秦皇島港股份有限公司
QINHUANGDAO PORT CO., LTD.*

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

(Stock Code: 3369)

2022 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

– The revenue of the Company amounted to RMB3,386,210.3 thousand for the Reporting Period, representing an increase of 4.26% as compared to the corresponding period of last year.

– The gross profit of the Company amounted to RMB1,293,752.4 thousand for the Reporting Period, representing an increase of 0.95% as compared to the corresponding period of last year. Our gross profit margin for the Reporting Period was 38.21%, representing a decrease of 1.25 percentage points as compared to the corresponding period of last year.

– Our net profit for the Reporting Period amounted to RMB712,968.6 thousand, representing an increase of 6.30% as compared to the corresponding period of last year. Of which, net profit attributable to owners of the parent company amounted to RMB711,741.1 thousand for the Reporting Period, representing an increase of 1.84% as compared to the corresponding period of last year.

– The earnings per Share of the Company amounted to RMB0.13 for the Reporting Period, remained stable as compared to the corresponding period of last year.

The Board announces the unaudited consolidated results of the Company for the Reporting Period prepared pursuant to relevant requirements under the Listing Rules, together with the comparative figures for the corresponding period of 2021.

* *For identification purpose only*

UNAUDITED CONSOLIDATED BALANCE SHEET
30 June 2022
RMB

Assets	*Notes*	**30 June 2022 (unaudited)**	31 December 2021
Current assets			
Cash and bank balances	*1*	**4,469,228,207.20**	4,051,769,706.70
Bills receivable		**55,043,674.00**	68,346,713.28
Accounts receivable	*2*	**73,273,450.72**	42,864,847.49
Accounts receivable financing		**54,622,175.51**	69,049,566.27
Prepayments		**12,179,251.54**	10,234,539.55
Other receivables		**33,856,538.08**	30,936,239.46
Inventories	*3*	**180,571,856.24**	167,322,981.57
Other current assets		**21,428,471.21**	127,074,097.79
Total current assets		**4,900,203,624.50**	4,567,598,692.11
Non-current assets			
Long-term equity investments		**3,511,429,215.86**	3,258,872,327.87
Other equity instruments investments		**1,033,017,742.86**	910,016,638.38
Fixed assets	*4*	**11,983,346,385.94**	12,416,386,765.22
Construction in progress	*5*	**2,462,649,948.44**	2,509,104,468.28
Right-of-use assets		**152,677,091.28**	112,187,085.56
Intangible assets		**2,969,509,164.84**	2,981,369,444.65
Long-term prepaid expenses		**19,583,736.74**	35,096,766.80
Deferred income tax assets		**382,033,520.56**	410,078,781.79
Other non-current assets		**684,639,547.74**	576,266,914.12
Total non-current assets		**23,198,886,354.26**	23,209,379,192.67
Total assets		**28,099,089,978.76**	27,776,977,884.78

UNAUDITED CONSOLIDATED BALANCE SHEET *(CONTINUED)*
30 JUNE 2022
RMB

Liabilities and shareholders' equity	*Notes*	**30 June 2022 (unaudited)**	31 December 2021
Current liabilities			
Short-term borrowings	*6*	**200,209,722.21**	330,357,805.56
Accounts payable	*7*	**280,419,880.19**	238,673,449.76
Contract liabilities	*8*	**588,006,934.94**	704,281,207.62
Employee remuneration payable		**790,788,356.16**	798,496,547.67
Taxes payable	*9*	**108,250,146.42**	87,649,229.69
Other payables		**1,013,230,606.90**	898,468,189.51
Non-current liabilities due within one year		**559,070,694.96**	840,171,471.74
Total current liabilities		**3,539,976,341.78**	3,898,097,901.55
Non-current liabilities			
Long-term borrowings	*10*	**6,385,652,294.98**	6,259,174,345.98
Lease liabilities		**24,958,315.01**	323,144.98
Long-term payable		**36,000,000.00**	36,000,000.00
Long-term employee benefits payable		**359,958,940.66**	454,318,825.86
Deferred income		**160,868,284.26**	175,284,044.38
Deferred income tax liabilities		**74,835,868.73**	44,085,592.61
Total non-current liabilities		**7,042,273,703.64**	6,969,185,953.81
Total liabilities		**10,582,250,045.42**	10,867,283,855.36
Shareholders' equity			
Share capital		**5,587,412,000.00**	5,587,412,000.00
Capital reserve		**5,207,670,068.40**	5,207,670,068.40
Other comprehensive income		**590,343,846.60**	398,289,967.40
Special reserve		**182,626,809.78**	162,786,888.70
Surplus reserve		**1,529,961,605.48**	1,529,961,605.48
Retained profit		**3,568,071,693.47**	3,169,225,628.95
Total equity attributable to shareholders of the parent		**16,666,086,023.73**	16,055,346,158.93
Minority interests		**850,753,909.61**	854,347,870.49
Total shareholders' equity		**17,516,839,933.34**	16,909,694,029.42
Total liabilities and shareholders' equity		**28,099,089,978.76**	27,776,977,884.78

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2022

RMB

	Notes	**For the six months ended 30 June 2022 (unaudited)**	For the six months ended 30 June 2021 (unaudited)
Revenue	*11*	**3,386,210,260.68**	3,247,726,857.34
Less: Operating costs	*11*	**2,092,457,904.35**	1,966,152,097.72
Tax and surcharges		**67,557,929.28**	142,009,657.29
Administrative expenses		**299,428,338.02**	315,101,737.50
Research and development costs		**16,318,315.10**	4,085,096.75
Financial costs	*12*	**85,177,019.82**	110,273,809.13
Including: Interest costs		**127,109,783.89**	140,051,340.91
Interest income		**41,165,448.89**	29,922,842.37
Add: Other income		**36,502,764.33**	31,276,892.12
Investment income	*13*	**85,675,448.20**	109,841,447.24
Including: Investment income from associates and joint ventures		**73,479,928.44**	100,481,447.24
Credit impairment loss		**(13,584,294.10)**	(5,211,307.21)
Operating profit		**933,864,672.54**	846,011,491.10
Add: Non-operating income	*14*	**3,669,009.01**	5,064,633.26
Less: Non-operating expenses		**491,171.53**	515,038.17
Total profit		**937,042,510.02**	850,561,086.19
Less: Income tax expenses	*15*	**224,073,894.81**	179,874,216.15
Net profit		**712,968,615.21**	670,686,870.04
Classified by business continuity			
Net profit from continuing operations		**712,968,615.21**	670,686,870.04
Classified by ownership			
Net profit attributable to shareholders of the parent		**711,741,136.52**	698,850,420.51
Profit or loss on minority interests		**1,227,478.69**	(28,163,550.47)

UNAUDITED CONSOLIDATED INCOME STATEMENT *(CONTINUED)*
For the six months ended 30 June 2022
RMB

	Notes	**For the six months ended 30 June 2022 (unaudited)**	For the six months ended 30 June 2021 (unaudited)
Other comprehensive income, net of tax		**185,293,647.46**	68,477,099.03
Other comprehensive income attributable to shareholders of the parent, net of tax		**192,053,879.20**	66,786,357.71
Other comprehensive income not to be reclassified to profit or loss			
Other comprehensive income not to be taken to profit or loss using the equity method		**91,103,323.62**	22,833,041.61
Changes in fair value of investments in other equity instruments		**99,011,060.10**	44,440,043.00
Other comprehensive income to be reclassified into profit or loss			
Exchange differences on foreign currency translation		**1,939,495.48**	(486,726.90)
Other comprehensive income attributable to minority shareholders, net of tax		**(6,760,231.74)**	1,690,741.32
Total comprehensive income		**898,262,262.67**	739,163,969.07
Including:			
Total comprehensive income attributable to shareholders of the parent		**903,795,015.72**	765,636,778.22
Total comprehensive income attributable to minority shareholders		**(5,532,753.05)**	(26,472,809.15)
Earnings per share	*16*		
Basic and diluted earnings per share		**0.13**	0.13

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022

I. GENERAL INFORMATION

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

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

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

The financial statements have been approved for issue by the Board of the Company by way of resolutions on 29 August 2022.

The consolidation scope of these consolidated financial statements is determined on the basis of control, and the consolidation scope for the period is consistent with that in the previous year.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These interim financial statements have been prepared in accordance with "Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting" issued by the Ministry of Finance. The accounting policies adopted in these interim financial statements are consistent with the accounting policies adopted when the Group prepared the financial statements for the year ended 2021. These interim financial statements should be read in conjunction with the financial statements of the Group for the year ended 2021.

These financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

These financial statements (except for certain financial instruments) have been prepared under the historical cost convention. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant rules.

III. TAXATION

1. Major Categories of Taxes and Respective Tax Rates

Value-added tax ("VAT")	–	The Group is subject to VAT at tax rate of 13% on the taxable sales; the Group's related port service revenues are taxable to output VAT at tax rate of 6%, and is levied after deducting deductible input VAT for the current period.
City maintenance and construction tax	–	It is levied at 7% of VAT and business tax paid actually.
Enterprise income tax	–	It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group established in Mainland China which enjoy tax preferences. Income tax rate of overseas subsidiaries is 16.5%.
Property tax	–	Property tax on self-occupied properties of the Group is calculated at the applicable tax rate of 1.2% using the tax base of 70% of the initial cost of the properties; lease properties are taxable on the tax base of rental income at the applicable tax rate of 12%.
Land use tax	–	It is levied in accordance with unit tax amount prescribed in the tax law based on the actual area of land used by the taxpayer.
Environmental Protection tax	–	The taxable amount of the Group's taxable pollutants shall be paid in accordance with the applicable taxable amount stipulated by the Environmental Protection Tax Law.

2. Tax Concessions

Land use tax

Pursuant to the Provisional Regulations of the People's Republic of China on Land Use Tax in respect of Urban and Town Land(《中華人民共和國城鎮土地使用稅暫行條例》) and the Announcement of the Ministry of Finance and the State Taxation Administration on the Extended Implementation of the Preferential Policies on Land Use Tax in respect of Urban and Town Land for Bulk Commodity Storage Facility of Logistics Companies (《財政部、國家稅務總局關於繼續實施物流企業大宗商品倉儲設施用地城鎮土地使用稅優惠政策的公告》) (Cai Shui [2020] No. 16), during the period from 1 January 2020 to 31 December 2022, urban and town land use tax will be reduced by 50% of the rate applicable to the standards of such land owned in respect of bulk commodity storage facilities owned by logistics companies (including self-owned and leased land). In respect of land used for bulk commodity storage facilities owned by the Company and Cangzhou Huanghuagang Mineral Port Co., Ltd. and Tangshan Caofeidian Coal Port Co., Ltd., subsidiaries of the Company, land use tax will be reduced by 50%.

VAT

Pursuant to the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (Notice [2019] No. 39 from the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs) issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, taxpayers engaging in manufacturing and living service industries are permitted an additional 10% input credit against payable VAT by the Company and certain of its subsidiaries from 1 April 2019 to 31 December 2021 in accordance with the deductible input tax for the current period. According to the Announcement on the Value-Added Tax Policy Concerning Relieving and Advancing Development of Difficult Fields in Service Industries (《關於促進服務業領域困難行業紓困發展有關增值稅政策的公告》) (Notice [2022] No. 11 from the Ministry of Finance and the State Administration of Taxation), the implementation period of the additional deduction policy of VAT for manufacturing and living service industries will be extended to 31 December 2022.

IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and Bank Balances

	30 June 2022 (Unaudited)	31 December 2021
Cash on hand	**42,495.11**	12,897.86
Bank deposits	**4,468,865,212.09**	4,051,436,308.84
Other cash and bank balances	**320,500.00**	320,500.00
	4,469,228,207.20	4,051,769,706.70
Including: Secured bank deposits from bidding deposits	**320,500.00**	320,500.00

As at 30 June 2022, the cash and bank balances deposited overseas by the Group were equivalent to RMB56,842,488.04 (31 December 2021: RMB54,388,043.80).

Interest income earned on current deposits is calculated by using the current deposit interest rate. The deposit periods for time deposits vary from 3 months to 1 year depending on the cash requirements of the Group and earn interest at the respective deposit rates.

2. Accounts Receivable

The credit period of accounts receivable is usually not more than 90 days. The accounts receivable bear no interest.

An aged analysis of the accounts receivable is as follows:

	30 June 2022 (Unaudited)	31 December 2021
Within 1 year	**76,976,958.97**	45,102,759.64
1 to 2 years	**161,488.55**	19,139.80
2 to 3 years	**–**	–
Over 3 years	**1,886,023.63**	2,449,866.43
	79,024,471.15	47,571,765.87
Less: Provision for bad debts	**5,751,020.43**	4,706,918.38
	73,273,450.72	42,864,847.49

	30 June 2022 (Unaudited)				
	Balance		**Provision for bad debts**		**Carrying amount**
	Amount	**Percentage** *(%)*	**Amount**	**Percentage of provision** *(%)*	
Provision for bad debts made by portfolio of credit risk characteristics	**79,024,471.15**	**100**	**5,751,020.43**	**7**	**73,273,450.72**

	31 December 2021				
	Balance		Provision for bad debts		Carrying amount
	Amount	Percentage *(%)*	Amount	Percentage of provision *(%)*	
Provision for bad debts made by portfolio of credit risk characteristics	47,571,765.87	100	4,706,918.38	10	42,864,847.49

Accounts receivable which are subject to provision for bad debts made by portfolio of credit risk characteristics is as follows:

	30 June 2022 (Unaudited)			31 December 2021		
	Estimated balance arising from default	**Expected credit loss ratio (%)**	**Lifetime expected credit loss**	Estimated balance arising from default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	**76,976,958.97**	**5**	**3,819,653.10**	45,102,759.64	5	2,251,692.81
1 to 2 years	**161,488.55**	**28**	**45,343.70**	19,139.80	28	5,359.14
2 to 3 years	**–**	**–**	**–**	–	–	–
Over 3 years	**1,886,023.63**	**100**	**1,886,023.63**	2,449,866.43	100	2,449,866.43
	79,024,471.15	**7**	**5,751,020.43**	47,571,765.87	10	4,706,918.38

The movements in provision for bad debts of accounts receivable are as follows:

	Opening balance	**Provision for the period/year**	**Recover or reversal in the period/year**	**Write-off in the period/year**	**Closing balance**
For the six months ended 30 June 2022 (unaudited)	**4,706,918.38**	**1,110,439.95**	**(66,337.90)**	**–**	**5,751,020.43**
2021	6,947,490.39	407,971.25	(1,332,375.43)	(1,316,167.83)	4,706,918.38

As at 30 June 2022, no accounts receivable of the Group was pledged (31 December 2021: nil).

As at 30 June 2022, the top five amounts of accounts receivable are as follows (unaudited):

	Balance		**Provision for bad debts**	
	Amount	**Percentage (%)**	**Amount**	**Percentage of provision (%)**
Angang Group International Trade Co., Ltd. (安鋼集團國際貿易有限責任公司)	**14,666,789.00**	**18.56**	**733,339.45**	**5**
Hebei Xinshenggang International Logistics Co., Ltd. (河北新盛港國際物流有限公司)	**13,787,458.00**	**17.45**	**689,372.90**	**5**
Qinhuangdao Sea Shipping Agency Co., Ltd. (秦皇島之海船務代理有限公司)	**7,853,901.00**	**9.94**	**392,695.05**	**5**
Ningxia Tianyuan Logistics Group Co., Ltd. (寧夏天元物流集團有限公司)	**4,821,598.00**	**6.10**	**241,079.90**	**5**
China Coal Energy Company Limited (中國中煤能源股份有限公司)	**3,492,460.00**	**4.42**	**174,623.00**	**5**
	44,622,206.00	**56.47**	**2,231,110.30**	**5**

As at 31 December 2021, the top five amounts of accounts receivable are as follows:

	Balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage of provision (%)
Hebei Jidong Hexin Logistics Co., Ltd. (河北冀東和信物流有限公司)	11,961,751.69	25.14	598,087.58	5
Qinhuangdao Qinren Shipping Co., Ltd. (秦皇島秦仁海運有限公司)	5,869,670.00	12.34	293,483.50	5
Qinhuangdao Sea Shipping Agency Co., Ltd. (秦皇島之海船務代理有限公司)	4,397,996.00	9.24	219,899.80	5
CNOOC Energy Technology & Services Limited Sales and Service Branch (中海油能源發展股份有限公司銷售服務分公司)	3,550,573.00	7.46	177,528.65	5
Anyang Iron & Steel Co., Ltd. (安陽鋼鐵股份有限公司)	3,240,301.30	6.81	162,015.07	5
	29,020,291.99	60.99	1,451,014.60	5

3. INVENTORIES

	30 June 2022 (unaudited)			31 December 2021		
	Balance	**Provision for impairment**	**Carrying amount**	Balance	Provision for impairment	Carrying amount
Materials	**50,362,276.07**	**6,989,104.30**	**43,373,171.77**	47,393,131.68	7,045,116.52	40,348,015.16
Fuels	**1,439,774.79**	**–**	**1,439,774.79**	1,891,040.70	–	1,891,040.70
Spare parts	**146,656,990.27**	**13,605,617.48**	**133,051,372.79**	136,431,543.91	13,946,108.90	122,485,435.01
Low-cost consumables	**2,874,700.28**	**167,163.39**	**2,707,536.89**	2,789,939.52	191,448.82	2,598,490.70
	201,333,741.41	**20,761,885.17**	**180,571,856.24**	188,505,655.81	21,182,674.24	167,322,981.57

Change in provision for impairment of inventories is as follows:

For the six months ended 30 June 2022 (unaudited)

	Opening balance	**Provision for the period**	**Decrease during the period**		**Closing balance**
			Reversal	**Write-off**	
Materials	**7,045,116.52**	**–**	**–**	**(56,012.22)**	**6,989,104.30**
Spare parts	**13,946,108.90**	**–**	**–**	**(340,491.42)**	**13,605,617.48**
Low-cost consumables	**191,448.82**	**–**	**–**	**(24,285.43)**	**167,163.39**
	21,182,674.24	**–**	**–**	**(420,789.07)**	**20,761,885.17**

2021

	Opening balance	Provision for the year	Decrease during the year		Closing balance
			Reversal	Write-off	
Materials	4,545,766.22	3,875,427.31	–	(1,376,077.01)	7,045,116.52
Spare parts	6,389,762.82	10,204,550.18	–	(2,648,204.10)	13,946,108.90
Low-cost consumables	73,851.47	161,332.97	–	(43,735.62)	191,448.82
	11,009,380.51	14,241,310.46	–	(4,068,016.73)	21,182,674.24

4. FIXED ASSETS

	30 June 2022 (unaudited)	31 December 2021
Fixed Assets	**11,977,666,750.13**	12,411,537,209.32
Disposal of fixed assets	**5,679,635.81**	4,849,555.90
	11,983,346,385.94	12,416,386,765.22

For the six months ended 30 June 2022 (unaudited)

	Properties and buildings	**Terminal facilities**	**Machinery and equipment**	**Vessels and transportation equipment**	**Office and other equipment**	**Total**
Cost						
Opening balance	**6,533,097,099.85**	**8,360,744,819.51**	**10,352,111,451.29**	**479,815,621.86**	**247,736,097.86**	**25,973,505,090.37**
Purchase	**258,407.08**	**–**	**–**	**230,530.97**	**–**	**488,938.05**
Transferred from construction in progress	**18,423,665.81**	**–**	**126,524,289.60**	**935,101.37**	**6,175,262.83**	**152,058,319.61**
Disposal for the period	**(356,000.00)**	**–**	**(34,423,847.19)**	**(2,591,487.00)**	**(9,156,849.48)**	**(46,528,183.67)**
Closing balance	**6,551,423,172.74**	**8,360,744,819.51**	**10,444,211,893.70**	**478,389,767.20**	**244,754,511.21**	**26,079,524,164.36**
Accumulated depreciation						
Opening balance	**2,318,524,982.72**	**3,153,115,784.12**	**7,386,808,326.27**	**413,377,988.02**	**188,509,736.01**	**13,460,336,817.14**
Provision for the period	**136,603,129.39**	**158,290,878.96**	**271,858,855.70**	**8,569,034.58**	**9,592,304.38**	**584,914,203.01**
Disposal for the period	**(345,320.64)**	**–**	**(33,371,616.11)**	**(2,422,711.60)**	**(8,880,175.87)**	**(45,019,824.22)**
Closing balance	**2,454,782,791.47**	**3,311,406,663.08**	**7,625,295,565.86**	**419,524,311.00**	**189,221,864.52**	**14,000,231,195.93**
Provision for impairment						
Opening balance	**10,659,447.39**	**17,447,997.81**	**72,678,646.18**	**27,115.89**	**817,856.64**	**101,631,063.91**
Write off for the period	**–**	**–**	**(4,701.07)**	**–**	**(144.54)**	**(4,845.61)**
Closing balance	**10,659,447.39**	**17,447,997.81**	**72,673,945.11**	**27,115.89**	**817,712.10**	**101,626,218.30**
Carrying amount						
Closing balance	**4,085,980,933.88**	**5,031,890,158.62**	**2,746,242,382.73**	**58,838,340.31**	**54,714,934.59**	**11,977,666,750.13**
Opening balance	**4,203,912,669.74**	**5,190,181,037.58**	**2,892,624,478.84**	**66,410,517.95**	**58,408,505.21**	**12,411,537,209.32**

2021

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
Opening balance	6,509,956,408.42	8,360,993,453.11	10,265,079,782.44	496,533,015.64	247,849,356.21	25,880,412,015.82
Purchase	–	–	497,573.61	–	17,566.37	515,139.98
Transferred from construction in progress	29,133,900.30	83,461.40	157,268,322.99	1,091,889.47	18,155,461.12	205,733,035.28
Reclassification	(2,946,337.76)	(332,095.00)	2,734,306.04	–	544,126.72	–
Disposal for the year	(3,046,871.11)	–	(67,183,477.81)	(17,809,283.25)	(18,830,412.56)	(106,870,044.73)
Transferred to construction in progress during the year	–	–	(6,285,055.98)	–	–	(6,285,055.98)
Closing balance	6,533,097,099.85	8,360,744,819.51	10,352,111,451.29	479,815,621.86	247,736,097.86	25,973,505,090.37
Accumulated depreciation						
Opening balance	2,041,358,277.80	2,837,391,549.20	6,915,794,613.39	412,140,420.38	188,507,373.10	12,395,192,233.87
Provision for the year	279,744,942.93	315,724,234.92	532,116,319.51	18,512,572.38	18,057,853.99	1,164,155,923.73
Reclassification	(472,191.36)	–	301,175.09	–	171,016.27	–
Disposal for the year	(2,106,046.65)	–	(55,601,960.29)	(17,275,004.74)	(18,226,507.35)	(93,209,519.03)
Transferred to construction in progress during the year	–	–	(5,801,821.43)	–	–	(5,801,821.43)
Closing balance	2,318,524,982.72	3,153,115,784.12	7,386,808,326.27	413,377,988.02	188,509,736.01	13,460,336,817.14
Provision for impairment						
Opening balance	5,114,326.16	7,997,565.98	73,515,188.77	19,812.44	726,590.59	87,373,483.94
Provision for the year	5,545,121.23	9,450,431.83	5,273,410.25	7,303.45	45,377.30	20,321,644.06
Reclassification	–	–	(46,570.96)	–	46,570.96	–
Disposal for the year	–	–	(6,063,381.88)	–	(682.21)	(6,064,064.09)
Closing balance	10,659,447.39	17,447,997.81	72,678,646.18	27,115.89	817,856.64	101,631,063.91
Carrying amounts						
End of the year	4,203,912,669.74	5,190,181,037.58	2,892,624,478.84	66,410,517.95	58,408,505.21	12,411,537,209.32
Beginning of the year	4,463,483,804.46	5,515,604,337.93	3,275,769,980.28	84,372,782.82	58,615,392.52	13,397,846,298.01

As at 30 June 2022, the Group had no fixed assets which were temporarily idle (31 December 2021: nil).

Fixed assets leased out under operating leases were as follows:

For the six months ended 30 June 2022 (unaudited)

	Properties and buildings	Terminal facilities	Office and other equipment	Total
Cost				
Opening balance	**41,456,011.24**	**15,818,169.35**	**57,100.00**	**57,331,280.59**
Transferred to fixed assets during the period	**331,130.76**	**–**	**10,600.00**	**341,730.76**
Transferred from fixed assets during the period	**(29,209,995.03)**	**(7,909,084.68)**	**(20,000.00)**	**(37,139,079.71)**
Closing balance	**12,577,146.97**	**7,909,084.67**	**47,700.00**	**20,533,931.64**
Accumulated depreciation				
Opening balance	**4,480,659.49**	**6,382,795.04**	**55,387.00**	**10,918,841.53**
Transferred to fixed assets during the period	**55,772.88**	**–**	**10,282.00**	**66,054.88**
Provision	**171,144.88**	**–**	**–**	**171,144.88**
Transferred from fixed assets during the period	**(3,513,563.70)**	**(2,999,379.75)**	**(19,400.00)**	**(6,532,343.45)**
Closing balance	**1,194,013.55**	**3,383,415.29**	**46,269.00**	**4,623,697.84**
Carrying amount				
Closing balance	**11,383,133.42**	**4,525,669.38**	**1,431.00**	**15,910,233.80**
Opening balance	**36,975,351.75**	**9,435,374.31**	**1,713.00**	**46,412,439.06**

2021

	Properties and buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
Opening balance	9,724,710.34	15,818,169.35	42,592,726.32	427,816.00	5,300.00	68,568,722.01
Transferred to fixed assets during the year	41,456,011.24	–	–	–	51,800.00	41,507,811.24
Transferred from fixed assets during the year	(9,724,710.34)	–	(42,592,726.32)	(427,816.00)	–	(52,745,252.66)
Closing balance	41,456,011.24	15,818,169.35	–	–	57,100.00	57,331,280.59
Accumulated depreciation						
Opening balance	606,421.78	5,614,723.96	23,343,275.71	414,981.52	4,712.40	29,984,115.37
Transferred to fixed assets during the year	3,326,327.97	–	–	–	47,674.40	3,374,002.37
Provision	1,154,331.52	768,071.08	–	–	3,000.20	1,925,402.80
Transferred from fixed assets during the year	(606,421.78)	–	(23,343,275.71)	(414,981.52)	–	(24,364,679.01)
Closing balance	4,480,659.49	6,382,795.04	–	–	55,387.00	10,918,841.53
Carrying amount						
Closing balance	36,975,351.75	9,435,374.31	–	–	1,713.00	46,412,439.06
Opening balance	9,118,288.56	10,203,445.39	19,249,450.61	12,834.48	587.60	38,584,606.64

As at 30 June 2022, fixed assets without title certificate are as follows (unaudited):

	Carrying amount	**Reason for not obtaining the title certificate**
Properties and buildings	8,958,856.78	In progress

As at 31 December 2021, fixed assets without title certificate are as follows:

	Carrying amount	Reason for not obtaining the title certificate
Properties and buildings	10,032,615.94	In progress

5. CONSTRUCTION IN PROGRESS

	30 June 2022 (unaudited)	31 December 2021
Construction in progress	**2,462,649,948.44**	2,509,104,468.28

	30 June 2022 (unaudited)			31 December 2021		
	Balance	**Provision for impairment**	**Carrying amount**	Balance	Provision for impairment	Carrying amount
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	**2,254,994,740.89**	**–**	**2,254,994,740.89**	2,208,549,850.63	–	2,208,549,850.63
Upgrading Programs of No.1, No.2 and No.3 loaders for Phase Three coal project	**5,734,417.27**	**–**	**5,734,417.27**	128,760,826.77	–	128,760,826.77
Phase 1 of crude oil terminal of Huanghua Port	**33,481,954.00**	**–**	**33,481,954.00**	32,949,840.31	–	32,949,840.31
Commencing project of complex port zone in Huanghua Port	**28,414,396.13**	**–**	**28,414,396.13**	25,208,174.80	–	25,208,174.80
The sixth and seventh coal terminal in Caofeidian	**18,551,915.55**	**–**	**18,551,915.55**	15,747,764.62	–	15,747,764.62
Others	**145,888,990.85**	**24,416,466.25**	**121,472,524.60**	122,304,477.40	24,416,466.25	97,888,011.15
Total	**2,487,066,414.69**	**24,416,466.25**	**2,462,649,948.44**	2,533,520,934.53	24,416,466.25	2,509,104,468.28

For the six months ended 30 June 2022 (unaudited)

	Budget	Opening balance	Increase in the period	Transferred from fixed assets or intangible assets during the period	Transferred to fixed assets and intangible assets during the period	Other decrease	Closing balance	Source of funds	Percentage of accumulated project input to budget (%)
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	3,050,861,400.00	2,208,549,850.63	46,444,890.26	–	–	–	2,254,994,740.89	Fund raised, loans from financial institutes and self-owned capital	96
Upgrading Programs of No.1, No.2 and No.3 loaders for Phase Three coal project	169,588,600.00	128,760,826.77	14,590,229.21	–	(137,616,638.71)	–	5,734,417.27	Self-owned capital	85
Phase 1 of crude oil terminal of Huanghua Port	2,987,898,500.00	32,949,840.31	532,113.69	–	–	–	33,481,954.00	Self-owned capital	1
Commencing project of complex port zone in Huanghua Port	7,555,702,691.90	25,208,174.80	15,994,106.51	–	(12,787,885.18)	–	28,414,396.13	Loans from financial institutes and self-owned capital	91
The sixth and seventh coal terminal in Caofeidian	15,000,000,000.00	15,747,764.62	2,804,150.93	–	–	–	18,551,915.55	Self-owned capital	1
Others	2,922,351,621.52	122,304,477.40	42,857,418.67	314,974.55	(19,587,879.77)	–	145,888,990.85		
Total	31,686,402,813.42	2,533,520,934.53	123,222,909.27	314,974.55	(169,992,403.66)	–	2,487,066,414.69		

2021

	Budget	Opening balance	Increase in the year	Transferred from fixed assets or intangible assets during the year	Transferred to fixed assets and intangible assets during the year	Other decrease	Closing balance	Source of funds	Percentage of accumulated project input to budget (%)
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	3,050,861,400.00	1,012,156,030.23	1,196,393,820.40	–	–	–	2,208,549,850.63	Fund raised, loans from financial institutes and self-owned capital	94
Upgrading Programs of No.1, No.2 and No.3 loaders for Phase Three coal project	169,588,600.00	915,617.69	127,845,209.08	–	–	–	128,760,826.77	Self-owned capital	76
Phase 1 of crude oil terminal of Huanghua Port	2,987,898,500.00	32,302,017.67	647,822.64	–	–	–	32,949,840.31	Self-owned capital	1
Commencing project of complex port zone in Huanghua Port	7,555,702,691.90	34,738,961.95	11,436,141.37	–	(20,571,270.19)	(395,658.33)	25,208,174.80	Loans from financial institutes and self-owned capital	91
The sixth and seventh coal terminal in Caofeidian	15,000,000,000.00	13,568,875.64	2,178,888.98	–	–	–	15,747,764.62	Self-owned capital	1
Others	2,922,351,621.52	113,775,693.71	214,808,463.21	483,234.55	(204,057,988.94)	(2,704,925.13)	122,304,477.40		
Total	31,686,402,813.42	1,207,457,196.89	1,553,310,345.68	483,234.55	(224,629,259.13)	(3,100,583.46)	2,533,520,934.53		

Capitalized interest included in construction in progress for the six months ended 30 June 2022 is as follows (unaudited):

	Progress of project	Accumulated amounts of capitalized interest	Including: Capitalized interest for the period	Ratio of capitalized interest for the period
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	**96%**	**548,040,854.47**	**32,748,696.43**	**3.92%**
Others		**1,619,519.74**	**395,346.95**	**3.01%**
		549,660,374.21	**33,144,043.38**	

Capitalized interest included in construction in progress in 2021 is as follows:

	Progress of project	Accumulated amounts of capitalized interest	Including: Capitalized interest for the year	Ratio of capitalized interest for the year
Phase 1 (expansion) of metal ores terminal project in the bulk cargo area of Huanghua Port	94%	515,292,158.04	40,085,715.22	3.99%
Others		1,224,172.79	915,583.31	3.46%
		516,516,330.83	41,001,298.53	

Provision for impairment of construction in progress:

For the six months ended 30 June 2022 (unaudited)

	Opening balance	Increase in the period	Decrease in the period	Closing balance	Reason for provision
Basement Treatment Engineering	24,416,466.25	–	–	24,416,466.25	Recoverable amount lower than carrying amount

2021

	Opening balance	Increase in the year	Decrease in the year	Closing balance	Reason for provision
Basement Treatment Engineering	24,416,466.25	–	–	24,416,466.25	Recoverable amount lower than carrying amount

6. SHORT-TERM BORROWINGS

	30 June 2022 (Unaudited)	31 December 2021
Unsecured borrowings *(Note 1)*	**200,000,000.00**	330,000,000.00
Interest payable of short-term borrowings	**209,722.21**	357,805.56
	200,209,722.21	330,357,805.56

Note 1: As at 30 June 2022, the interest rate of the above unsecured borrowings ranged from 3.70% to 3.85% (31 December 2021: 3.20% to 3.85%) per annum.

As at 30 June 2022, the Group has no overdue borrowings (31 December 2021: nil).

7. ACCOUNTS PAYABLE

	30 June 2022 (Unaudited)	31 December 2021
Accounts payable	**280,419,880.19**	238,673,449.76

The accounts payable are interest-free and the terms are usually 90 days.

An ageing analysis of accounts payable is as follows:

	30 June 2022 (Unaudited)	31 December 2021
Within 1 year	**270,946,179.15**	228,346,117.77
1 to 2 years	**5,720,439.75**	6,370,300.95
2 to 3 years	**1,843,376.45**	1,835,895.08
Over 3 years	**1,909,884.84**	2,121,135.96
	280,419,880.19	238,673,449.76

As at 30 June 2022, the Group has no significant accounts payable aging more than 1 year (31 December 2021: nil).

8. CONTRACT LIABILITIES

	30 June 2022 (Unaudited)	31 December 2021
Port handling fees	**586,157,605.43**	703,247,143.78
Weighing fees	**328,139.81**	192,647.67
Others	**1,521,189.70**	841,416.17
	588,006,934.94	704,281,207.62

Contract liabilities mainly represent the payment received by the Group for providing port operation services to customers. At the end of the period, contract liabilities decreased by RMB116,274,272.68, which was mainly due to the decrease in the balance of contract liabilities due to the carry-forward of revenue from advance receipts.

9. TAXES PAYABLE

	30 June 2022 (Unaudited)	31 December 2021
Enterprise income tax	**81,343,140.20**	70,599,601.43
Environmental protection tax	**13,285,218.16**	13,566,150.15
VAT	**11,325,321.14**	102,437.88
City maintenance and construction tax	**790,495.30**	6,920.65
Individual income tax	**890,898.23**	3,172,438.47
Education surcharge	**564,639.49**	4,943.31
Stamp duty	**41,205.40**	194,922.30
Water resources tax	**9,228.50**	1,815.50
	108,250,146.42	87,649,229.69

10. LONG-TERM BORROWINGS

	30 June 2022 (Unaudited)	31 December 2021
Unsecured borrowings	**6,874,127,683.12**	6,997,204,749.46
Less: Long-term borrowings due within one year	**488,475,388.14**	738,030,403.48
Non-current portion	**6,385,652,294.98**	6,259,174,345.98

As at 30 June 2022, the interest rate of the above unsecured borrowings ranged from 3.70% to 5.15% (31 December 2021: 3.71% to 5.15%) per annum.

Analysis on the maturity date of long-term borrowings is as follows:

	30 June 2022 (Unaudited)	31 December 2021
Within 1 year (including 1 year)	**488,475,388.14**	738,030,403.48
Within 2 years (including 2 years)	**428,259,690.48**	604,882,652.48
Within 3 to 5 years (including 3 years and 5 years)	**2,663,287,036.00**	1,952,046,093.50
Over 5 years	**3,294,105,568.50**	3,702,245,600.00
	6,874,127,683.12	6,997,204,749.46

11. OPERATING REVENUE AND COST

	For the six months ended 30 June 2022 (unaudited)		For the six months ended 30 June 2021 (unaudited)	
	Revenue	**Cost**	Revenue	Cost
Principal operations	**3,384,211,533.22**	**2,091,514,367.03**	3,243,675,004.59	1,964,154,554.92
Other operations	**1,998,727.46**	**943,537.32**	4,051,852.75	1,997,542.80
	3,386,210,260.68	**2,092,457,904.35**	3,247,726,857.34	1,966,152,097.72

The operating revenue is categorized as follows:

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Revenue from contracts with customers	**3,382,856,797.39**	3,243,610,295.66
Rental income	**3,353,463.29**	4,116,561.68
	3,386,210,260.68	3,247,726,857.34

The breakdown of revenue from contracts with customers is as follows:

Reportable segment – integrated port services

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Principal place of business		
Qinhuangdao	**2,236,138,059.98**	2,227,925,820.35
Others	**1,146,718,737.41**	1,015,684,475.31
	3,382,856,797.39	3,243,610,295.66
Main business types		
Service in relation to coal and relevant products	**2,435,548,481.67**	2,407,950,280.76
Service in relation to metal ore and relevant products	**583,302,206.65**	510,813,176.63
Service in relation to general and other cargoes	**267,477,338.27**	222,669,284.96
Container service	**40,327,188.19**	40,507,533.34
Service in relation to liquefied cargoes	**24,013,479.11**	29,294,826.20
Others	**32,188,103.50**	32,375,193.77
	3,382,856,797.39	3,243,610,295.66

The Group's revenue from contracts with customers mainly refers to the revenue generated from the provision of port operation services to customers and the Group confirms the performance obligations are fulfilled and recognizes the revenue when services are finished.

The revenue recognized by the Group for the six months ended 30 June 2022 included in the book value of the contract liabilities at the beginning of the period was RMB576,655,136.33 (for the six months ended 30 June 2021: RMB503,277,726.03).

The total amounts of transaction prices allocated to the unsatisfied performance obligations (or partially unsatisfied) at the end of the period/year are expected to be recognised as revenue as follows:

	30 June 2022 (Unaudited)	31 December 2021
Within one year	**550,675,025.47**	643,413,769.43
Above one year	**37,331,909.47**	60,867,438.19
	588,006,934.94	704,281,207.62

12. FINANCIAL COST

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Interest expenses	**160,253,827.27**	154,074,304.24
Including: Interest expenses on lease liabilities	**1,178,542.49**	191,543.80
Less: Interest income	**41,165,448.89**	29,922,842.37
Less: Capitalized interest	**33,144,043.38**	14,022,963.33
Foreign exchange (gain)/loss	**(807,221.55)**	88,737.42
Others	**39,906.37**	56,573.17
	85,177,019.82	110,273,809.13

The amount of capitalized borrowing costs has been included in construction in progress.

13. INVESTMENT INCOME

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Long-term equity investment income accounted for under the equity method	**73,479,928.44**	100,481,447.24
Dividend income on other equity instrument investments held	**12,195,519.76**	9,360,000.00
	85,675,448.20	109,841,447.24

14. NON-OPERATING INCOME

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)	Non-recurring profit and loss for the six months ended 30 June 2022 (unaudited)
Payables waived	**1,720,002.66**	1,000.00	1,720,002.66
Gains from spoilage and obsolescence of non-current assets	**337,537.61**	182,004.61	337,537.61
Insurance claims	**–**	4,810,453.94	–
Others	**1,611,468.74**	71,174.71	1,611,468.74
	3,669,009.01	5,064,633.26	3,669,009.01

15. INCOME TAX EXPENSE

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Current income tax expenses	**196,028,633.58**	162,163,470.95
Deferred income tax expenses	**28,045,261.23**	17,710,745.20
	224,073,894.81	179,874,216.15

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

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Total profit	**937,042,510.02**	850,561,086.19
Income tax expenses calculated at the statutory tax rate	**234,260,627.50**	212,640,271.55
Effect of different tax rates of subsidiaries	**(507,588.09)**	(382,538.08)
Income not subject to tax	**(3,048,879.94)**	(2,340,000.00)
Share of profits and losses of joint ventures and associates	**(18,369,982.11)**	(25,120,361.81)
Expenses not deductible for tax	**5,756,034.95**	4,093,587.13
Utilizing deductible losses of previous periods	**(191,563.70)**	(17,904,657.14)
Effect of unrecognized temporary difference and deductible losses	**3,136,214.63**	17,182,686.53
Adjustments in respect of current income tax of previous periods	**76,193.96**	(11,894,472.46)
Others	**2,962,837.61**	3,599,700.43
Income tax expense at the Group's effective rate	**224,073,894.81**	179,874,216.15

16. EARNINGS PER SHARE

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Basic and diluted earnings per share from continuing operations	**0.13**	0.13

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

The calculation of the basic earnings per share is as follows:

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited)
Earnings		
Net profit for the period attributable to ordinary shareholders of the Company from continuing operations	**711,741,136.52**	698,850,420.51
Shares		
Weighted average number of ordinary shares in issue of the Company	**5,587,412,000.00**	5,587,412,000.00

The Company had no dilutive potential ordinary shares in issue for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

I. Overview of Industry Economy in the First Half of 2022

(1) Overall Situation

In the first half of 2022, the Chinese government made solid progress in stabilizing the economy, with a package of policy measures taking effect, and China's economy seeing a steady upturn trend. In the first half of the year, China's GDP amounted to RMB56,264.2 billion, representing a year-on-year increase of 2.5% if calculated at constant prices, and the economy as a whole showed a stable recovery trend. In particular, the added value of the primary industry was RMB2,913.7 billion, up by 5.0% over that of the previous year and accounting for 10.7% of the economic growth; that of the secondary industry was RMB22,863.6 billion, up by 3.2% over that of the previous year and accounting for 48.7% of the economic growth; and that of the tertiary industry was RMB30,486.8 billion, up by 1.8% over that of the previous year and accounting for 40.6% of the economic growth. Furthermore, in despite of complicated and severe international environment, the frequent recurrence of the epidemic in scattered localities of China, and the increased economic downward pressure in the second quarter of the year, all local departments efficiently coordinated the epidemic prevention and control with economic and social development, and as a result, China's economy withstood the pressure and achieved a positive growth. China's GDP was RMB29,246.4 billion in the second quarter, up by 0.4% year on year if calculated at constant prices.

(2) Overview of Port Industry in the PRC

In the first half of 2022, under the combined effects of multiple factors, the domestic cargo throughput basically recovered to the same level as last year. Affected by the decrease in imports of bulk materials such as coal, crude oil and iron ore, China's port cargo throughput in the first half of the year was 7.6 billion tons, representing a year-on-year decrease of 0.8%, of which the domestic trade throughput was 5.3 billion tons, representing a year-on-year increase of 0.5%; and foreign trade throughput was 2.3 billion tons, representing a year-on-year decrease of 3.7%.

In terms of coal business, the production of raw coal grew at a faster pace. Coal production enterprises continued to increase production to ensure supply, giving full play to their role of ensuring the satisfaction of basic needs. In the first half of the year, the output of raw coal of industrial enterprises above designated size was 2.2 billion tons, representing a year-on-year increase of 11.0%, with the growth rate being 4.6 percentage points higher than that of the same period of the previous year. Since this year, the output of raw coal has maintained double-digit rapid growth for five consecutive months. Affected by the fluctuation of international coal prices at a high level, 115 million tons of coal were imported in the first half of the year, representing a year-on-year decrease of 17.5%. In the first half of the year, the total electricity consumption of the whole country was 4,097.7 billion KWh, representing a year-on-year increase of 2.9%; the power generation of industrial enterprises above designated size was 3,963.1 billion KWh, representing a year-on-year increase of 0.7%, of which thermal power generation decreased by 3.9% year on year. In the first half of the year, the total energy consumption increased by 1.7% year on year, of which the proportion of coal decreased by 0.3 percentage points.

In terms of iron ore business, the national output of iron ore totaled 501.21 million tons, representing a year-on-year decrease of 2.9%; the total iron ore imports were 5,357.5 billion tons, representing a year-on-year decrease of 4.4%, with the average import price of US$127.6 per ton, representing a year-on-year decrease of 26.8%; the output of pig iron was 438.92 million tons, representing a year-on-year decrease of 4.7%; the output of steel was 667.14 million tons, representing a year-on-year decrease of 4.6%, and the output of crude steel was 526.88 million tons, representing a year-on-year decrease of 6.5%. It can be seen from the above that the output decreased in different degrees.

In terms of petroleum business, the output of crude oil of industrial enterprises above designated size in the first half of the year was 102.88 million tons, representing a year-on-year increase of 4.0%. Since the current price of bulk energy commodities in the international market fluctuates at a high level, the cost of import of energy has been increasing, and China's import demand has been decreasing, 252.52 million tons of crude oil were imported in the first half of the year, representing a year-on-year decrease of 3.1%.

II. DISCUSSION AND ANALYSIS OF OPERATIONS

(1) Revenue

During the Reporting Period, revenue of the Company amounted to RMB3,386,210.3 thousand, representing an increase of 4.26% as compared to the corresponding period of last year, mainly due to the increase in coal throughput.

(2) Operating Costs

During the Reporting Period, operating costs of the Company amounted to RMB2,092,457.9 thousand, representing an increase of 6.42% as compared to the corresponding period of last year, mainly driven by the increase in coal throughput.

(3) Gross Profit Margin

During the Reporting Period, gross profit of the Company amounted to RMB1,293,752.4 thousand, representing an increase of 0.95% as compared to the corresponding period of last year. Gross profit margin of the Company for the Reporting Period was 38.21%, representing a decrease of 1.25 percentage points as compared to the corresponding period of last year.

(4) Segment Analysis (Business Review)

During the Reporting Period, the Company achieved a total cargo throughput of 188.66 million tonnes, representing an increase of 1.30 million tonnes or 0.69% as compared to the throughput of 187.36 million tonnes in the corresponding period of 2021.

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

	First half year of 2022		First half year of 2021			
	Throughput *(million tonnes)*	**Percentage of total throughput** *(%)*	Throughput *(million tonnes)*	Percentage of total throughput *(%)*	Increase/ (decrease) *(million tonnes)*	Increase/ (decrease) *(%)*
Qinhuangdao Port	**97.22**	**51.53**	98.35	52.49	(1.13)	(1.15)
Caofeidian Port	**54.24**	**28.75**	55.37	29.55	(1.13)	(2.04)
Huanghua Port	**37.20**	**19.72**	33.64	17.96	3.56	10.58
Total	**188.66**	**100.00**	187.36	100.00	1.30	0.69

During the Reporting Period, the Company achieved a cargo throughput of 97.22 million tonnes in Qinhuangdao Port, representing a decrease of 1.13 million tonnes or 1.15% from 98.35 million tonnes for the corresponding period of 2021. The decrease was mainly due to the impact of the global pandemic and the tightening monetary policies which resulted in the falling demand for resource commodities, and the competitive situation in surrounding ports which caused the decrease in the throughput in Qinhuangdao Port.

The Company achieved a cargo throughput of 54.24 million tonnes in Caofeidian Port, representing a decrease of 1.13 million tonnes or 2.04% from 55.37 million tonnes for the corresponding period of 2021. The decrease was mainly due to the prevention and control measures to the epidemic outbreaks in Tangshan subjected the steel enterprises to production restriction, in addition to the weak demand for steal in downstream industries which caused the iron ore import volume of steel enterprises in its hinterland decreased year-on-year.

The Company achieved a cargo throughput of 37.20 million tonnes in Huanghua Port, representing an increase of 3.56 million tonnes or 10.58% from 33.64 million tonnes for the corresponding period of 2021. The increase was mainly due to the phase 1 (expansion) of metal ores terminal project in Huanghua Port succeeded in heavy-duty test which further enhanced its competitiveness and the throughput of iron ore, bauxite and other cargoes increased year-on-year from our optimized production and strengthened market development.

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

	First half year of 2022		First half year of 2021			
	Throughput	**Percentage of total throughput**	Throughput	Percentage of total throughput	Increase/ (decrease)	Increase/ (decrease)
	(million tonnes)	***(%)***	*(million tonnes)*	*(%)*	*(million tonnes)*	*(%)*
Coal	**112.94**	**59.86**	112.63	60.12	0.31	0.28
Metal ore	**54.51**	**28.89**	55.74	29.75	(1.23)	(2.21)
Oil and liquefied chemicals	**0.75**	**0.40**	1.20	0.64	(0.45)	(37.50)
Container	**8.46**	**4.49**	6.32	3.37	2.14	33.86
General and other cargoes	**12.00**	**6.36**	11.47	6.12	0.53	4.62
Total	**188.66**	**100.00**	187.36	100.00	1.30	0.69

1. *Coal handling services*

During the Reporting Period, the Company achieved a total coal throughput of 112.94 million tonnes, representing an increase of 0.31 million tonnes or 0.28% from 112.63 million tonnes for the corresponding period of 2021, which remained stable with that of the same period last year. Such increase was mainly due to the severe disruption to the domestic coal market in the first half of the year by, among others, the international environment, the COVID-19 epidemic and the international energy tension. In response to various unstable factors, the Company signed long-term coal leasing business contracts and increased the proportion of coal with long-term agreements, built a 24-hour coordination mechanism for thermal coal transportation protection, and kept to improve the handling efficiency to realize efficient connection of vehicles and maintain a stable throughput compared to last year.

2. *Metal ore handling services*

During the Reporting Period, the Company achieved a total metal ores throughput of 54.51 million tonnes, representing a decrease of 1.23 million tonnes or 2.21% from 55.74 million tonnes for the corresponding period of 2021. Such decrease was mainly due to the year-on-year decreased demand for iron ore of steel enterprises in Tangshan hinterland caused by the anti-pandemic measures and other factors.

3. *Oil and liquefied chemicals handling services*

During the Reporting Period, the Company recorded an oil and liquefied chemicals throughput of 0.75 million tonnes, representing a decrease of 0.45 million tonnes or 37.50% from 1.20 million tonnes for the corresponding period of 2021. Such decrease was mainly due to the asphalt plants in the Company's hinterland experienced phased shutdown, causing the substantial reduction in crude oil demand, the continuous decline in offshore oil production and the reduction in port inward transit volume, which resulted in the throughput of crude oil cargo decreased year-on-year.

4. *Container services*

During the Reporting Period, the Company recorded a container throughput of 820,134 TEUs, equivalent to a total throughput of 8.46 million tonnes, representing an increase in the number of containers handled and throughput of 188,435 TEUs (i.e. 29.83%) as compared with the number of containers handled and throughput of 631,699 TEUs and 6.32 million tonnes for the corresponding period of 2021, respectively. The increase was mainly due to the Company made vigorous promotion to the "conversion of bulk cargo to container" and sea-rail transport businesses to better play the role of inland ports as well as to increase the liner route density and the container cargo sources.

5. *General cargoes handling services*

During the Reporting Period, the Company recorded a throughput of general and other cargoes of 12.00 million tonnes, representing an increase of 0.53 million tonnes or 4.62% from 11.47 million tonnes for the corresponding period of 2021. The increase was mainly due to the Company made continuous efforts in improving cargo sourcing development system, enhancing port operational process, and increasing production operation efficiency, as well as made full use of the advantages in collection and distribution of rail transport to proactively promote "transformation from road haulage to rail-freight transport".

6. *Ancillary port services and value-added services*

The Company also provides a variety of ancillary port services and value-added services. Ancillary port services of the Company include tugging, tallying and trans-shipping services. Our value-added services mainly include towing, tallying, coal blending and tariff-free warehouse and export supervisory warehouse services. In the first half year of 2022, the revenue of ancillary port services and value-added services of the Company amounted to RMB35,541.6 thousand, representing a decrease of RMB950.2 thousand or 2.60% from RMB36,491.8 thousand for the corresponding period of 2021.

(5) Tax and Surcharges

During the Reporting Period, the tax and surcharges of the Company amounted to RMB67,557.9 thousand, representing a decrease of 52.43% as compared to the corresponding period of last year, mainly due to the substantial decrease in environmental protection tax as compared with that of last year.

(6) Administrative Expenses

During the Reporting Period, the Company's administrative expenses amounted to RMB299,428.3 thousand, representing a decrease of 4.97% as compared to the corresponding period of last year, which was mainly due to employees' remunerations decreased as compared to that for the corresponding period of last year.

(7) Financial Costs

During the Reporting Period, the Company's financial costs amounted to RMB85,177.0 thousand, representing a decrease of 22.76% as compared to the corresponding period of last year, mainly due to the decrease in the amount of borrowing expenses during the Reporting Period.

(8) Other Income

During the Reporting Period, the Company's other income amounted to RMB36,502.8 thousand, representing an increase of 16.71% as compared to the corresponding period of last year, mainly due to the increase in additional deduction on VAT.

(9) Investment Income

During the Reporting Period, the Company's investment income amounted to RMB85,675.4 thousand, representing a decrease of 22.00% as compared to that for the corresponding period of last year, mainly due to the decrease of net profit of the Company's associates for the current year.

(10) Net Non-operating Revenue and Expenses

During the Reporting Period, net non-operating revenue and expenses of the Company amounted to RMB3,177.8 thousand, representing a year-on-year decrease of 30.15%, which was mainly due to insurance claims received by the Company for the corresponding period of last year.

(11) Income Tax Expense

The Company's income tax expenses increased by RMB44,199.7 thousand to RMB224,073.9 thousand for the Reporting Period from RMB179,874.2 thousand for the corresponding period of last year. The Company's effective income tax rate increased to 23.91% for the Reporting Period from 21.15% for the corresponding period of last year, mainly due to the decrease in utilization of deductible losses from previous years by its subsidiary, Cangzhou Mineral Port for the current year.

(12) Net Profit

The Company's net profit for the Reporting Period amounted to RMB712,968.6 thousand, representing an increase of 6.30% as compared to the corresponding period of last year, of which the net profit attributable to owners of the parent company amounted to RMB711,741.1 thousand, representing an increase of 1.84% as compared to the corresponding period of last year. Net profit margin of the Company was 21.02%, representing a year-on-year decrease of 0.50 percentage point.

(13) Earnings Per Share

Earnings per Share are calculated by dividing the net profit attributable to owners of the parent company for the Reporting Period by the weighted average number of ordinary Shares in issue during the Reporting Period. The Company's earnings per Share for the Reporting Period amounted to RMB0.13, remaining the same as that of the corresponding period of last year. Please refer to Note 16 to the financial statements for the calculation of earnings per Share.

(14) Capital Structure, Cash Flows and Financial Resources

During the Reporting Period, the Company's net cash flows generated from operating activities amounted to RMB1,477,858.0 thousand, representing an increase of 16.64% as compared to the corresponding period of last year, mainly due to the refund of the outstanding of VAT credit received by its subsidiary, Cangzhou Mineral Port for the Reporting Period.

During the Reporting Period, the Company's net cash flows generated from investing activities amounted to RMB-786,958.3 thousand, representing an increase of 49.03% as compared to the corresponding period of last year, mainly due to the time deposits with maturity of more than three months expired.

During the Reporting Period, the Company's net cash flows from financing activities amounted to RMB-421,687.9 thousand, representing a decrease of 817.63% as compared to the corresponding period of last year, mainly due to the decrease in new borrowings and the increase in repayments of borrowings for the Reporting Period.

As at 30 June 2022, the Company held a balance of cash and cash equivalents of approximately RMB2,830,877.7 thousand, representing an increase of RMB271,958.5 thousand or 10.63% from RMB2,558,919.2 thousand as at 31 December 2021.

As at 30 June 2022, the gearing ratio (total liabilities divided by total assets) of the Company was 37.66%, representing a decrease by 1.46 percentage points as compared to the gearing ratio of 39.12% as at 31 December 2021.

(15) Exchange Rate Risks

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

(16) Pledge of Assets and Contingent Liabilities

The Company has no pledge of assets and contingent liabilities during the Reporting Period.

(17) Management of Working Capital

	30 June 2022	30 June 2021
Current ratio (%)	**1.38**	1.18
Quick ratio (%)	**1.33**	1.10
Turnover days of trade receivables	**3.09**	3.55
Turnover days of trade payables	**22.33**	22.21

As at 30 June 2022, the Company's current ratio and quick ratio were 1.38 and 1.33, respectively, representing an increase as compared with the current ratio of 1.18 and quick ratio of 1.10 as at 30 June 2021. During the Reporting Period, the turnover days of trade receivables was 3.09 days and the turnover days of trade payables was 22.33 days, representing a decrease of 0.46 days and an increase of 0.12 days respectively as compared with the turnover days of trade receivables (3.55 days) and the turnover days of trade payables (22.21 days) for the corresponding period of 2021. The above indicators are within reasonable range.

(18) Overview of Major Investments

During the Reporting Period, there was no material investment by the Company.

(19) Material Acquisition and Disposal

During the Reporting Period, there was no material acquisition and disposal by the Company.

(20) Future Plans Relating to Material Investment or Capital Assets

As of the date of this announcement, save for the information as already disclosed, the Company did not enter into any agreement in respect of any proposed acquisitions and did not have any other future plans relating to material investment or capital assets.

III. PROSPECTS IN THE SECOND HALF OF 2022

In the second half of 2022, with the further advance and implementation of national policies to stabilise the economy, the demand for commodities is expected to grow. Benefiting from the favourable external environment, the Company will continue to take effective measures to develop the market, reduce costs and increase efficiency, and continuously improve the performance.

Coal business:

In the context of tight supply and high prices of global energy, China will continue to implement the measures of "guaranteeing supply and stabilising price" for the coal industry, and the supply of thermal coal will continue to remain at a high level. Although China has gradually promoted and implemented the policies to stabilise the economy, the prevention and control measures against the pandemic are more precisely taken, and the production is gradually resumed in the downstream industry, it takes a certain period of time for the recovery of the industry as far as it goes. The specific trend of coal market depends on factors, such as the recovery of industrial companies and the demand growth driven by the procurement of coal for winter. It is expected that the coal price will be within a reasonable range with weakening volatility.

Metal ores business:

The Company will continue to promote metal ores business by paying close attention to changes in market situations, constantly optimising the structure of cargo sources and striving to increase customers in the hinterland. The Company will also continuously improve the collection and distribution capacity of railway, and vigorously develop the "transformation from road haulage to rail-freight transport"; accelerate to advance the approval procedures for the opening of berths for phase 1 (expansion) of the metal ores terminal project in Huanghua Port, so as to achieve early operation and improve the metal ores transport capacity.

Oil and liquefied chemicals business:

The Company will continue to promote market development of oil and liquefied chemicals business by vigorously investigating and paying visit to upstream and downstream traders and striving to seek new growth drivers in cargo sources.

Container business:

The Company will insist on strengthening its efforts in container transportation business, expanding the "dry bulk to containers" business and developing railway and multimodal transport business of containers; increase efforts in developing remote cargo sources in Xinjiang, Inner Mongolia and other areas, and build more inland ports; expand existing routes to vigorously open more container liner routes for domestic and foreign trade.

General and other cargo business:

The Company will continue to secure more general cargo sources, jointly explore the market with the railway business to better meet customers' logistics demands; strive to develop new kinds of cargo and increase the volume of chemical fertilizer, steel, aluminium oxide and other kinds of cargo; scientifically coordinate production and operation, ensure efficient operation of vessels and port of collection and distribution to continuously enhance production and operating processes.

IV. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There were no subsequent events after the Reporting Period of the Company.

V. PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company did not purchase, sell or redeem any listed securities of QHD Port.

VI. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, so far as the Directors of QHD Port are aware, the Company has complied with the Corporate Governance Code and there has been no deviation from the provisions.

VII. COMPLIANCE WITH THE MODEL CODE

During the Reporting Period, QHD Port has adopted the Model Code as the code of conduct for securities transactions by the Directors and the Supervisors of QHD Port to regulate the securities transactions made by the Directors and Supervisors. Upon specific enquiries made to each Director and Supervisor by the Company, all the Directors and Supervisors confirmed that they have complied with the requirements under the provisions of the Model Code during the relevant period.

VIII. INTERIM DIVIDENDS

The Board did not recommend the payment of interim dividends for the six months ended 30 June 2022.

IX. INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

On 30 June 2022, QHD Port has four independent non-executive directors, representing more than one third of the Board, one of whom is professional in the accounting field and has experience in financial management.

The Company has established the Audit Committee with written terms of reference in accordance with the provisions of the Listing Rules. The Audit Committee has reviewed the unaudited interim financial report of the Company for the six months ended 30 June 2022.

X. PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement of the interim results of the Company for the six months ended 30 June 2022 is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (http://www.portqhd.com/). The interim report of 2022 will be dispatched to our Shareholders on or before 30 September 2022 and will be published on the websites of the Hong Kong Stock Exchange and the Company.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"A Share(s)"	domestic-listed RMB ordinary share(s) in the share capital of QHD Port, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"Audit Committee"	the audit committee of the Board
"berth"	the place of a dock designated for a vessel to moor
"Board"	the board of Directors of QHD Port
"bulk cargo"	loose commodity cargo that is transported in volume size including dry bulk cargo and liquid bulk cargo
"Caofeidian Coal Port"	Tangshan Caofeidian Coal Port Co., Ltd.* (唐山曹妃甸煤炭港務有限公司), a company incorporated in the PRC with limited liability on 29 October 2009, with 51.00% of its equity interest held by the Company as at the date of this announcement
"Cangzhou Mineral Port"	Cangzhou Huanghuagang Mineral Port Co., Ltd.* (滄州黃驊港礦石港務有限公司), a company established in the PRC with limited liability on 10 April 2012, with 97.59% of its equity interest held by the Company as at the date of this announcement
"Caofeidian Port"	Caofeidian Port Zone in Tangshan Port, Tangshan City, Hebei Province
"Company, the Company"	Qinhuangdao Port Co., Ltd.* and its subsidiaries
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules of the Hong Kong Stock Exchange
"corresponding period of 2021"	the six months ended 30 June 2021
"Daqin Railway"	the railway line from Hanjialing Station in Datong County, Shanxi Province to the Liucun South Station in Qinhuangdao City, Hebei Province
"Director(s)"	the director(s) of QHD Port
"Economic hinterland" or "Hinterland"	hinterland connected with the port by means of transportation, a territory scope in the port where cargoes are generated from or cargoes to be transshipped through the port are consumed
"general cargo"	a general terms for cargoes of various varieties, nature and packaging forms
"H Share(s)"	Hong Kong listed ordinary share(s) in the ordinary share capital of QHD Port, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange

"harbor"	land and water surface of the port within the territory of the port and demarcated by the administrative agency of local government
"Hebei Port Group", "controlling shareholder", "QHD Port Group"	Hebei Port Group Co., Ltd.* (河北港口集團有限公司), a limited liability company incorporated under the laws of the PRC, previously known as Qinhuangdao Port Group Co., Ltd.* (秦皇島港務集團有限公司), which directly holds 54.27% equity interest of the Company
"Huanghua Port"	Huanghua Port in Cangzhou City, Hebei Province
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules of the Hong Kong Stock Exchange
"QHD Port"	Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC on 31 March 2008
"Qinhuangdao Port"	Qinhuangdao Port in Qinhuangdao City, Hebei Province
"Reporting Period"	the six months ended 30 June 2022
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"terminal"	designated for mooring vessels, loading and unloading cargoes and boarding travelers
"TEU"	a statistical conversion unit for containers, a container of twenty feet in length (i.e. one TEU)
"throughput"	a measure of the volume of cargo handled by a port. Where cargoes are transshipped, each unloading and loading process is measured separately as part of throughput

By order of the Board
Qinhuangdao Port Co., Ltd.*
CAO Ziyu
Chairman

Qinhuangdao, Hebei Province, the PRC
29 August 2022

As at the date of this announcement, the executive directors of the Company are CAO Ziyu, YANG Wensheng and MA Xiping; the non-executive directors of the Company are SUN Wenzhong, LI Yingxu and XIAO Xiang; and the independent non-executive directors of the Company are CHEN Ruihua, XIAO Zuhe, ZHAO Jinguang and ZHU Qingxiang.

* *For identification purpose only*