zhong No. 642) as follows: 1) the civil judgment of Dalian Maritime Court (2021) Liao 72 Min Chu No. 372 was revoked; 2) the case was referred back to Dalian Maritime Court for retrial. As of the date of approval of the financial statements for issue, Dalian Maritime Court has not yet made a new judgment.

In May 2022, Xinwen Mining Group Material Supply and Marketing Co., Ltd. (新汶礦業集團物資供銷有限責任公司) filed a lawsuit with Dalian Maritime Court against DCT Logistics, requesting DCT Logistics to compensate for a loss of RMB14.8875 million and accrued interest, and requesting two subsidiaries of the Company being Dalian Port Container Development Co., Ltd. and Dalian Jifa Port Logistics Co., Ltd. (as co-defendants) to be jointly and severally liable for the compensation.

In respect of the lawsuits mentioned above, based on the evidence that the Group has already obtained and the professional opinions of legal advisors, the management of the Group believes that the Warehousing Clients are Shunde's import business agents, and since the goods involved in the case are actually owned by Shunde, the release by DCT Logistics of the goods to Shunde, the owner of the goods, did not infringe the rights of the Warehousing Clients. Shunde's failure of repayment of advances provided by the Warehousing Clients to Shunde is irrelevant to the release of goods by DCT Logistics. For the first instance judgement issued by some courts, DCT Logistics and the solicitors considered that the court of first instance was unclear or erroneous in its determination of the basic facts of the case, and therefore had filed appeals. For the second instance judgement issued by some courts, the management of the Group and the solicitors considered that there was a lack of evidence in the determination of the basic facts of the case; the main evidence for the determination of the facts of the second instance judgment on the case of Chengtong had not been cross-examined; the court did not investigate and collect the main evidence requested by DCT Logistics that was needed for the trial of the case, which DCT Logistics could not collect by itself due to objective reasons; the second instance judgment was wrong in the application of the law; the court of second instance summoned Shunde without a subpoena. Therefore, DCT Logistics intended to file appeals for a retrial with the Supreme People's Court. As at the approval date of the financial statements, no first instance judgment of the other appeal cases against DCT Logistics has been made yet. The other Import Agents including Chengtong are in the process of negotiating a settlement plan with Shunde, including applying for withdrawal of their cases after signing the settlement agreement.

Having fully considered the amount of claims involved by DCT Logistics, the judgement issued by the court and the opinions of internal and external legal advisors, and taking into account that DCT Logistics is a limited company, and the Company and its other subsidiaries do not have guarantee liability or joint and several liability over any such liability of DCT Logistics, the Group has made provisions for estimated liabilities of RMB180 million which was the recoverable amount of the book value of the net assets of DCT Logistics as of 31 December 2021. Due to the transfer of the bank deposits of DCT Logistics by the court, the estimated liabilities for the current period decreased by RMB8.8393 million. As of 30 June 2022, the Group has made provisions for estimated liabilities of RMB171 million in respect of those lawsuits.

Save for the above contingencies, as at 30 June 2022, the Group did not have other major guarantees and other contingencies required to be specified.

## **Use of Proceeds**

### ***Use of Proceeds for A Shares***

The funds raised shall not exceed RMB2.1 billion, which was considered and approved at the second extraordinary general meeting in 2020, the first A shareholders class meeting in 2020 and the first H shareholders class meeting in 2020 convened by the Company on 25 September 2020, and approved by the Reply on Approval of Dalian Port (PDA) Company Limited's Merger with Yingkou Port Liability Co., Ltd. by Absorption and Fundraising (Zheng Jian Xu Ke [2020] No. 3690) of the China Securities Regulatory Commission on 31 December 2020. After deducting the issuance and underwriting fees, the actual net proceeds received by the Company on 20 October 2021 was RMB2,082,149,999.02, which was designated to supplement liquidity, repay debt, and pay the intermediary fees of this transaction. Ernst & Young Hua Ming LLP has verified and issued the capital verification report Ernst & Young Hua Ming (2021) Yan Zi No. 60777447-E03, demonstrating that the use of proceeds by the Company was in line with the raising purposes. As of 30 June 2022, the funds has been fully utilised.

## CAPITAL EXPENDITURE

As at 30 June 2022, the Group's capital expenditure amounted to RMB158,900,658.22, 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 2022 is as follows:

### Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2022 with comparative figures for the first half of 2021:

	For the six months ended 30 June 2022 ( '0,000 tonnes)	For the six months ended 30 June 2021 ( '0,000 tonnes)	Increase/ (decrease)
Crude oil	1,567.9	1,851.2	(15.3%)
Refined oil	693.1	783.9	(11.6%)
Others	253.3	369.4	(31.4%)
Total	2,514.3	3,004.5	(16.3%)

In the first half of 2022, the Group handled a total of 25.143 million tonnes of oil/liquefied chemicals throughput, representing a year-on-year decrease of 16.3%.

In the first half of 2022, the Group's crude oil throughput decreased by 15.3% year-on-year to 15.679 million tonnes. This was mainly because that the international oil price continued to fluctuate at high levels, the operating rate of refineries remained low, and the demand for crude oil transshipment decreased, resulting in a decrease in the crude oil throughput of the Group in the first half of the year.

In the first half of 2022, the Group's refined oil throughput amounted to 6.931 million tonnes, representing a year-on-year decrease of 11.6%, mainly due to a reduction in the export quotas for refined oil due to adjustment of national policies, resulting in a decrease in the refined oil throughput of the Group in the first half of the year.

In the first half of 2022, the Group's other oil/liquefied chemicals throughput amounted to 2.533 million tonnes, representing a year-on-year decrease of 31.4%, mainly due to the surging price of liquefied natural gas under the impact of international geopolitical factors, resulting in a year-on-year decrease of 10.0% in China's LNG imports in the first half of the year.



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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Change (%)
Revenue	781,636,225.22	914,171,712.67	(14.5)
Share of the Group's revenue	13.5%	15.0%	Down by 1.5 percentage points
Gross profit	232,736,356.68	368,370,506.31	(36.8)
Share of the Group's gross profit	15.1%	18.1%	Down by 3.0 percentage points
Gross profit margin	29.8%	40.3%	Down by 10.5 percentage points

In the first half of 2022, the revenue from the Oil Segment decreased by RMB132.54 million or 14.5% year-on-year, mainly due to the decrease in revenue from loading and discharging, which was caused by the decrease in the throughput of oil.

In the first half of 2022, the gross profit margin of the Oil Segment decreased by 10.5 percentage points year-on-year, mainly due to the decrease in revenue from loading and discharging with a high gross profit margin.

### Container Segment

The following table sets out the Container Segment's throughput handled by the Group in the first half of 2022, with comparative figures for the first half of 2021:

	For the six months ended 30 June 2022 ('0,000 TEUs)	For the six months ended 30 June 2021 ('0,000 TEUs)	Increase/ (decrease)
Container	392.7	434.0	(9.5)

In the first half of 2022, in terms of container throughput, the Group handled a total of 3.927 million TEUs, representing a year-on-year decrease of 9.5%. The main reasons were as follows: firstly, Yingkou Port Zone was affected by the local epidemic, which greatly affected the efficiency of loading and discharging and container collection and distribution at the port, resulting in a decrease in throughput; secondly, the domestic shipping rates continued to rise, which led to changes in the mode of transport of some low-value goods.

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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Change (%)
Revenue	1,767,490,169.57	1,824,381,754.28	(3.1)
Share of the Group's revenue	30.5%	30.0%	Up by 0.5 percentage point
Gross profit	494,703,031.48	629,303,713.60	(21.4)
Share of the Group's gross profit	32.0%	31.0%	Up by 1.0 percentage point
Gross profit margin	28.0%	34.5%	Down by 6.5 percentage points

In the first half of 2022, the revenue from the Container Segment decreased by RMB56.89 million or 3.1% year-on-year, mainly due to the decrease in the domestic container throughput, which resulted in a decrease in revenue from loading and discharging. However, the increase in revenue from container logistics services such as China-Europe Railway Lines and shipping export agents offset the decline in revenue.

In the first half of 2022, the gross profit margin of the Container Segment decreased by 6.5 percentage points year-on-year, mainly due to the combined effect of the decrease in the volume of domestic container business with high gross profit margin, the increase in revenue from logistics services such as China-Europe Railway Lines and agents with low gross profit margin, and the increase in fuel costs.

### Automobile Terminal Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2022, with comparative figures for the first half of 2021:

		For the six months ended 30 June 2022	For the six months ended 30 June 2021	Increase/ (decrease)
Vehicles (units)	Foreign trade	21,356	24,207	(11.8%)
	Domestic trade	346,992	414,746	(16.3%)
	Total	368,348	438,953	(16.1%)

In the first half of 2022, the Group handled a total of 368,348 vehicles in automobile terminal, representing a year-on-year decrease of 16.1%, mainly due to the continuous shortage of automotive chips and other components, which led to the suspension and reduction of production by customers in the hinterland.

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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Change (%)
Revenue	22,503,862.81	26,501,399.86	(15.1)
Share of the Group's revenue	0.4%	0.4%	Stable
Gross profit	980,679.66	5,521,101.35	(82.2)
Share of the Group's gross profit	0.1%	0.3%	Down by 0.2 percentage point
Gross profit margin	4.4%	20.8%	Down by 16.4 percentage points

In the first half of 2022, the revenue from the Automobile Terminal Segment decreased by RMB4 million year-on-year, representing a decrease of 15.1%, mainly due to the decrease in revenue from loading and discharging at Haijia Terminal and the decrease in revenue from railway handling services of Harbour ECL due to the impact of the epidemic.

In the first half of 2022, the gross profit margin of the Automobile Terminal Segment decreased by 16.4 percentage points year-on-year, mainly due to the decrease in the business volume of Haijia Terminal.

## 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 2022, with comparative figures for the first half of 2021:

	For the six months ended 30 June 2022 ( '0,000 tonnes)	For the six months ended 30 June 2021 ( '0,000 tonnes)	Increase/ (decrease)
Steel	1,359.8	1,470.4	(7.5%)
Ore	3,411.7	3,559.2	(4.1%)
Others	3,909.5	3,274.6	19.4%
Total	8,681.0	8,304.2	4.5%

In the first half of 2022, the throughput of the Group's Bulk and General Cargo Segment amounted to 86.810 million tonnes, representing a year-on-year increase of 4.5%. In the first half of 2022, the throughput of the Group's ore segment amounted to 34.117 million tonnes, representing a year-on-year decrease of 4.1%. Such decrease was mainly due to the continuous loss of steel enterprises, the production limit and production reduction of some steel mills, and the reduction of imported ore consumption.

In the first half of 2022, the Group's steel throughput was 13.598 million tonnes, representing a year-on-year decrease of 7.5%. It was mainly due to the weakening of market demand and the lack of driving force for building materials to go south, resulting in a reduction in the shipping volume of cargos.

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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Change (%)
Revenue	2,241,974,115.74	2,373,991,789.41	(5.6)
Share of the Group's revenue	38.7%	39.0%	Down by 0.3 percentage point
Gross profit	686,759,524.95	805,093,526.04	(14.7)
Share of the Group's gross profit	44.4%	39.6%	Up by 4.8 percentage points
Gross profit margin	30.6%	33.9%	Down by 3.3 percentage points

In the first half of 2022, the revenue from the Bulk and General Cargo Segment decreased by RMB132.02 million or 5.6% year-on-year. This was mainly due to the decrease in revenue from loading and discharging resulted from the decrease in the business volume of ore and steel.

In the first half of 2022, the gross profit margin of the Bulk and General Cargo Segment decreased by 3.3 percentage points year-on-year, mainly due to the decrease in revenue from ore and steel with a higher gross profit margin.

### Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2022, with comparative figures for the first half of 2021:

	For the six months ended 30 June 2022 ('0,000 tonnes)	For the six months ended 30 June 2021 ('0,000 tonnes)	Increase/ (decrease)
Corn	372.0	186.3	99.7%
Soybean	155.1	212.9	(27.2%)
Others	170.6	85.8	98.8%
Total	697.7	485.0	43.9%

In the first half of 2022, the throughput of the Group's Bulk Grain Segment amounted to 6.977 million tonnes, representing a year-on-year increase of 43.9%.

In the first half of 2022, the Group's corn throughput was 3.72 million tonnes, representing a year-on-year increase of 99.7%. It was mainly due to the tight supply of raw materials for grain processing enterprises in the south, the decrease in imported grains for foreign trade and the decrease in domestic trade substitutes, and the increase in southern demand for northern grains.

In the first half of 2022, the Group's soybean throughput was 155.1 tonnes, representing a year-on-year decrease of 27.2%. It was mainly due to the rising international grain prices, the poor profit of the soybean pressing industry, and the low enthusiasm of customers for purchasing soybeans for foreign trade.

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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Change (%)
Revenue	311,607,624.47	216,998,801.76	43.6
Share of the Group's revenue	5.4%	3.6%	Up by 1.8 percentage points
Gross profit	66,430,426.69	23,662,412.54	180.7
Share of the Group's gross profit	4.3%	1.2%	Up by 3.1 percentage points
Gross profit margin	21.3%	10.9%	Up by 10.4 percentage points

In the first half of 2022, the revenue from the Bulk Grain Segment increased by RMB94.61 million or 43.6% year-on-year, mainly due to the increase in revenue from loading and discharging driven by the increase in the business volume of grains such as corn.

In the first half of 2022, the gross profit margin of the Bulk Grain Segment increased by 10.4 percentage points year-on-year mainly due to the increase in the business volume of corn with high gross profit margin.

### 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 2022, with comparative figures in the first half of 2021:

	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Increase/(decrease)
Passengers ('0,000 persons)	55.6	107.6	(48.3%)
Vehicles ('0,000 units)	36.2	39.8	(9.1%)

Throughput of passengers and roll-on, roll-off terminal was 556,000 persons, representing a year-on-year decrease of 48.3%. Throughput of vehicles amounted to 362,000 units, representing a year-on-year decrease of 9.1%, mainly due to the suspension of passenger and cargo ro-ro ships to a large extent during the pandemic in the first half of the year, and the throughput of passengers and ro-ro vehicles decreased over the same period.

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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Change (%)
Revenue	59,206,277.40	63,610,058.25	(6.9)
Share of the Group's revenue	1.0%	1.0%	Stable
Gross profit	(19,084,895.11)	(12,431,860.33)	(53.5)
Share of the Group's gross profit	(1.2%)	(0.6%)	Down by 0.6 percentage points
Gross profit margin	(32.2%)	(19.5%)	Down by 12.7 percentage points

In the first half of 2022, the revenue from the Passenger and Ro-Ro Segment decreased by RMB4.4 million or 6.9% year-on-year, mainly due to the decrease in revenue as a result of the reduction of flights at Lushun Port due to the pandemic.

In the first half of 2022, the gross profit margin of the Passenger and Ro-Ro Segment decreased by 12.7 percentage points year-on-year, mainly due to the impact of the decline in the business volume of Lushun Port.

### **Value-added Services Segment**

#### ***Tugging***

In the first half of 2022, the Group strengthened expansion of the market, and therefore recorded an increase in tugging business by 3.22% year-on-year.

#### ***Tallying***

In the first half of 2022, the Group's tallying business was relatively stable through active market development. The total tallying throughput handled by the Group was 17.95 million tonnes, remaining stable over the same period.

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

Item	In the first half of 2022 (RMB)	In the first half of 2021 (RMB)	Change (%)
Revenue	535,180,974.79	584,494,689.78	(8.4)
Share of the Group's revenue	9.2%	9.6%	Down by 0.4 percentage point
Gross profit	89,538,453.47	187,321,721.39	(52.2)
Share of the Group's gross profit	5.8%	9.2%	Down by 3.4 percentage points
Gross profit margin	16.7%	32.0%	Down by 15.3 percentage points

In the first half of 2022, the revenue from the Value-added Services Segment decreased by RMB49.31 million or 8.4% year-on-year, mainly due to the impact of the decreasing tugging volume.

In the first half of 2022, the gross profit margin of the Value-added Services Segment decreased by 15.3 percentage points year-on-year, mainly due to the combined impact of the decrease in revenue as a result of decreasing tugging volume, as well as the year-on-year increase in fuel expenses and depreciation expenses of assets acquired at the end of last year.

## PROSPECTS OF THE SECOND HALF OF 2022

### Competitive Landscape and Industry Trend

The new shipping capacity will be delivered in the second half of the year, relieving the tension of shipping capacity gradually. In addition, the nation's development of domestic circulation of high quality fully promoted the new infrastructure and upgrading of manufacturing industry, driving logistics needs. The port business will rebound gradually as the domestic pandemic comes under control and the industry chain and supply chain are resumed.

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 and northern Shandong area, improve the logistics system of imported crude oil distribution in Bohai Rim and increase the business volume.
- To seize the market opportunities of low vulcanization of marine fuel oils and expand the transshipment business of fuel oils to drive the improvement in throughput.
- To focus on the transportation demands of refineries in the hinterland, give full play to the advantages in deep-water berths, optimize transshipment services and expand the market share in the hinterland.



## **Container Segment**

- To pay close attention to the impact of the pandemic on the market, deeply cultivate the cargo market, stabilize domestic and foreign trade routes, actively strive for new routes, and continuously upgrade the development of the network system of routes.
- To thoroughly implement the transshipment strategies of Bohai Rim, perfect feeder network layout, enhance the construction of market development system, improve the transshipment capacity of Bohai Rim and intensify the development of cargo sources of Bohai Rim, so as to consolidate the position of a transshipment port.
- To promote resource integration, constantly explore and optimise the inland collection and distribution system in the Three Northeastern Provinces, and speed up the development of the whole-process logistics business.

## **Automobile Terminal Segment**

- To ensure the stability of waterborne transport space for our major customers by actively coordinating with shipping companies.
- To strengthen communication with customers and to develop the “South China – Dalian” route for FAW-VW Foshan Plant.
- To promote the renovation and expansion of dedicated railroad lines to enhance the Company’s collection and distribution capacity.

## **Bulk and General Cargo Segment**

- To expand the incremental volume of bonded coal transshipment for foreign trade business, give full play to the advantages of bonded warehousing and actively secure for the bonded coal transshipment business of Yingkou New Great Wall (營口新長城) for foreign trade.
- To give full play to the advantages of port land resources and build an emergency coal reserve base by strengthening the communication and strategic cooperation with Jidian International Trade.
- To strengthen efforts to secure steel slag resources from customers such as AnBen Iron and Steel and Jianlong Group, and to develop “one enterprise one policy” logistics transshipment plan to expand steel slag resources.
- To develop a high-quality route for steel and to expand the high-quality fixed route liner for “Bayuquan Port – Ningbo”.

## **Bulk Grain Segment**

- To deepen business cooperation with strategic consumer, strengthen the efficiency of cargo loading and discharging at the port, and fully guarantee the smooth handling of grains.
- To improve the functions of grain business, and to promote the application for the designated supervision site of imported grain, futures and tax filing qualifications in Bayuquan Port area, thus enhancing the comprehensive competitiveness of the port.

## **Passenger and Ro-Ro Segment**

- To promote the the operation of Cosco Shipping's new ro-ro cargo ships and initiate market promotion and marketing efforts.
- To continue developing drop and pull, and ro-ro vehicle transportation modes and to expand drop and pull projects for bulk cargoes such as small high containers of grain and cement tanks.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2022.

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

During the six months ended 30 June 2022, no further redemption of the 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 2022, 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 2022, 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 Issuers ("**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. ZHOU Qinghong 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 2022.

Save as disclosed in this announcement, from 1 January 2022 to 30 June 2022, 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  
25 August 2022

As at the date of this announcement, the Board comprises:

*Executive Directors:* WANG Zhixian and WEI Minghui

*Non-executive Directors:* ZHOU Qinghong, SI Zheng, XU Song and YANG Bing

*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*