



辽宁港口股份有限公司

LIAONING PORT CO., LTD.

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)

(於中華人民共和國註冊成立之外商投資股份有限公司)

(Stock Code 股份代號 : 2880)



2023

Interim Report

中期報告



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Management Discussion and Analysis

SUMMARY

In the first half of 2023, the growth in import and export slowed amid the complex and changing foreign trade environment. The overall performance of the domestic economy continued to recover gradually, while the economic structural adjustment was under great pressure, and the logistics demand growth decelerated.

In the first half of the year, cargo throughput handled by China's large-scale ports amounted to 8.19 billion tonnes, representing a year-on-year increase of 8%. In particular, cargo throughput handled at coastal ports in China was 5.33 billion tonnes, representing a year-on-year increase of 7.3%.(Source from "Ministry of Transport")

During the reporting period, the Group was 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 2023, 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 2023, due to the steady recovery of the domestic production demand, the crude processing volume rebounded and the demand for refined oil recovered with are markable increase in export quotas of foreign trade of refined oil. In the first half of the year, China imported 282.076 million tonnes of crude oil, representing a year-on-year increase of 11.7%.

Container Segment: In the first half of 2023, containers throughput handled by all ports in China amounted to 149.19 million TEUs, representing a year-on-year increase of 4.8%.

Automobile Terminal Segment: In the first half of 2023, automobile production and sales volume in China were 13.248 million vehicles and 13.239 million vehicles, representing a year-on-year increase of 9.3% and 9.8%, respectively. The overall automobile industry maintained stable and sound development. Rapid growth was recorded in new energy vehicles, with a market share of nearly 30%. The export volume grew rapidly, exceeding 2.00 million units of automobile in the first half of the year.

Management Discussion and Analysis

Bulk and General Cargo Segment: In the first half of 2023, the real estate, infrastructure and manufacturing industries experienced slow growth, while the steel industry continued to suffer losses with a lower rate of operation for steel mills. All these resulted in the decrease of the output and demand for related bulk and general cargo such as steel, iron ore and mine construction materials.

Bulk Grain Segment: In the first half of 2023, the declined international soybean prices and improved profits of the processing plants provided a stronger incentive for processing plants and traders in procurement. Corn futures prices moved down in the second quarter, corn spot prices experienced a wide volatility, and the transportation volume of grains from the north to the south decreased amid a sluggish trade atmosphere.

Passenger and Ro-Ro Segment: In the first half of 2023, the ro-ro shipping capacity in the large passenger and cargo segment operated in a stable manner, and the rising demand in the “Liaoning-Shandong sea-crossing” freight market led to an increase in ro-ro transshipment volume.

OVERALL RESULTS REVIEW

In the first half of 2023, the Group’s net profit attributable to shareholders of the parent company amounted to RMB631,260,174.66, representing a decrease of RMB110,702,462.79 or 14.9% as compared with RMB741,962,637.45 in the first half of 2022.

In the first half of 2023, the decrease in the business volume of the Group’s bulk and general cargoes, the decline in the results of the joint venture and associates engaging in the oil/liquefied chemicals and cold chain businesses leading to a decrease in investment income, the increase of credit impairment loss and decrease in non-operating income were the main factors resulting in the decrease in profit, which was partly offset by the growth of container, passenger and ro-ro and oil business volumes, the increase in the proportion of efficient cargoes in the China-Europe Railway Lines, and the effectiveness of cost control measures. On a consolidated basis, the Group’s net profit attributable to the parent company reported a year-on-year decrease of 14.9%.

In the first half of 2023, the Group’s basic earnings per share amounted to RMB2.63 cents, representing a decrease of RMB0.46 cents or 14.9% as compared with RMB3.09 cents in the first half of 2022.

Management Discussion and Analysis

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

Item	In the first half of 2023 (RMB)	In the first half of 2022 (RMB)	Changes (%)
Net profit attributable to shareholders of the parent company	631,260,174.66	741,962,637.45	-14.9
Including:			
Revenue	5,651,992,586.52	5,788,566,152.86	-2.4
Cost of sales	4,014,281,417.81	4,243,209,288.28	-5.4
Gross profit	1,637,711,168.71	1,545,356,864.58	6.0
Gross profit margin	29.0%	26.7%	Up by 2.3 percentage points
Administrative expenses	369,331,125.50	353,296,807.88	4.5
Research and development expenses	276,882.29	1,752,528.33	-84.2
Financial expenses	231,078,845.34	228,116,615.03	1.3
Credit impairment losses	80,956,939.47	25,925,791.04	212.3
Other income	57,845,629.65	52,993,429.90	9.2
Investment income	28,276,809.05	101,502,060.52	-72.1
Net non-operating income (Note 1)	6,526,638.25	36,111,901.67	-81.9
Income tax expenses	256,937,152.84	260,536,507.28	-1.4

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

In the first half of 2023, the Group's revenue decreased by RMB136,573,566.34 or 2.4% year on year, mainly due to the combined effect of continued losses in the steel industry, the decline in the volume of bulk and general cargo business such as ores and steels, and the decrease in the container logistics service business such as shipping export agency and automobile imported parts and components. However, the growth in the volume of container, passenger and ro-ro, and oil products businesses partially offset the decline in revenue.

In the first half of 2023, the Group's cost of sales decreased by RMB228,927,870.47 or 5.4% year on year, mainly due to the decrease in the cost of container logistics services in tandem with a decrease in revenue, as well as the decrease in costs such as labour costs, labour expenses and depreciation expenses.

In the first half of 2023, the Group's gross profit increased by RMB92,354,304.13 or 6.0% year on year. Gross profit margin was 29.0%, representing an increase of 2.3 percentage points. The increase was mainly due to the growth in the volume of container and oil products businesses with high margins, the increase in the proportion of efficient cargoes of China-Europe Railway Lines, and the recovery growth in the passenger and ro-ro business, as well as the decrease in costs such as labour costs, labour expenses and depreciation expenses.

Management Discussion and Analysis

In the first half of 2023, the Group's administrative expenses increased by RMB16,034,317.62 or 4.5% year on year, mainly due to the year-on-year increase in administrative expenses such as travel expenses and other expenses.

In the first half of 2023, the Group's research and development expenses decreased by RMB1,475,646.04 or 84.2% year on year, mainly due to the fact that research and development projects were substantially completed at the end of the previous year.

In the first half of 2023, the Group's financial expenses increased by RMB2,962,230.31 or 1.3% year on year, basically remaining at a stable level.

In the first half of 2023, the Group's credit impairment losses increased by RMB55,031,148.43 or 212.3% year on year, mainly due to the combined effect of the aging of some receivables in the current period and the collection of long outstanding balances from bulk and general cargo customers in the first half of last year.

In the first half of 2023, the Group's other income increased by RMB4,852,199.75 or 9.2% 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 2023, the Group's investment income decreased by RMB73,225,251.47 or 72.1% year on year, mainly due to the decrease in the financial results of joint ventures and associates operating LNG business, cold chain business and bulk and general cargo business.

In the first half of 2023, the Group's net non-operating income decreased by RMB29,585,263.42 or 81.9% year on year, mainly due to the write-off of certain estimated liabilities according to the progress of the lawsuits in the first half of last year.

In the first half of 2023, the Group's income tax expenses decreased by RMB3,599,354.44 or 1.4% year on year, mainly due to the decrease in taxable income caused by the changes in operating profit.

Assets and Liabilities

As of 30 June 2023, the Group's total assets and net assets amounted to RMB57,655,679,528.21 and RMB42,087,238,899.77, respectively. The net asset value per share was RMB1.62, increased slightly compared with the net asset value of RMB1.61 per share as at 31 December 2022.

As of 30 June 2023, the Group's total liabilities amounted to RMB15,568,440,628.44, of which total outstanding borrowings amounted to RMB7,347,480,978.32 (this part of the borrowings carries a fixed interest rate). The gearing ratio was 27.0% (the total liabilities of RMB15,568,440,628.44/the total assets of RMB57,655,679,528.21), representing a decrease of 0.5 percentage point as compared with 27.5% as at 31 December 2022, which was mainly due to the repayment of the matured bonds during the current period.

Management Discussion and Analysis

Financial Resources and Liquidity

As of 30 June 2023, the Group had a balance of cash and cash equivalents of RMB5,644,957,427.20, representing an increase of RMB599,483,928.97 as compared to that of 31 December 2022.

As at 30 June 2023, the Group's net cash inflows generated from operating activities amounted to RMB1,272,499,407.36, net cash outflows for investment activities amounted to RMB37,895,895.01, and net cash outflows generated from financing activities amounted to RMB639,008,144.90.

Benefiting from the sufficient operating cash inflows contributed by the Group's robust 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 of 30 June 2023, the Group's outstanding borrowings amounted to RMB7,347,480,978.32 (this part of the borrowings carries a fixed interest rate), in which RMB4,692,806,077.20 were borrowings repayable within one year, and RMB2,654,674,901.12 were borrowings repayable after one year.

The Group's net debt-equity ratio was 16.5% as of 30 June 2023, as compared with 18.6% as at 31 December 2022, mainly due to the decrease in the debt scale as a result of redeeming the bonds. The Group ensured there was no solvency risk and continued to improve its overall financial structure.

As of 30 June 2023, the Group's unutilised bank line of credit amounted to RMB14.65 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 2023, the Group had not entered into any foreign exchange hedging contracts.

Management Discussion and Analysis

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**”), Fujian Rongjiang Import & Export Co., Ltd. (福建省榕江進出口有限公司) (hereinafter referred to as “**Rongjiang**”), and Qingdao Zhong Yan Trading Co., Ltd. (青島中亮貿易有限公司) (hereinafter referred to as “**Qingdao Zhong Yan**”) and other companies (hereinafter referred to as “**Import Agents**” or “**Warehousing Clients**”) by entering into Import Agent Agreement or Agent Procurement Contract with such Import Agents, 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.

Management Discussion and Analysis

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 19 October 2022, DCT Logistics filed an application for retrial with the Higher People's Court of Zhejiang Province. On 6 March 2023, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Shen No. 6364), rejecting the retrial application. On 12 October 2022, Dalian Jifa Port Logistics Co., Ltd. received the assistance execution notice ((2022) Zhe 72 Zhi No. 286) issued by the Ningbo Maritime Court, requiring to deposit the lease payment payable to DCT Logistics into the account designated by Ningbo Maritime Court. On 18 January and 19 April 2023, Dalian Jifa Port Logistics Co., Ltd. paid the lease payments of RMB4.14 million and RMB2.07 million to the account designated by Ningbo Maritime Court.

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 19 October 2022, DCT Logistics filed an application for retrial with the Higher People's Court of Zhejiang Province. On 6 March 2023, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Shen No. 6365), rejecting the retrial application. On 25 May 2022, Ningbo Maritime Court has deducted RMB8.8393 million from the bank deposits of DCT Logistics according to 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 the first instance judgment.

Management Discussion and Analysis

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 compensate Rongjiang for the loss of goods of RMB336.0810 million 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, and 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 the first instance judgment.

On 19 June 2023, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 808) regarding the lawsuit case of Qingdao Zhong Yan against DCT Logistics. The judgement ruled that DCT Logistics should compensate Qingdao Zhong Yan for the loss of goods of RMB169.2464 million and the interest, based on the amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 9 April 2021 up to the date of actual payment, and DCT Logistics should compensate Qingdao Zhong Yan for liability insurance fees of preservation of RMB134,700. Other litigation claims from Qingdao Zhong Yan were dismissed.

On 30 December 2022, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 1041) regarding the lawsuit case of 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) (hereinafter referred to as "Xinwen Mining") against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB12.5291 million and RMB2.3585 million for the loss of goods and other losses respectively to Xinwen Mining, and the interest, based on RMB12.5291 million and RMB2.3585 million, to be calculated at prime rate as announced by the National Interbank Funding Center from 6 May 2021 and 7 June 2021 respectively up to the date of actual payments, and DCT Logistics should pay RMB45,000 to Xinwen Mining for liability insurance fees of preservation. Other litigation claims from Xinwen Mining were dismissed. On 18 January 2023, DCT Logistics appealed to the Higher People's Court of Liaoning Province against the first instance judgment regarding the case of Xinwen Mining. On 17 August 2023, the Higher People's Court of Liaoning Province issued a civil ruling ((2023) Liao Min Zhong No. 881) as follows: the civil judgment of Dalian Maritime Court (2022) Liao 72 Min Chu No. 1041 was changed to "rule that DCT Logistics should pay RMB11.8276 million and RMB2.3585 million for the loss of goods and other losses respectively to Xinwen Mining, and the interest, based on RMB11.8276 million and RMB2.3585 million, to be calculated at prime rate as announced by the National Interbank Funding Center from 6 May 2021 and 7 June 2021 respectively up to the date of actual payments", and the original judgment was upheld for other matters.

Management Discussion and Analysis

In May 2022, Chongqing Yu Feng Imp. & Exp. Co., Ltd. (重慶渝豐進出口有限公司) (hereinafter referred to as “Chongqing Yu Feng”) filed a lawsuit with Wuhan Maritime Court against DCT Logistics, demanding DCT Logistics to compensate for a loss of RMB120.2513 million and the loss of interest on that capital amount. On 6 September 2022, Wuhan Maritime Court issued a first instance judgement (Wuhan Maritime Court (2021) E 72 Min Chu No. 820) regarding the lawsuit case of Chongqing Yu Feng against DCT Logistics. The judgement ruled that DCT Logistics should pay to Chongqing Yu Feng RMB120.2513 million and the loss of interest, based on that amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 20 March 2021 up to the date of actual performance of the effective judgement. Other litigation claims from Chongqing Yu Feng were dismissed. On 16 September 2022, DCT Logistics appealed to Higher People’s Court of Hubei Province against the first instance judgment regarding the case of Chongqing Yu Feng. On 16 May 2023, the Higher People’s Court of Hubei Province issued a civil ruling ((2022) E Min Zhong No. 1361), rejecting all of the claims of DCT Logistics.

In respect of the lawsuits mentioned above, having considered 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 had filed corresponding appeals. 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 had made provisions for estimated liabilities of RMB180 million which was equivalent to 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 ordered by the court, the estimated liabilities for the current period decreased by RMB6.21 million (2022: RMB8.8393 million). As of 30 June 2023, the Group had made provisions for estimated liabilities of RMB164 million in respect of those lawsuits.

Save for the above contingencies, as at 30 June 2023, the Group did not have other major guarantees and other contingencies required to be specified.

CAPITAL EXPENDITURE

As at 30 June 2023, the Group’s capital expenditure amounted to RMB175,874,470.36, which was mainly funded by the surplus cash generated from operating activities and other external financing.

An analysis of the performance of each business segment of the Group in the first half of 2023 is as follows:

Management Discussion and Analysis

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2023 with comparative figures for the first half of 2022:

	For the six months ended 30 June 2023 ('0,000 tonnes)	For the six months ended 30 June 2022 ('0,000 tonnes)	Increase/ (decrease)
Crude oil	1,705.9	1,567.9	8.8%
Refined oil	727.1	693.1	4.9%
Others	188.6	253.3	(25.5%)
Total	2,621.6	2,514.3	4.3%

In the first half of 2023, the Group handled a total of 26.216 million tonnes of oil/liquefied chemicals throughput, representing a year-on-year increase of 4.3%.

In the first half of 2023, the Group's crude oil throughput amounted to 17.059 million tonnes, representing a year-on-year increase of 8.8%, mainly due to steady recovery of domestic production demand and increased demand for crude oil transshipment, resulting in an increase in the crude oil throughput of the Group in the first half of the year.

In the first half of 2023, the Group's refined oil throughput amounted to 7.271 million tonnes, representing a year-on-year increase of 4.9%, mainly due to an increase in the export quotas for refined oil due to adjustment of national policies, resulting in an increase in the refined oil throughput of the Group in the first half of the year.

In the first half of 2023, the Group's other oil/liquefied chemicals throughput amounted to 1.886 million tonnes, representing a year-on-year decrease of 25.5%, mainly due to the impact of increased supply from China-Russia gas pipeline offsetting the demand for offshore LNG landings, resulting in a decrease in other oil/liquefied chemicals throughput of the Group in the first half of the year.

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

Item	In the first half of 2023 (RMB)	In the first half of 2022 (RMB)	Change (%)
Revenue	801,659,094.42	781,636,225.22	2.6
Percentage of the Group's revenue	14.2%	13.5%	Up by 0.7 percentage point
Gross profit	284,726,183.48	232,736,356.68	22.3
Percentage of the Group's gross profit	17.4%	15.1%	Up by 2.3 percentage points
Gross profit margin	35.5%	29.8%	Up by 5.7 percentage points

In the first half of 2023, the revenue from the Oil Segment increased by RMB20.02 million or 2.6% year-on-year, mainly due to the increase in the revenue from loading and discharging and port services as the demand for crude oil transshipment picked up and the export quotas of refined oil increased.

In the first half of 2023, the gross profit from the Oil Segment increased by RMB51.99 million or 22.3% year on year and the gross profit margin increased by 5.7 percentage points year on year, mainly due to an increase in revenue driven by the increase in the Oil Segment with high gross profit margin, as well as the decrease in labour and labour service costs.

Management Discussion and Analysis

Container Segment

The following table sets out the Container Segment's throughput handled by the Group in the first half of 2023, with comparative figures for the first half of 2022:

	For the six months ended 30 June 2023 (<i>'0,000 TEUs</i>)	For the six months ended 30 June 2022 (<i>'0,000 TEUs</i>)	Increase/ (decrease)
Container	486.3	392.7	23.8%

In the first half of 2023, in terms of container throughput, the Group handled a total of 4.863 million TEUs, representing a year-on-year increase of 23.8% mainly for two reasons. Firstly, taking advantage of the increase in the supply of effective shipping capacity in the market and the downward adjustment of freight rates, the Group continued to strengthen its market development in adding new routes, succeeding, to Western Mediterranean and Southeast Asia with stable operation. This effectively expanded the shipping capacity of direct routes at the ports. Secondly, the Group endeavored to improve the shipping capacity for domestic trade to gain the business from the "containerization of bulk cargoes".

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

Item	In the first half of 2023 (RMB)	In the first half of 2022 (RMB)	Change (%)
Revenue	1,815,883,605.91	1,767,490,169.57	2.7
Percentage of the Group's revenue	32.1%	30.5%	Up by 1.6 percentage points
Gross profit	602,722,036.52	494,703,031.48	21.8
Percentage of the Group's gross profit	36.8%	32.0%	Up by 4.8 percentage points
Gross profit margin	33.2%	28.0%	Up by 5.2 percentage points

In the first half of 2023, the revenue from the Container Segment increased by RMB48.39 million or 2.7% year on year, mainly due to the increase in revenue from loading and discharging and port services driven by the increase in container volume, and the increase in shipping revenue arising from increasing shipping volume of Bohai Rim branch lines. However, the revenue from container logistics services such as shipping export agency and auto parts import decreased.

In the first half of 2023, the gross profit of the Container Segment increased by RMB108.02 million or 21.8% year on year, with the gross profit margin increased by 5.2 percentage points year on year, mainly due to the increase in container business with high gross profit margin and higher proportion of efficient cargoes in China-Europe Railway Lines, as well as the decrease in labour costs and depreciation expenses.

Management Discussion and Analysis

Automobile Terminal Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2023, with comparative figures for the first half of 2022:

		For the six months ended 30 June 2023	For the six months ended 30 June 2022	Increase/ (decrease)
Vehicles (units)	Foreign trade	41,141	21,356	92.6%
	Domestic trade	336,163	346,992	(3.1%)
Total		377,304	368,348	2.4%

In the first half of 2023, the Group handled a total of 377,304 vehicles in automobile terminal, representing a year-on-year increase of 2.4%. The increase mainly stemmed from the expansion of foreign trade throughput propelled by newly established export sources and international transshipment business for Japanese and Korean commercial vehicles.

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

Item	In the first half of 2023 (RMB)	In the first half of 2022 (RMB)	Change (%)
Revenue	23,819,711.09	22,503,862.81	5.8
Percentage of the Group's revenue	0.4%	0.4%	Stable
Gross profit	2,756,381.93	980,679.66	181.1
Percentage of the Group's gross profit	0.2%	0.1%	Up by 0.1 percentage point
Gross profit margin	11.6%	4.4%	Up by 7.2 percentage points

In the first half of 2023, the revenue from the Automobile Terminal Segment increased by RMB1.32 million or 5.8% year on year, mainly due to the increase in the business volume of Haijia Automobile.

In the first half of 2023, the gross profit of the Automobile Terminal Segment increased by 1.78 million or 181.1% year on year, and the gross profit margin increased by 7.2 percentage points year on year, mainly due to the increase in revenue from loading and discharging driven by the increase in the business volume of Haijia Automobile.

Management Discussion and Analysis

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 2023, with comparative figures for the first half of 2022:

	For the six months ended 30 June 2023 (<i>'0,000 tonnes</i>)	For the six months ended 30 June 2022 (<i>'0,000 tonnes</i>)	Increase/ (decrease)
Steel	1,258.1	1,359.8	(7.5%)
Ore	2,983.7	3,411.7	(12.5%)
Others	3,703.7	3,909.5	(5.3%)
Total	7,945.5	8,681.0	(8.5%)

In the first half of 2023, the throughput of the Group's Bulk and General Cargo Segment amounted to 79.455 million tonnes, representing a year-on-year decrease of 8.5%.

In the first half of 2023, the Group's steel throughput was 12.581 million tonnes, representing a year-on-year decrease of 7.5%. It was mainly due to the continuous loss of steel industry and the decrease in the operating rate of steel mills, resulting in a reduction in the shipping volume.

In the first half of 2023, the throughput of the Group's ore segment amounted to 29.837 million tonnes, representing a year-on-year decrease of 12.5%. Such decrease was mainly due to the production limit and production reduction of some steel mills and the adjustment of imported ore ratio, resulting in the reduction of imported ore consumption.

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

Item	In the first half of 2023 (RMB)	In the first half of 2022 (RMB)	Change (%)
Revenue	2,021,091,551.57	2,241,974,115.74	-9.9
Percentage of the Group's revenue	35.8%	38.7%	Down by 2.9 percentage points
Gross profit	560,758,579.84	686,759,524.95	-18.3
Percentage of the Group's gross profit	34.2%	44.4%	Down by 10.2 percentage points
Gross profit margin	27.7%	30.6%	Down by 2.9 percentage points

In the first half of 2023, the revenue from the Bulk and General Cargo Segment decreased by RMB220.88 million or 9.9% year on year, mainly due to the decrease in revenue from loading and discharging and port management resulted from the decrease in the business volume of ore and steel due to market impact.

Management Discussion and Analysis

In the first half of 2023, the gross profit of the Bulk and General Cargo Segment decreased by RMB126 million or 18.3% year on year, and the gross profit margin decreased by 2.9 percentage points year on year, mainly due to the decrease in revenue resulted from the decline in the business volume of ore and steel with high gross profit margin, while the labor and service costs and depreciation expenses also decreased.

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2023, with comparative figures for the first half of 2022:

	For the six months ended 30 June 2023 (<i>'0,000 tonnes</i>)	For the six months ended 30 June 2022 (<i>'0,000 tonnes</i>)	Increase/ (decrease)
Corn	348.5	372.0	(6.3%)
Soybean	192.8	155.1	24.3%
Others	165.7	170.6	(2.9%)
Total	707.0	697.7	1.3%

In the first half of 2023, the throughput of the Group's Bulk Grain Segment amounted to 7.070 million tonnes, representing a year-on-year increase of 1.3%.

In the first half of 2023, the Group's corn throughput was 3.485 million tonnes, representing a year-on-year decrease of 6.3%. It was mainly due to a significant decrease of corn futures price in the second quarter, and a large fluctuation in spot price. Simultaneously, the increase in wheat (corn substitution) sales in the southern sales area contributed to a notable reduction in the shipping volume of corns.

In the first half of 2023, the Group's soybean throughput was 1.928 million tonnes, representing a year-on-year increase of 24.3%. It was mainly due to the decline in international soybean prices; and the improvement of processing plant profits leading to increased willingness of customers to purchase, and the increase in the shipping volume of imported soybeans.

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

Item	In the first half of 2023 (<i>RMB</i>)	In the first half of 2022 (<i>RMB</i>)	Change (%)
Revenue	310,238,157.24	311,607,624.47	-0.4
Percentage of the Group's revenue	5.5%	5.4%	Up by 0.1 percentage point
Gross profit	62,856,517.63	66,430,426.69	-5.4
Percentage of the Group's gross profit	3.8%	4.3%	Down by 0.5 percentage point
Gross profit margin	20.3%	21.3%	Down by 1.0 percentage point

Management Discussion and Analysis

In the first half of 2023, the revenue from the Bulk Grain Segment decreased by RMB1.37 million or 0.4% year on year, remaining relatively stable.

In the first half of 2023, the gross profit of the Bulk Grain Segment decreased by RMB3.57 million or 5.4% year on year, and the gross profit margin decreased by 1.0 percentage point year on year, which was mainly due to the decrease 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 2023, with comparative figures in the first half of 2022:

	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Increase/ (decrease)
Passengers ('0,000 persons)	162.8	55.6	192.8%
Vehicles ('0,000 units)	50.2	36.2	38.7%

Throughput of passengers and roll-on, roll-off terminal was 1.628 million persons, representing a year-on-year increase of 192.8%. Throughput of vehicles amounted to 0.502 million units, representing a year-on-year increase of 38.7%, mainly due to the introduction and stable operation of "Shunlonghai", "Changlonghai" and other large cargo and ro-ro shipping capacity, which led to the year-on-year growth of ro-ro throughput.

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

Item	In the first half of 2023 (RMB)	In the first half of 2022 (RMB)	Change (%)
Revenue	94,355,865.66	59,206,277.40	59.4
Percentage of the Group's revenue	1.7%	1.0%	Up by 0.7 percentage point
Gross profit	15,980,072.00	-19,084,895.11	183.7
Percentage of the Group's gross profit	1.0%	-1.2%	Up by 2.2 percentage points
Gross profit margin	16.9%	-32.2%	Up by 49.1 percentage points

Management Discussion and Analysis

In the first half of 2023, the revenue from the Passenger and Ro-Ro Segment increased by RMB35.15 million or 59.4% year on year, mainly due to the impact of the launch of large passenger and ro-ro shipping capacity and the recovery growth of the business.

In the first half of 2023, the gross profit of the Passenger and Ro-Ro Segment increased by RMB35.06 million or 183.7% year on year, and the gross profit margin increased by 49.1 percentage points year on year, mainly due to the increased revenue driven by the recovery growth of the passenger business.

Value-added Services Segment

Tugging

In the first half of 2023, the Group strengthened the expansion of the market, and completed a tugging volume of 32,800 times.

Tallying

In the first half of 2023, through active market development, the Group completed a tallying volume of 19.34 million tonnes.

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

Item	In the first half of 2023 (RMB)	In the first half of 2022 (RMB)	Change (%)
Revenue	514,672,382.67	535,180,974.79	-3.8
Percentage of the Group's revenue	9.1%	9.2%	Down by 0.1 percentage point
Gross profit	115,748,500.15	89,538,453.47	29.3
Percentage of the Group's gross profit	7.1%	5.8%	Up by 1.3 percentage points
Gross profit margin	22.5%	16.7%	Up by 5.8 percentage points

In the first half of 2023, the revenue from the Value-added Services Segment decreased by RMB20.51 million or 3.8% year on year, mainly due to the decreasing railroad revenue caused by the decrease in the loading and discharging business volume of ore, steel and grain, as well as the decrease in revenue from electricity fee.

In the first half of 2023, the gross profit of the Value-added Services Segment increased by RMB26.21 million or 29.3% year on year, and the gross profit margin increased by 5.8 percentage points year on year, mainly due to the impact of the decrease in the energy costs and depreciation expenses.

Management Discussion and Analysis

PROSPECTS OF THE SECOND HALF OF 2023

Competitive Landscape and Industry Trend

In the second half of the year, the PRC's government will continue to advance the strategy for the high quality development of "domestic circulation" to promote the new infrastructure and transformation and upgrading of manufacturing industry, thereby driving the growth of logistics needs. In addition, the new shipping capacity will be delivered with sufficient container shipping capacity, and the port business will rebound gradually.

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 take advantage of favorable policy on the increase of export quotas for refined oil products and expand the foreign trade export business of refined oil products 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 continuously optimize and strengthen traditional shipping routes in Japan and South Korea, further explore regional routes in Southeast Asia and other regions agreed under the RCEP, put more efforts to research and open up direct routes in new regions, supplement the shipping capacity of north-south domestic trade routes, and continuously empower the development of the network system of shipping 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.

Automobile Terminal Segment

- To ensure the stability of domestic trade waterborne transport space for our major customers by actively coordinating with shipping companies.
- To strengthen cooperation with shipping companies, leverage the liner routes for foreign trade exportation to expand incremental international transshipment of existing branded vehicles, and develop new brand sources of goods in due course.
- To strive for the support of railway schemes, and expand the incremental cross-border transportation business.

Management Discussion and Analysis

Bulk and General Cargo Segment

- To leverage on the steel products and equipment as an entry point to develop foreign trade routes in South America, Southeast Asia, Africa and other regions, while further developing the steel, coal, mining construction materials and other cargo sources of goods and opening up riverside and coastal routes of “two ports connected by one shipping route” along the Bohai Rim.
- To take advantage of the favorable opportunity presented by the opening up of Australian coal imports, and work with traders to fully develop the incremental business of Australian coal spot trade to drive the growth of coal throughput.
- To intensify the development of the “trading ore” market, take full advantage of the spot trading platform for iron ore near the port, and establish an iron ore “spot supermarket”.

Bulk Grain Segment

- To focus on directed sales of national rice for feeding, and expand the Yangtze River routes business to promote transshipment share and incremental growth of the Yangtze River routes.
- To secure southbound cargo sources by the way of river-ocean combined transportation with reference to whole-process logistics model of brown rice auction.

Passenger and Ro-Ro Segment

- To initiate market promotion and marketing efforts of large passenger and ro-ro shipping capacity.
- 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.

Value-added Services Segment

- *Tugging*
The Group will expand revenue sources and reduce costs and expenditures by developing tugging business in surrounding markets, increasing throughput of tugging outside the port and expanding domestic coastal tugging services.
- *Tallying*
The Group will accelerate the development of intelligent tallying system to reduce labour costs. It will insist on diversified development model of tallying business, and actively expand inspection and verification business including draft survey, measurement, loading and discharging supervision.

Management Discussion and Analysis

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023.

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

During the six months ended 30 June 2023, 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 2023, 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 (the "**Listing Rules**"), and so far as known to the directors of the Company, there had been no deviation from the code provisions.

Pursuant to Rule 3.21 of the Listing Rules, the audit committee must comprise a minimum of three members. Following the resignation of Mr. Zhou Qinghong as a non-executive director and a member of the audit committee of the Company (the "**Audit Committee**") with effect from 11 August 2023, the number of members of the Audit Committee fell below the minimum number as required under Rule 3.21 of the Listing Rules. The Company is endeavoring to identify a suitable candidate to act as an additional member of the Audit Committee to meet the requirement set out in Rule 3.21 of the Listing Rules as soon as practicable, and in any event within three months as required under Rule 3.23 of the Listing Rules, and will make necessary announcement as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2023, 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.

Management Discussion and Analysis

AUDIT COMMITTEE

As at the date of this report, the Audit Committee of the Company consists of Ms. CHENG Chaoying and Mr. CHAN Wai Hei, both being independent non-executive directors. Ms. CHENG Chaoying acts as the chairperson of the Audit Committee. The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2023 and this interim report.

GROUP ASSETS PLEDGED

As at 30 June 2023, the Group used part of its monetary funds as the security deposit, such as the project performance guarantee and the project quality guarantee. Specific details are set out in Note IX (22) to the Review Report.

SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group has no significant acquisition or disposal of subsidiaries, associates and joint ventures during the reporting period.

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

During the six months ended 30 June 2023, none of the directors, supervisors, senior management and any of their respective associates had any interests and short positions in shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

THE STATUS OF BONDS ISSUANCE

As registered with the Zheng Jian Xu Ke [2022] No. 658 issued by the China Securities Regulatory Commission, the Company is approved to publicly issue corporate bonds with a total amount of not more than RMB8 billion (inclusive) to professional investors. The bonds are issued in tranches. On 19 June 2023, the Company issued the third tranche of corporate bonds at par value of RMB100 for a term of 2 years, and the interest is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 2.98%, which is payable once a year, with allotted investors including commercial banks, securities companies, funds and other institutions. The Company has utilized the total proceeds of RMB1.5 billion (after deducting the issuance expenses) fully to settle the sale back principal and interest of “01 Corporate Bonds of Liaoning Port 2022 (22遼港01)”. Given that the Company has utilized its self-owned funds to fully repay the sale back principal and interest of “01 Corporate Bonds of Liaoning Port 2022 (22遼港01)” in advance, the self-owned funds for settling the principal and interest of “01 Corporate Bonds of Liaoning Port 2022 (22遼港01)” may be replaced with the proceeds raised from such tranche of bonds. As of the date of approval of the financial statements for issue, the proceeds have been fully utilized as previously disclosed by the Company.

Other Information

INFORMATION ON SHARE CAPITAL AND SHAREHOLDERS OF THE COMPANY

The share capital structure of the Company as at 30 June 2023 is set out in the table below:

Type of shares	Number of shares (shares)	Percentage (%)
A shares	18,828,349,817	78.49
H shares	5,158,715,999	21.51
Total	23,987,065,816	100.00

1 A shares of RMB1 each, H shares of RMB1 each

SHAREHOLDINGS OF SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 30 June 2023, so far as known to the directors of the Company, the following persons had interests or short positions in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Class of shares	Number of shares/ underlying shares held (shares)	Capacity	Percentage of the relevant class of share capital ¹	Percentage of the total share capital ²
Yingkou Port Group Corporation Limited ³	A shares	6,916,185,012	Beneficial owner	36.73%	28.83%
Dalian Port Corporation Limited	A shares	5,310,255,162	Beneficial owner	28.20%	22.14%
China Merchants Group Limited ⁴	H shares	4,293,248,695	Interest in controlled corporation	83.22%	17.90%

Notes:

1. Number of shares in the relevant class of share capital: A shares – 18,828,349,817, H shares – 5,158,715,999.
2. Total number of share capital: 23,987,065,816.
3. According to the Voting Right Entrustment Agreement entered into by Dalian Port Corporation Limited (“PDA Group”) and Yingkou Port Group Corporation Limited (“Yingkou Port Group”) on 29 March 2021, PDA Group agreed to fully entrust the exercise of shareholder’s 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.
4. China Merchants Group Limited held 722,166,000 H shares through its indirect subsidiary, Dalian Port Corporation Limited, 2,714,736,000 H shares through its indirect subsidiary, Team Able International Limited, and 856,346,695 H shares through its indirect subsidiary, Broadford Global Limited.

Save as disclosed above, as at 30 June 2023, so far as known to the directors of the Company, no other person had interests or short positions in the shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

Other Information

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at 30 June 2023, the members of the seventh session of the Company's Board included Mr. WANG Zhixian as the chairman and an executive director, Mr. WEI Minghui as an executive director and the general manager; Mr. ZHOU Qinghong, Dr. XU Xin, Dr. XU Song and Mr. YANG Bing as non-executive directors; and Dr. LIU Chunyan, Ms. CHENG Chaoying and Mr. CHAN Wai Hei as independent non-executive directors. The members of the seventh session of the Company's supervisory committee included Mr. LI Shichen, Mr. YUAN Yi, Mr. DING Kai, Ms. ZHANG Hong and Mr. GAO Shicheng.

Mr. ZHOU Qinghong and Mr. YUAN Yi have resigned as a non-executive director of the Company and a supervisor of the Company, respectively, with effect from 11 August 2023 due to reaching statutory retirement age. Upon his resignation becoming effective, Mr. ZHOU Qinghong ceased to be a member of the strategic development committee of the Board and the Audit Committee. For further details, please refer to the Company's announcement dated 11 August 2023.

Mr. LI Shichen has resigned as a supervisor and the chairman of the supervisory committee of the Company with effect from 4 September 2023 due to adjustment of work arrangement. For further details, please refer to the Company's announcement dated 5 September 2023.

Dr. XU Song has resigned as a non-executive director of the Company with effect from 6 September 2023 due to adjustment of work arrangement. Upon his resignation becoming effective, Dr. XU Song ceased to be a member of the strategic development committee of the Board. For further details, please refer to the Company's announcement dated 7 September 2023.

Save as disclosed above, as of the date of this interim report, there was no other change to the information of the above directors, supervisors or chief executive which had been disclosed by the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Other Information

HUMAN RESOURCES MANAGEMENT

Overview of employees

Taking into consideration of the Company's development strategies and priorities, the Group took efforts to facilitate each employee's development of his or her potential and formulated an employment mechanism for staff selecting, training, appointment and retaining so as to support the Company's sustainable development. As of 30 June 2023, the Company had a total of 3,320 full-time employees, and the total number of employees of the Company and its investees was 38,784.

Compensation policy

Focusing on position, performance and ability, the Company has established a compensation system compatible with the human resources management through optimising remuneration system and increasing positive incentives to employees. The Company makes determination and corresponding adjustments to the compensation standard based on its performance and employees' performance evaluation results on an annual basis after taking into account the prevailing rates in the local labour market.

Training plan

In accordance with its development strategy, the Company focused on the annual development goal and focal point of the work, and established an annual training programme based on the present situation of the talent team. Through a variety of flexible ways such as the combination of position training and on-site operation, centralised and separate learning, as well as the expert lectures and staff self-study, the Company focused on the training in safety production, compliance management, risk management and green port, to provide necessary talent guarantee for the high-quality development of the Company.

OTHERS

The Company has been performing its social responsibility for environmental protection in an earnest manner, and considers building a port that is both "economical with resources and environmental friendly" as its responsibility. As such, it strives to construct and develop a modern ecologically friendly green port.

The Company persists in upholding its approach of "integrated management with safety as the priority and prevention as the theme". With the core values of "scientific development with due regard to humanities and safety" as a solid foundation, the Company strictly implements each of the national and local requirements for management of work place safety, and continuously improves the implementation of safety accountability system at all levels, so as to ensure that safe production is maintained.

Review Report

Ernst & Young Hua Ming (2023) Zhuan Zi No. 60777447_E12
Liaoning Port Co., Ltd.

To all Shareholders of Liaoning Port Co., Ltd.,

We have reviewed the financial statements of Liaoning Port Co., Ltd., which comprise the consolidated and company balance sheets as at 30 June 2023 and the consolidated and company income statements, statements of changes in shareholders' equity and cash flow statements for the period from 1 January to 30 June 2023, and notes to the financial statements. Management of Liaoning Port Co., Ltd. is responsible for the preparation of these financial statements. Our responsibility is to issue a review report based on our review of these financial statements.

We conducted our review in accordance with the Standard on Review Engagements for CPAs of China No. 2101 – Engagements to Review Financial Statements, which requires that we plan and conduct the review to obtain limited assurance about whether these financial statements are free from material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not prepared in accordance with Accounting Standard for Business Enterprises, and do not present fairly, in all material respects, the consolidated and company financial position, operating results and cash flows of Liaoning Port Co., Ltd.

Ernst & Young Hua Ming LLP

Certified Public Accountant:
Liu Taiping

Beijing, the PRC
25 August 2023

Certified Public Accountant:
Wang Xiaoyao

Consolidated Balance Sheet

30 June 2023
Unit: RMB

Item	Note	30 June 2023 (Unaudited)	31 December 2022
Current assets			
Cash at bank and on hand	IX.1	5,669,758,736.30	5,085,194,083.26
Including: Deposits with financial institutions		1,742,198,584.64	2,228,474,155.26
Notes receivable	IX.2	229,126,073.56	369,445,570.06
Accounts receivable	IX.3	3,372,327,664.58	2,892,038,334.72
Receivables financing	IX.4	197,974,198.01	154,213,980.23
Advances to suppliers	IX.5	70,078,714.61	50,203,341.38
Other receivables	IX.6	509,453,755.53	430,925,163.74
Including: Interest receivable		3,139,208.09	2,689,917.11
Dividends receivable		156,672,630.13	112,343,783.60
Inventories	IX.7	123,925,073.51	123,914,279.82
Including: Raw materials		93,732,101.32	92,746,393.09
Merchandise inventories (finished goods)		5,991,174.05	5,994,294.05
Non-current assets due within one year	IX.8	13,250,000.00	13,250,000.00
Other current assets	IX.9	338,702,911.48	363,604,225.68
Total current assets		10,524,597,127.58	9,482,788,978.89
Non-current assets			
Long-term equity investments	IX.10	3,650,119,912.53	3,773,439,477.49
Investments in other equity instruments	IX.11	171,894,676.12	156,869,646.60
Investment properties	IX.12	162,684,005.24	168,475,898.11
Fixed assets	IX.13	30,238,077,822.33	30,694,317,643.78
Including: Cost		54,136,400,268.72	53,700,760,612.46
Accumulated depreciation		23,856,216,646.41	22,967,897,856.88
Impairment		44,992,613.52	44,992,613.52
Construction in progress	IX.14	1,977,212,394.64	2,247,716,774.84
Right-of-use assets	IX.15	4,860,720,737.09	4,975,490,327.00
Intangible assets	IX.16	5,402,557,684.71	5,491,066,458.21
Development expenditure	IX.17	12,684,691.00	12,684,691.00
Goodwill	IX.18	225,929,504.67	225,929,504.67
Long-term prepaid expenses	IX.19	53,089,965.76	56,672,475.72
Deferred income tax assets	IX.20	354,437,996.45	311,387,413.57
Other non-current assets	IX.21	21,673,010.09	12,551,780.38
Total non-current assets		47,131,082,400.63	48,126,602,091.37
Total assets		57,655,679,528.21	57,609,391,070.26

Notes form an integral part of the financial statements

Consolidated Balance Sheet (continued)

30 June 2023
Unit: RMB

Item	Note	30 June 2023 (Unaudited)	31 December 2022
Current liabilities			
Accounts payable	IX.24	244,165,199.44	303,332,013.22
Advances from customers	IX.25	3,245,478.35	4,508,721.75
Contract liabilities	IX.26	278,624,622.89	294,099,864.46
Employee benefits payable	IX.27	220,700,888.13	327,349,498.36
Including: Salary payable		186,029,975.51	278,196,134.72
Taxes and surcharges payable	IX.28	129,022,473.79	133,966,866.56
Including: Taxes payable excluding surcharges		128,300,904.64	133,724,982.94
Other payables	IX.29	1,125,509,546.55	922,571,445.46
Including: Dividends payable		430,941,548.21	129,642,029.96
Non-current liabilities due within one year	IX.30	4,851,666,263.56	4,477,639,949.68
Other current liabilities	IX.31	15,423,639.75	14,329,926.71
Total current liabilities		6,868,358,112.46	6,477,798,286.20
Non-current liabilities			
Long-term borrowings	IX.32	641,000,000.00	716,000,000.00
Bonds payable	IX.33	1,996,174,901.12	2,495,906,235.36
Lease liabilities	IX.34	5,043,368,843.19	5,117,114,432.76
Long-term payables	IX.35	17,500,000.00	17,500,000.00
Estimated liabilities	IX.36	164,498,538.56	170,708,538.56
Deferred income	IX.37	545,861,325.55	571,197,128.39
Deferred income tax liabilities	IX.20	250,071,961.75	259,568,410.54
Other non-current liabilities	IX.38	41,606,945.81	41,606,945.81
Total non-current liabilities		8,700,082,515.98	9,389,601,691.42
Total liabilities		15,568,440,628.44	15,867,399,977.62

Notes form an integral part of the financial statements

Consolidated Balance Sheet (continued)

30 June 2023
Unit: RMB

Item	Note	30 June 2023 (Unaudited)	31 December 2022
Shareholders' equity			
Share capital	IX.39	23,987,065,816.00	23,987,065,816.00
Capital surplus	IX.40	9,029,541,750.96	9,026,991,793.19
Other comprehensive income	IX.41	86,341,366.20	72,364,171.03
Including: Exchange differences on translation of foreign currency financial statements		57,193,092.01	54,871,006.75
Specific reserve	IX.42	181,148,122.58	147,235,048.25
Surplus reserve	IX.43	1,462,397,659.49	1,462,397,659.49
Including: Statutory surplus reserve		1,461,424,125.12	1,461,424,125.12
Undistributed profits	IX.44	4,164,289,506.93	3,950,404,277.47
Total equity attributable to shareholders of the parent company		38,910,784,222.16	38,646,458,765.43
Minority interests		3,176,454,677.61	3,095,532,327.21
Total shareholders' equity		42,087,238,899.77	41,741,991,092.64
Total liabilities and shareholders' equity		57,655,679,528.21	57,609,391,070.26

Notes form an integral part of the financial statements

These financial statements are signed by the following persons:

Legal representative:
WANG Zhixian

Principal in charge of accounting:
WANG Ping

Head of accounting department:
WANG Ping

Balance Sheet of the Parent Company

30 June 2023
Unit: RMB

Item	Note	30 June 2023 (Unaudited)	31 December 2022
Current assets			
Cash at bank and on hand		3,149,595,654.15	2,444,983,092.18
Including: Deposits with financial institutions		599,550,060.26	962,786,707.70
Notes receivable		74,070,670.99	187,740,647.20
Accounts receivable	XVI.1	2,824,514,320.01	2,425,928,610.49
Advances to suppliers		8,605,956.12	12,197,912.51
Other receivables	XVI.2	2,696,062,217.73	3,092,261,447.80
Including: Dividends receivable		2,642,044,967.43	3,019,042,396.43
Inventories		47,523,134.06	49,929,215.98
Including: Raw materials		39,410,840.52	42,019,629.12
Non-current assets due within one year		3,202,129,755.00	1,641,465,670.27
Other current assets		2,965,450.58	3,208,150.46
Total current assets		12,005,467,158.64	9,857,714,746.89
Non-current assets			
Investments in other equity instruments		5,523,314.17	6,304,107.79
Long-term receivables	XVI.3	1,341,165,453.43	3,112,465,916.88
Long-term equity investments	XVI.4	22,826,653,969.97	22,930,744,418.39
Fixed assets		8,563,548,743.79	8,847,379,975.15
Including: Cost		17,011,314,980.24	16,999,248,593.31
Accumulated depreciation		8,448,549,535.51	8,156,219,641.06
Construction in progress		1,399,201,253.19	1,401,635,883.24
Right-of-use assets		2,356,686,970.85	2,374,031,847.17
Intangible assets		490,078,491.48	500,730,018.65
Long-term prepaid expenses		40,466,558.17	42,915,928.82
Deferred income tax assets		229,218,495.51	194,281,373.47
Other non-current assets		1,860,000.00	1,860,000.00
Total non-current assets		37,254,403,250.56	39,412,349,469.56
TOTAL ASSETS		49,259,870,409.20	49,270,064,216.45

Notes form an integral part of the financial statements

Balance Sheet of the Parent Company (continued)

30 June 2023
Unit: RMB

Item	30 June 2023 (Unaudited)	31 December 2022
Current liabilities		
Accounts payable	18,235,478.88	26,451,465.92
Advances from customers	–	136,461.52
Contract liabilities	39,279,781.52	39,834,656.50
Employee benefits payable	109,102,213.74	138,850,506.51
Including: Salary payable	105,514,282.96	132,601,759.23
Taxes and surcharges payable	30,199,769.36	47,588,318.82
Including: Taxes payable excluding surcharges	30,199,623.58	47,588,173.04
Other payables	539,696,891.92	234,117,906.27
Including: Dividends payable	302,501,717.41	–
Non-current liabilities due within one year	4,654,562,604.56	4,149,878,725.65
Other current liabilities	4,012,288.81	4,776,333.93
Total current liabilities	5,395,089,028.79	4,641,634,375.12
Non-current liabilities		
Bonds payable	1,996,174,901.12	2,495,906,235.36
Lease liabilities	2,537,055,748.15	2,536,611,597.29
Long-term payables	40,000,000.00	40,000,000.00
Deferred income	514,468,811.03	535,516,929.67
Other non-current liabilities	41,606,945.81	41,606,945.81
Total non-current liabilities	5,129,306,406.11	5,649,641,708.13
Total liabilities	10,524,395,434.90	10,291,276,083.25
Shareholders' equity		
Share capital	23,987,065,816.00	23,987,065,816.00
Capital surplus	9,874,007,167.74	9,871,427,654.58
Other comprehensive income	2,717,442.50	3,303,037.72
Specific reserve	47,777,500.24	38,508,910.16
Surplus reserve	1,221,578,933.81	1,221,578,933.81
Including: Statutory surplus reserve	1,221,578,933.81	1,221,578,933.81
Undistributed profits	3,602,328,114.01	3,856,903,780.93
Total shareholders' equity	38,735,474,974.30	38,978,788,133.20
Total liabilities and shareholders' equity	49,259,870,409.20	49,270,064,216.45

Notes form an integral part of the financial statements

Consolidated Income Statement

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
I. Revenue	IX.45	5,651,992,586.52	5,788,566,152.86
Less: Cost of sales	IX.45	4,014,281,417.81	4,243,209,288.28
Taxes and surcharges	IX.46	66,581,345.88	59,249,690.12
Administrative expenses	IX.47	369,331,125.50	353,296,807.88
Research and development expenses	IX.48	276,882.29	1,752,528.33
Financial expenses	IX.49	231,078,845.34	228,116,615.03
Including: Interest expenses		266,823,386.07	260,985,446.47
Interest income		36,923,944.16	39,958,963.60
Net exchange loss (net gain represented by “-”)		745,092.07	6,537,536.50
Add: Other income	IX.50	57,845,629.65	52,993,429.90
Investment income (loss represented by “-”)	IX.51	28,276,809.05	101,502,060.52
Including: Investment income from associates and joint ventures		26,557,851.15	100,011,993.36
Credit impairment loss (loss represented by “-”)	IX.52	-80,956,939.47	-25,925,791.04
Gains on disposals of assets (loss represented by “-”)	IX.53	-	4,639,108.71
II. Operating profit (loss represented by “-”)		975,608,468.93	1,036,150,031.31
Add: Non-operating income	IX.54	7,020,464.41	36,816,997.90
Less: Non-operating expenses	IX.55	493,826.16	705,096.23
III. Total profit (total loss represented by “-”)		982,135,107.18	1,072,261,932.98
Less: Income tax expenses	IX.56	256,937,152.84	260,536,507.28

Notes form an integral part of the financial statements

Consolidated Income Statement (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
IV. Net profit (net loss represented by “-”)		725,197,954.34	811,725,425.70
(I) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the parent company (net loss represented by “-”)		631,260,174.66	741,962,637.45
2. Gains or losses of minority interests (net loss represented by “-”)		93,937,779.68	69,762,788.25
(II) Classified by continuity of operations			
1. Net profit from continuing operations (net loss represented by “-”)		725,197,954.34	811,725,425.70
2. Net profit from discontinued operations (net loss represented by “-”)		-	-
V. Other comprehensive income, net of tax	IX.41	13,590,857.40	195,368.82
Other comprehensive income, net of tax, attributable to shareholders of the parent company		13,977,195.17	354,259.80
(I) Other comprehensive income that may not be reclassified to profit or loss		11,655,109.91	-9,555,879.71
1. Changes in fair value of investments in other equity instruments		11,655,109.91	-9,555,879.71
(II) Other comprehensive income that will be reclassified to profit or loss		2,322,085.26	9,910,139.51
1. Exchange differences on translation of foreign currency financial statements		2,322,085.26	9,910,139.51
Other comprehensive income, net of tax, attributable to minority interests		-386,337.77	-158,890.98
VI. Total comprehensive income		738,788,811.74	811,920,794.52
Attributable to shareholders of the parent company		645,237,369.83	742,316,897.25
Attributable to minority interests		93,551,441.91	69,603,897.27
VII. Earnings per share			
Basic earnings per share	IX.59	0.03	0.03
Diluted earnings per share	IX.59	0.03	0.03

Notes form an integral part of the financial statements

Income Statement of the Parent Company

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
I. Revenue	XVI.5	1,587,122,088.07	1,768,929,859.83
Less: Cost of sales	XVI.5	1,178,682,982.05	1,278,484,273.43
Taxes and surcharges		17,739,192.70	16,960,794.91
Administrative expenses		177,142,204.18	159,522,271.32
Research and development expenses		31,600.00	24,518.32
Financial expenses		164,421,639.20	147,301,117.14
Including: Interest expenses		181,341,944.84	165,235,937.59
Interest income		17,220,386.12	18,334,162.84
Add: Other income		23,580,008.90	24,751,477.23
Investment income (loss represented by "-")	XVI.6	184,971,506.94	91,683,650.40
Including: Investment income from associates and joint ventures		18,593,611.27	53,079,431.27
Credit impairment loss (loss represented by "-")		-84,934,589.82	-26,170,508.96
II. Operating profit (loss represented by "-")		172,721,395.96	256,901,503.38
Add: Non-operating income		5,385,502.52	3,196,368.75
Less: Non-operating expenses		170,348.08	71,675.32
III. Total profit (total loss represented by "-")		177,936,550.40	260,026,196.81
Less: Income tax expenses		15,137,272.12	49,697,843.66
IV. Net profit (net loss represented by "-")		162,799,278.28	210,328,353.15
Net profit from continuing operations (net loss represented by "-")		162,799,278.28	210,328,353.15
Net profit from discontinued operations (net loss represented by "-")		-	-

Income Statement of the Parent Company (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
V. Other comprehensive income, net of tax		-585,595.22	-947,107.97
(I) Other comprehensive income that may not be reclassified to profit or loss		-585,595.22	-947,107.97
1. Changes in fair value of investments in other equity instruments		-585,595.22	-947,107.97
(II) Other comprehensive income that will be reclassified to profit or loss		-	-
VI. Total comprehensive income		162,213,683.06	209,381,245.18

Notes form an integral part of the financial statements

Consolidated Cash Flow Statement

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		5,302,120,475.05	5,196,934,300.46
Refund of taxes and surcharges		13,134,225.03	31,927,077.20
Cash received relating to other operating activities	IX.60	100,156,160.77	317,836,199.01
Sub-total of cash inflows		5,415,410,860.85	5,546,697,576.67
Cash paid for goods and services		2,050,194,226.44	1,998,064,200.96
Cash paid to and on behalf of employees		1,445,742,344.78	1,555,818,546.83
Payments of taxes and surcharges		524,821,672.17	460,863,417.60
Cash paid relating to other operating activities	IX.60	122,153,210.10	179,685,668.97
Sub-total of cash outflows		4,142,911,453.49	4,194,431,834.36
Net cash flows from operating activities	IX.60	1,272,499,407.36	1,352,265,742.31
II. Cash flows from investing activities			
Cash received from disposal of investments		-	1,978,920.00
Cash received from return on investments		109,137,935.68	56,145,738.02
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		8,111,224.50	7,451,721.36
Cash received relating to other investing activities	IX.60	1,560,000.00	6,728,390.34
Sub-total of cash inflows		118,809,160.18	72,304,769.72
Cash paid to acquire fixed assets, intangible assets and other long-term assets		154,756,035.28	2,272,624,851.84
Cash paid relating to other investing activities	IX.60	1,949,019.91	661,676.05
Sub-total of cash outflows		156,705,055.19	2,273,286,527.89
Net cash flows from investing activities		-37,895,895.01	-2,200,981,758.17

Consolidated Cash Flow Statement (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
III. Cash flows from financing activities			
Cash received from borrowings		1,497,000,000.00	4,280,000,000.00
Sub-total of cash inflows		1,497,000,000.00	4,280,000,000.00
Cash repayments of borrowings		1,705,000,000.00	1,364,077,922.00
Cash paid for distribution of dividends or profits or for interest expenses		256,435,281.88	71,248,113.59
Cash paid relating to other financing activities	IX.60	174,572,863.02	1,006,767,396.74
Sub-total of cash outflows		2,136,008,144.90	2,442,093,432.33
Net cash flows from financing activities		-639,008,144.90	1,837,906,567.67
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		3,888,561.52	4,043,063.96
V. Net increase in cash and cash equivalents			
Add: Cash and cash equivalents at the beginning of the period		599,483,928.97	993,233,615.77
		5,045,473,498.23	4,433,485,423.30
VI. Cash and cash equivalents at the end of the period	IX.60	5,644,957,427.20	5,426,719,039.07

Notes form an integral part of the financial statements

Cash Flow Statement of the Parent Company

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		1,333,961,966.66	1,533,583,395.39
Refund of taxes and surcharges		-	28.18
Cash received relating to other operating activities		23,008,698.67	31,497,670.27
Sub-total of cash inflows		1,356,970,665.33	1,565,081,093.84
Cash paid for goods and services		530,157,540.61	623,536,038.11
Cash paid to and on behalf of employees		526,215,106.47	542,702,761.97
Payments of taxes and surcharges		132,662,626.33	99,345,724.99
Cash paid relating to other operating activities		29,228,482.48	40,924,967.96
Sub-total of cash outflows		1,218,263,755.89	1,306,509,493.03
Net cash flows from operating activities	XVI.7	138,706,909.44	258,571,600.81
II. Cash flows from investing activities			
Cash received from return on investments		673,279,015.74	83,761,777.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		8,110,438.50	451,911.36
Cash received relating to other investing activities		210,000,000.00	40,000,000.00
Sub-total of cash inflows		891,389,454.24	124,213,689.14
Cash paid to acquire fixed assets, intangible assets and other long-term assets		27,625,024.27	36,226,820.13
Cash paid relating to other investing activities		-	3,000,000,000.00
Sub-total of cash outflows		27,625,024.27	3,036,226,820.13
Net cash flows from investing activities		863,764,429.97	-2,912,013,130.99

Notes form an integral part of the financial statements

Cash Flow Statement of the Parent Company (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Note	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
III. Cash flows from financing activities			
Cash received from borrowings		1,497,000,000.00	3,992,000,000.00
Sub-total of cash inflows		1,497,000,000.00	3,992,000,000.00
Cash repayments of borrowings		1,500,000,000.00	1,070,000,000.00
Cash paid for distribution of dividends or profits or for interest expenses		225,426,561.11	51,360,000.00
Cash paid relating to other financing activities		69,434,937.01	54,249,731.40
Sub-total of cash outflows		1,794,861,498.12	1,175,609,731.40
Net cash flows from financing activities		-297,861,498.12	2,816,390,268.60
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		-	-
V. Net increase in cash and cash equivalents			
Add: Cash and cash equivalents at the beginning of the period		704,609,841.29	162,948,738.42
		2,444,983,092.18	2,081,788,417.72
VI. Cash and cash equivalents at the end of the period	XVI.7	3,149,592,933.47	2,244,737,156.14

Notes form an integral part of the financial statements

Consolidated Statement of Changes in Shareholders' Equity

For the period from 1 January to 30 June 2023
Unit: RMB

For the six months ended 30 June 2023 (Unaudited)

Item	Equity attributable to shareholders of the parent company							Total shareholders' equity		
	Share capital	Capital surplus	Comprehensive income	Other foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits		Subtotal	Minority interests
I. Closing balance of last year	23,987,065,816.00	9,026,991,793.19	72,364,171.03	54,871,006.75	147,235,048.25	1,462,397,659.49	3,950,404,277.47	38,646,458,765.43	3,095,532,327.21	41,741,991,092.64
Add: Changes of accounting policies	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior periods	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the period	23,987,065,816.00	9,026,991,793.19	72,364,171.03	54,871,006.75	147,235,048.25	1,462,397,659.49	3,950,404,277.47	38,646,458,765.43	3,095,532,327.21	41,741,991,092.64
III. Changes for the period (decrease represented by "-")	-	-	13,977,195.17	2,322,085.26	-	-	631,260,174.66	645,237,369.83	93,551,441.91	738,788,811.74
(I) Total comprehensive income	-	-	13,977,195.17	2,322,085.26	-	-	631,260,174.66	645,237,369.83	93,551,441.91	738,788,811.74
(II) Capital contribution and withdrawal by shareholders	-	2,549,957.77	-	-	-	-	-	2,549,957.77	-	2,549,957.77
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	-	-	-	-	-	-	-	-	-	-
4. Business combination not involving entities under common control	-	-	-	-	-	-	-	-	-	-
5. Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-
6. Others	-	2,549,957.77	-	-	-	-	-	2,549,957.77	-	2,549,957.77

Notes form an integral part of the financial statements

Consolidated Statement of Changes in Shareholders' Equity (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

For the six months ended 30 June 2023 (Unaudited)

Item	Equity attributable to shareholders of the parent company							Total shareholders' equity				
	Share capital	Capital surplus	Comprehensive income	Other foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits		Subtotal	Minority interests		
(III) Accrual and usage of special reserve												
1. Accrual of special reserve	-	-	-	-	33,913,074.33	-	-	33,913,074.33	3,491,564.66	37,404,638.99		
2. Usage of special reserve	-	-	-	-	58,494,429.93	-	-	58,494,429.93	4,497,457.41	62,991,887.34		
(IV) Profit distribution												
1. Appropriation to surplus reserve Including: Statutory reserve	-	-	-	-	-24,581,355.60	-	-	-24,581,355.60	-1,005,882.75	-25,587,248.35		
Discretionary reserve	-	-	-	-	-	-	-417,374,945.20	-417,374,945.20	-16,120,656.17	-433,495,601.37		
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	-		
3. Profit distribution to shareholders	-	-	-	-	-	-	-	-	-	-		
4. Appropriation to employee bonus and welfare fund	-	-	-	-	-	-	-	-	-	-		
(V) Internal carry-over of shareholders' equity												
1. Transfer of capital reserve to capital	-	-	-	-	-	-	-	-	-	-		
2. Transfer of surplus reserve to capital	-	-	-	-	-	-	-	-	-	-		
3. Surplus reserve to cover losses	-	-	-	-	-	-	-	-	-	-		
4. Other comprehensive income carried over to retained earnings	-	-	-	-	-	-	-	-	-	-		
5. Others	-	-	-	-	-	-	-	-	-	-		
IV. Closing balance of the period	23,987,065,816.00	9,029,541,750.96	86,341,366.20	57,193,092.01	181,148,122.58	1,462,397,659.49	4,164,289,506.93	38,910,794,222.16	3,176,454,677.61	42,087,238,899.77		

Notes form an integral part of the financial statements

Consolidated Statement of Changes in Shareholders' Equity (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

Item	Equity attributable to shareholders of the parent company										Total shareholders' equity
	Share capital	Capital surplus	Comprehensive income	Other foreign currency financial statements	Including: Exchange differences on translation of foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits	Subtotal	Minority interests	
I. Closing balance of last year	23,987,065,816.00	9,022,246,406.02	59,093,962.51	32,922,622.38	92,693,542.25	1,346,971,923.09	3,437,962,835.75	37,946,034,485.62	3,107,707,134.73	41,053,741,620.35	
Add: Changes of accounting policies	-	-	-	-	-	-	-	-	-	-	
Correction of errors in prior periods	-	-	-	-	-	-	-	-	-	-	
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	
II. Opening balance of the period	23,987,065,816.00	9,022,246,406.02	59,093,962.51	32,922,622.38	92,693,542.25	1,346,971,923.09	3,437,962,835.75	37,946,034,485.62	3,107,707,134.73	41,053,741,620.35	
III. Changes for the period (decrease represented by "-")											
(I) Total comprehensive income	-	-	354,259.80	9,910,139.51	-	-	741,962,637.45	742,316,897.25	69,603,897.27	811,920,794.52	
(II) Capital contribution and withdrawal by shareholders	-	2,999,259.79	-	-	-	-	-	2,999,259.79	-	2,999,259.79	
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	
3. Amount of share-based payment included in shareholders' equity	-	-	-	-	-	-	-	-	-	-	
4. Business combination not involving entities under common control	-	-	-	-	-	-	-	-	-	-	
5. Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	
6. Others	-	2,999,259.79	-	-	-	-	-	2,999,259.79	-	2,999,259.79	

Notes form an integral part of the financial statements

Consolidated Statement of Changes in Shareholders' Equity (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

For the six months ended 30 June 2022 (Unaudited)

Item	Equity attributable to shareholders of the parent company							Total shareholders' equity		
	Share capital	Capital surplus	Comprehensive income	Other foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits		Subtotal	Minority interests
(III) Accrual and usage of special reserve	-	-	-	-	30,301,697.56	-	-	30,301,697.56	1,285,305.50	31,587,003.06
1. Accrual of special reserve	-	-	-	-	53,934,942.72	-	-	53,934,942.72	4,592,477.49	58,527,420.21
2. Usage of special reserve	-	-	-	-	(23,633,245.16)	-	-	(23,633,245.16)	(3,297,171.99)	(26,930,417.15)
(IV) Profit distribution	-	-	-	-	-	-	(647,808,139.41)	(647,808,139.41)	(2,446,269.64)	(650,254,409.05)
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-	-
Including: Statutory reserve	-	-	-	-	-	-	-	-	-	-
Discretionary reserve	-	-	-	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	-
3. Profit distribution to shareholders	-	-	-	-	-	-	(647,808,139.41)	(647,808,139.41)	(2,317,518.61)	(649,988,295.64)
4. Appropriation to employee bonus and welfare fund	-	-	-	-	-	-	(157,362.38)	(157,362.38)	(128,751.03)	(286,113.41)
(V) Internal carry-over of shareholders' equity	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to capital reserve	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to capital reserve	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-	-	-	-	-	-	-	-	-	-
4. Other comprehensive income carried over to retained earnings	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-
IV. Closing balance of the period	23,987,065,816.00	9,025,245,665.81	59,448,222.31	42,832,761.89	122,995,239.81	1,346,971,923.09	3,532,117,333.79	38,073,844,200.81	3,176,160,067.86	41,250,004,268.67

Notes form an integral part of the financial statements

Statement of Changes in Shareholders' Equity of the Parent Company

For the period from 1 January to 30 June 2023
Unit: RMB

Item	For the six months ended 30 June 2023 (Unaudited)						
	Share capital	Capital surplus	Other Comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Closing balance of last year	23,987,065,816.00	9,871,427,654.58	3,303,037.72	38,508,910.16	1,221,578,933.81	3,856,903,780.93	38,978,788,133.20
Add: Changes of accounting policies	-	-	-	-	-	-	-
Correction of errors in prior periods	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the period	23,987,065,816.00	9,871,427,654.58	3,303,037.72	38,508,910.16	1,221,578,933.81	3,856,903,780.93	38,978,788,133.20
III. Changes for the period (decrease represented by "-")							
(I) Total comprehensive income	-	-	-585,595.22	-	-	162,799,278.28	162,213,683.06
(II) Capital contribution and withdrawal by shareholders	-	2,579,513.16	-	-	-	-	2,579,513.16
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	-	-	-	-	-	-	-
4. Others	-	2,579,513.16	-	-	-	-	2,579,513.16
(III) Accrual and usage of special reserve	-	-	-	9,268,590.08	-	-	9,268,590.08
1. Accrual of special reserve	-	-	-	19,264,467.65	-	-	19,264,467.65
2. Usage of special reserve	-	-	-	-9,995,877.57	-	-	-9,995,877.57
(IV) Profit distribution	-	-	-	-	-	-417,374,945.20	-417,374,945.20
1. Appropriation to surplus reserve	-	-	-	-	-	-	-
Including: Statutory reserve	-	-	-	-	-	-	-
Discretionary reserve	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-
3. Profit distribution to shareholders	-	-	-	-	-	-417,374,945.20	-417,374,945.20
4. Others	-	-	-	-	-	-	-
(V) Internal carry-over of shareholders' equity	-	-	-	-	-	-	-
1. Transfer of capital reserve to capital	-	-	-	-	-	-	-
2. Transfer of surplus reserve to capital	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
IV. Closing balance of the period	23,987,065,816.00	9,874,007,167.74	2,717,442.50	47,777,500.24	1,221,578,933.81	3,602,328,114.01	38,735,474,974.30

Notes form an integral part of the financial statements

Statement of Changes in Shareholders' Equity of the Parent Company (continued)

For the period from 1 January to 30 June 2023
Unit: RMB

Item	For the six months ended 30 June 2022 (Unaudited)						
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Closing balance of last year	23,987,065,816.00	9,868,775,405.75	5,426,191.44	42,063,863.69	1,106,153,197.41	3,465,722,930.34	38,475,207,404.63
Add: Changes of accounting policies	-	-	-	-	-	-	-
Correction of errors in prior periods	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the period	23,987,065,816.00	9,868,775,405.75	5,426,191.44	42,063,863.69	1,106,153,197.41	3,465,722,930.34	38,475,207,404.63
III. Changes for the period (decrease represented by "-")							
(I) Total comprehensive income	-	-	-947,107.97	-	-	210,328,353.15	209,381,245.18
(II) Capital contribution and withdrawal by shareholders	-	2,415,818.75	-	-	-	-	2,415,818.75
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	-	-	-	-	-	-	-
4. Others	-	2,415,818.75	-	-	-	-	2,415,818.75
(III) Accrual and usage of special reserve	-	-	-	7,090,814.06	-	-	7,090,814.06
1. Accrual of special reserve	-	-	-	14,261,388.05	-	-	14,261,388.05
2. Usage of special reserve	-	-	-	-7,170,573.99	-	-	-7,170,573.99
(IV) Profit distribution	-	-	-	-	-	-647,650,777.03	-647,650,777.03
1. Appropriation to surplus reserve	-	-	-	-	-	-	-
Including: Statutory reserve	-	-	-	-	-	-	-
Discretionary reserve	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-
3. Profit distribution to shareholders	-	-	-	-	-	-647,650,777.03	-647,650,777.03
4. Others	-	-	-	-	-	-	-
(V) Internal carry-over of shareholders' equity	-	-	-	-	-	-	-
1. Transfer of capital reserve to capital	-	-	-	-	-	-	-
2. Transfer of surplus reserve to capital	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
IV. Closing balance of the period	23,987,065,816.00	9,871,191,224.50	4,479,083.47	49,154,677.75	1,106,153,197.41	3,028,400,506.46	38,046,444,505.59

Notes form an integral part of the financial statements

Notes to the Financial Statements

For the period from 1 January to 30 June 2023
(All amounts in RMB 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, the 2020 first A Shareholders class meeting, the 2020 first H Shareholders class meeting of the Company convened 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) 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 was delisted, and the deregistration of the industrial and commercial registration was completed on 28 September 2022. On 4 February 2021, upon the completion of such merger 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.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

I. General information (continued)

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 administrative regulations; import and export of articles restricted by laws and administrative 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. For the basic information on the subsidiaries included in the scope of consolidated statements during the period see Note VIII.

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.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements are prepared by the Group in compliance with the Accounting Standards for Business Enterprises, and give a true and complete view of the consolidated and parent company's financial positions of the Group as at 30 June 2023 and the consolidated and parent company's operating results and cash flows of the Group during the period from 1 January to 30 June 2023.

IV. Significant accounting policies and accounting estimates

1. Accounting year

The Group adopts the Gregorian calendar year as its accounting year, commencing from 1 January to 31 December each year. This interim financial statements cover the period from 1 January to 30 June.

2. Recording currency

Renminbi ("RMB") is the currency of the main economic environment where the Group and its domestic subsidiaries operate and is therefore their recording currency. The recording currency of the overseas subsidiaries of the Group is determined based on the main economic environment where they operate, and is converted into RMB when preparing the financial statements. The currency adopted by the Group for the preparation of these financial statements is RMB.

3. Book-keeping basis and measurement principle

The Group adopts the accrual basis as the basis of book-keeping in accounting. Except for investments in other equity instruments and receivables financing measured at fair value, historical cost is used as the measurement principle in these financial statements. If the assets are impaired, corresponding provisions for impairment will be made according to relevant regulations.

Under historical cost method, assets were measured at the amount of the cash or cash equivalents paid or the fair value of consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets actually received by assuming a present obligation, or the contract amount of the present obligation assumed, or the amount of cash or cash equivalents expected to be paid for repayment of debts in accordance with daily activities.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

3. Book-keeping basis and measurement principle (continued)

Fair value refers to the price that can be received when disposing of an asset or that should be paid when transferring a liability in an orderly transaction between the market participants at the measurement date. Whether fair value is observable or estimated on valuation techniques, the fair value measured and/or disclosed in these financial statements were all determined on such basis.

The Group considers the ability of market participants to put assets into best use for economic benefits or sell the assets to other market participants who are able to put the assets into best use for economic benefits when measuring non-financial assets at fair value.

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

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

On each balance sheet date, the Group will reassess the assets and liabilities constantly measured at fair value as recognised in the financial statements to check if the level in which fair value measurement is categorised is changed.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

4. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

4.1 *Business combinations involving entities under common control*

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Assets and liabilities that are obtained by the acquirer in a business combination involving entities under common control, including goodwill arising from the acquisition of the acquiree by the ultimate controller, shall be accounted for on the basis of the carrying amounts on the financial statements of the ultimate controller at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) by the acquirer shall be adjusted to share premium under capital reserve and the balance transferred from capital reserve under the former system. If they are not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the business combination are recognised in current profit or loss when incurred.

4.2 *Business combinations not involving entities under common control*

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

Combination cost refers to the fair value of the assets paid, the liabilities incurred or assumed, and the equity instruments issued by the acquirer to obtain control of the acquiree. The intermediary fees for auditing, legal services, appraisal and consultation, etc. and other related administrative expenses incurred by the acquirer for a business combination are recognised in current profit or loss when incurred.

Acquiree's identifiable assets, liabilities and contingent liabilities, which are qualified for recognition, as obtained by the acquirer in a combination are measured at fair value at the acquisition date.

For the excess of the combination cost over the portion of fair value of acquiree's net identifiable assets obtained in the combination, it is recognised as goodwill as an asset, and initially measured at cost. For those with combination cost lower than the portion of fair value of acquiree's net identifiable assets obtained in the combination, re-verification on the measurement of the fair value of acquiree's all identifiable assets, liabilities and contingent liabilities as well as the combination cost will be first conducted. For those with combination cost still lower than the portion of fair value of acquiree's net identifiable assets obtained in the combination after re-verification, they are recognised in current profit or loss.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

5. Goodwill

Goodwill arising from a business combination is presented separately in the consolidated financial statements, and measured at the amount of cost less accumulated impairment provision. Goodwill is tested for impairment at least once at the end of every year.

When an impairment test is conducted for goodwill, the test is conducted combined with its related asset group or portfolio of asset group. That is, the carrying value of goodwill is reasonably allocated to the asset group or portfolio of asset group which could be benefited from the synergy of business combination since the purchase date. If the recoverable amount of asset group or portfolio of asset group containing the allocated goodwill is lower than its carrying value, relative impairment loss is recognised. The amount of impairment loss is first written down and allocated to the carrying amount of the goodwill of that asset group or portfolio of asset group, and is then written down to the carrying value of all other types of assets proportionally according to the weighting of the carrying value of all other types of assets other than goodwill within asset group or portfolio of asset group.

The recoverable amount of an asset is the higher of net value of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

An impairment loss on goodwill is recognised in current profit or loss when incurred and shall not be reversed in subsequent accounting periods.

6. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control. Control is the power to govern an investee, so as to obtain variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns. The Group reassesses whether or not it controls an investee if relevant facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, its operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

For a subsidiary acquired through a business combination not involving entities under common control, its operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

6. Consolidated financial statements (continued)

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving entities under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party, and their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

The effects of all intra-group transactions between the Company and its subsidiaries and among subsidiaries on the consolidated financial statements are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the parent company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "gains or losses of minority interests" in the consolidated income statement below the "net profit" line item. The portion of comprehensive income of subsidiaries for the period attributable to minority interests is presented as "total comprehensive income attributable to minority interests" in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against minority shareholders' interests.

Acquisition of minority equity or disposal of certain equity investments in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent company and minority shareholders' interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority shareholders' interests are adjusted and the fair value of the consideration paid/received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

6. Consolidated financial statements (continued)

Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer determines if these transactions are considered to be “a bundled transaction”. If yes, each of these transactions is accounted for as a single transaction where control is obtained. If no, these transactions are accounted for as multiple transactions where control is obtained at the acquisition date. In this case, the acquirer remeasures its previously-held equity interests in the acquiree at their fair value on the acquisition date and recognises any differences between such fair value and carrying amounts in profit or loss for the period. Where equity interests in an acquiree held before the acquisition date involve changes in other comprehensive income or changes in other owners’ equity under equity method, they are transferred to income for the period that the acquisition date belongs to.

When the Group loses control over a subsidiary due to disposal of certain equity interest investment or other reasons, any retained equity interest is re-measured at its fair value at the date when control is lost. The difference between the sum of the consideration received on disposal of equity interest and the fair value of any retained interest and the share of the former subsidiary’s net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost, and at the same time adjusted against goodwill. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

Where multiple transactions involving disposal of equity investments in a subsidiary until loss of control are considered to be a bundled transaction, each of these multiple transactions is accounted for as a single transaction of disposing of the subsidiary and resulting in loss of control. The difference between the consideration received on each disposal and the corresponding proportion of the subsidiary’s net assets calculated on a continuous basis since the acquisition date prior to the loss of control is recognised as other comprehensive income and transferred to profit or loss for the period when the control is eventually lost.

7. Joint arrangement

Joint arrangement refers to an arrangement jointly controlled by two or more than two participants. The joint arrangement of the Group has the following characteristics: (1) all participants are subject to such arrangement; (2) two or more than two participants have joint control over such arrangement. Any each of the participants is unable to separately control such arrangement, and any participant which has joint control over such arrangement is able to prevent other participants or combination of participants from separately controlling such arrangement.

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

Joint arrangement is classified as joint operation and joint venture. A joint operation is a joint arrangement whereby the parties concerned have rights to the assets, and obligations for the liabilities relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties concerned have rights to the net assets of the arrangement only.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term (which generally refers to a maturity within three months from the date of purchase), highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Financial instruments

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

Where financial assets are purchased or sold in a regular way, assets to be received and liabilities to be borne therefor are recognised on the date of transaction, or sold assets are derecognised on the date of transaction.

Financial assets and financial liabilities were initially recognised at fair value. For financial assets and financial liabilities measured at fair value through current profit or loss, related transaction expenses are directly recognised in current profit or loss; for other types of financial assets and financial liabilities, related transaction expenses are included in the initial recognition amount. For accounts receivable not containing significant financing components or regardless of financing components of contracts less than one year initially recognised based on the Accounting Standards for Business Enterprises No. 14 – Revenue (the “Standard on Revenue”), they are initially measured at transaction price defined based on the Standard on Revenue.

Effective interest method is the method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest income or interest expense over the accounting periods.

Effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of a financial asset or a financial liability to the carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Group shall estimate the expected cash flows by considering all contractual terms of the financial assets or financial liabilities (for example, early repayment, extension, call or other similar options) but shall not consider the expected credit losses.

The amortised cost of a financial asset or a financial liability is an accumulatively amortised amount arising from the initially recognised amount of the financial asset or the financial liability deducting repaid principals plus or less amortisation of balances between the initially recognised amount on initial recognition and the amount on maturity date using the effective interest method, and then deducting accumulated provisions for losses (only applicable to financial assets).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group shall measure different types of financial assets at amortised cost, fair value through other comprehensive income or fair value through current profit or loss for subsequent measurement, respectively.

If the contractual terms of the financial asset provides that the cash flows generated on specified dates are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into a financial asset measured at amortised cost. Such financial assets mainly include: cash at bank and on hand, notes receivable, accounts receivable, other receivables, etc.

If the contractual terms of the financial asset provides that the cash flows generated on specified dates are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is to collect contractual cash flows and sell such financial asset, the Group shall classify the financial asset into a financial asset at fair value through other comprehensive income. Accounts receivables and notes receivable at FVTOCI are presented as receivables financing, and other financial assets with a period within one year (inclusive) upon obtaining are presented as other current assets. Such type of financial assets with a period of over one year since obtaining are presented as other debt investments and financial assets due within one year (inclusive) since the balance sheet date are presented as non-current assets due within one year.

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

- A financial asset which does not satisfy the criteria for a financial asset classified as being measured at amortised cost or a financial asset at fair value through other comprehensive income shall be classified as a financial asset at fair value through current profit or loss.
- At initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through current profit or loss if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at fair value through current profit or loss are presented in financial assets held for trading. Those due over one year (or without any fixed term) and expected to be held for over one year since the balance sheet date are presented in other non-current financial assets.

On initial recognition, the Group may, based on an individual financial asset, irrevocably designate a non-trading equity instrument investment which is not contingent consideration recognised in business combination not involving entities under common control as financial asset measured at fair value through other comprehensive income. Such financial assets are presented as investments in other equity instruments.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.1 Classification, recognition and measurement of financial assets (continued)

The Group's purpose of holding the financial assets is for trading if one of the following conditions is satisfied:

- The Group's purpose of acquiring the relevant financial assets is primary for recent sale.
- The relevant financial assets are, on initial recognition, a part of the centrally-managed identifiable financial instrument portfolio, and objective evidence indicates that short-term profit model exists the near future.
- The relevant financial assets are derivative instruments. However, derivatives that meet the definition of financial guarantee contracts and those designated as effective hedging instruments are excluded.

9.1.1 Financial assets at amortised cost

The financial asset measured at amortised cost is subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in current profit or loss.

The Group recognises interest income on financial assets measured at amortised cost using the effective interest method. The Group calculates and recognises interest income based on the carrying amount of financial assets multiplied by the effective interest rate, except for the following conditions:

- For purchased or originated credit-impaired financial asset, the Group calculates and recognises its interest income based on amortised cost of the financial asset and the effective interest rate through credit adjustment since initial recognition.
- For purchased or originated financial asset without credit impairment incurred but with credit impairment incurred in subsequent periods, the Group calculates and recognises its interest income based on amortised cost of the financial asset and the effective interest rate in subsequent periods. If the financial asset no longer has credit impairment in subsequent periods as a result of an improvement in its credit risk, and this improvement may be linked to an event that occurred after the application of the above regulations, the Group calculates and recognises interest income based on the carrying amount of the financial asset multiplied by the effective interest rate.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.1 *Classification, recognition and measurement of financial assets (continued)*

9.1.2 *Financial assets at fair value through other comprehensive income*

The impairment loss or gain on a financial asset at fair value through other comprehensive income and interest income from the financial asset calculated using effective interest rate, and exchange gain or loss are included in current profit or loss, and for other financial assets, their changes in fair value are included in other comprehensive income. The amount recorded in profit or loss of each period is equal to the amount recorded in profit or loss of such period assuming the financial asset has been measured at amortised cost. Upon derecognition of the financial asset, all accumulated gains or losses previously recorded in other comprehensive income are transferred from other comprehensive income to current profit or loss.

After designating a non-trading equity instrument investment as a financial asset at fair value through other comprehensive income, the changes in fair value of such financial asset are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred from other comprehensive income to retained earnings. During the period that the Group holds these non-trading equity instrument investments, the Group has established the right of collecting dividends, whose economic benefit will probably flow into the Group, and if the amount of the dividends can be reliably measured, then the Group will recognise dividend income in current profit or loss.

9.1.3 *Financial assets at fair value through current profit or loss*

Financial assets at fair value through current profit or loss shall be subsequently measured at fair value. Gains or losses from change in fair value and dividends and interest income related to such financial assets shall be recognised in current profit or loss.

9.2 *Impairment of financial instruments*

The Group shall conduct an impaired accounting treatment and recognise a loss provision on financial assets at amortised cost and contract assets based on expected credit losses.

The Group makes a loss provision equivalent to the amount of expected credit losses throughout the duration period of the contract assets or the account receivables arising from transactions adopting the Standard on Revenue and not containing significant financing components or regardless of financing components of contracts less than one year.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.2 Impairment of financial instruments (continued)

For other financial instruments, except for purchased or originated credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of such financial instrument has increased significantly since initial recognition, the Group measures its loss provision equivalent to the amount of expected credit losses throughout the duration period of the financial instrument; if the credit risk of such financial instrument has not increased significantly since initial recognition, the Group measures its loss provision equivalent to the amount of expected credit losses over the next 12 months of the financial instrument. Increase in or reversal of credit loss provision is included in current profit or loss as loss/gain on impairment.

The Group assesses the expected credit losses of financial instruments based on internal credit risk rating. The Group considered the credit risk characteristics of different customers and assessed the expected credit losses of receivables based on the credit risk rating. Basis for each rating and corresponding expected credit loss rate are as follows:

Credit rating	Basis for determination of portfolio	Provision percentage %
A	Based on the past experience, customers are able to make repayment within the credit term, and have a good repayment record with an extremely low risk of default upon maturity in foreseeable future.	0 – 0.1
B	Based on the past experience, customers are able to make repayment despite overdue payment.	0.1 – 0.3
C	There are evidences indicating a risk of default by the customers as the risk of their overdue payment has significantly increased.	0.3 – 50
D	There are evidences indicating that the amounts due from customers have been impaired, and evidences indicating that the amounts are unrecoverable in foreseeable future due to serious financial difficulties of the customers.	50 – 100

For the disclosure of the Group's criteria on the significant increase in credit risk and the definition of credit-impaired assets, please refer to Note XII.3(2).

The factors reflected in methods of measurement of expected credit losses of financial instruments include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at balance sheet date without unnecessary additional costs or efforts.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.2 Impairment of financial instruments (continued)

Where the Group has made a loss provision equivalent to the amount of expected credit losses throughout the duration period of the financial instrument in the previous accounting period, but at the balance sheet date for the current period, the above financial instrument is no longer a financial instrument whose credit risk has significantly increased since initial recognition, the Group measures the loss provision for the financial instrument equivalent to the amount of expected credit losses over the next 12 months at the balance sheet date for the current period. Relevant reversal of loss provision is included in profit or loss for the current period as gain on impairment.

9.2.1 Write-down of financial assets

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the carrying amount of the financial assets. Such write-down constitutes derecognition of relevant financial assets.

9.3 Transfer of financial assets

The Group shall derecognise a financial asset when one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognise a relevant liability accordingly. Relevant liabilities are measured by the Group using the following methods:

- If the transferred financial asset is measured at amortised cost, the carrying amount of relevant liabilities is the carrying amount of continuing involvement in the transferred financial asset less the amortised cost of the rights retained by the Group (if the Group retains rights for the transfer of the financial asset) plus the amortised cost of the obligations undertaken by the Group (if the Group undertakes relevant obligations for the transfer of the financial asset), and the relevant liabilities are not designated as financial liabilities at fair value through current profit or loss.
- If the transferred financial asset is measured at fair value, the carrying amount of relevant liabilities is the carrying amount of continuous involvement in the transferred financial asset less the fair value of the rights retained by the Group (if the Group retains rights for the transfer of the financial asset) plus the fair value of the obligations undertaken by the Group (if the Group undertakes relevant obligations for the transfer of the financial asset), and the fair value of the rights and liabilities is measured on a stand-alone basis.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.3 *Transfer of financial assets (continued)*

For transfer of a financial asset in its entirety that satisfies the derecognition criteria, as to financial assets classified as at amortised cost, the difference between the carrying amount of the financial asset transferred and the consideration received from the transfer shall be included in profit or loss for the current period. As to non-trading equity instruments designated by the Group as at fair value through other comprehensive income, accumulated gains or losses previously included in other comprehensive income are transferred out from other comprehensive income and included in retained earnings.

For transfer of a part of financial asset that satisfies the derecognition criteria, the carrying amount of the financial asset in its entirety before the transfer is allocated between the part that is derecognised and the part that is continuously recognised, based on the respective fair values of those parts on transfer date. The difference between the sum of the consideration received for the part of the derecognition and the accumulated amount of the fair value changes originally included in other comprehensive income corresponding to the derecognised part and the carrying amount on the date of derecognition for the derecognised part shall be recognised in current profit or loss or retained earnings.

For transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognise the transferred financial asset in its entirety. Consideration received from transfer of assets should be recognised as a liability upon receipt.

9.4 *Classification of financial liabilities and equity instruments*

Financial instruments or their constituent parts issued by the Group are classified into financial liabilities or equity instruments on initial recognition on the basis of the substance of the contractual terms and the economic nature but not only its legal form, together with the definition of financial liabilities and equity instruments.

9.4.1 *Classification and measurement of financial liabilities*

On initial recognition, financial liabilities are classified into other financial liabilities.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.4 Classification of financial liabilities and equity instruments (continued)

9.4.1 Classification and measurement of financial liabilities (continued)

9.4.1.1 Other financial liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for financial liabilities that arise when transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and gains or losses arising from derecognition or amortisation are recognised in profit or loss for the period.

When the contractual cash flows are changed due to the modification or renegotiation of the contract made between the Group and the counterparty and the renegotiation or modification does not result in the derecognition of the financial liability that is subsequently measured at amortised cost, the Group shall recalculate the carrying amount of the financial liability and shall recognise related gains or losses in current profit or loss. The carrying amount of the financial liability shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial liability's original effective interest rate. Any costs or fees incurred from modification or renegotiation of the contract adjust the carrying amount of the modified financial liability and are amortised over the remaining term of the modified financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts that are not designated as financial liabilities at fair value through current profit or loss, or arise when transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured at the higher of the amount of loss provision and the amount initially recognised less cumulative amortisation amount determined based on the relevant requirements under the Standard on Revenue upon initial recognition.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

9. Financial instruments (continued)

9.4 Classification of financial liabilities and equity instruments (continued)

9.4.2 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as a derecognition of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in current profit or loss.

9.5 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

10. Receivables financing

Bills receivable classified as at FVTOCI with a period of one year (inclusive) since obtaining are presented as receivables financing; those with a period of over one year since obtaining are presented as other debt investments. For the relevant accounting policies, see Note IV. 9.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

11. Inventories

Inventories of the Group mainly include raw materials, turnover materials, finished goods, contract performance cost, etc. Inventories are initially measured at cost. Cost of inventories comprises costs of purchase and other expenditures incurred in bringing the inventories to their present location and condition.

The actual cost of inventories transferred out is determined by using the weighted average method.

Turnover materials include low value consumables and packing materials, which are amortised by using the separate amortisation method/immediate write-off method.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is lower than the cost of inventories, a provision will be made for decline in value of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The estimates of net realisable value are based on the most reliable evidence available, taking into consideration the purpose for holding inventories and the effects of events subsequent to the balance sheet date.

After provision for decline in value of inventories, if factors that previously resulted in the provision for decline in value of inventories no longer exist, the amount of the write-down is reversed. The reversal is limited to the amount originally provided for the provision for the decline in value of inventories, and is recognised in profit or loss for the current period.

The Group adopts a perpetual inventory system.

12. Long-term equity investments

12.1 Basis for determining joint control and significant influence over the investee

Control is the power to govern an investee, so as to obtain variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control with other parties over the formulation of those policies. When determining whether an investor is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, corporate bonds that are currently convertible and warrants that are currently exercisable) held by the investor and other parties shall be considered.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

12. Long-term equity investments (continued)

12.2 Determination of investment cost

For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. For issuing equity securities as consideration for combination, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The aggregate face values of the shares issued are accounted for share capital. The difference between the initial investment cost and the aggregate face values of the shares issued is adjusted to capital reserve. If the capital reserve is insufficient to be written down, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combinations not involving entities under common control, the merger cost on the acquisition date shall be taken as the initial investment cost of the long-term equity investment.

The intermediary fees for auditing, legal services, appraisal and consultation, etc. and other related administrative expenses incurred by the combining party or the acquirer for business combination shall be recognised in current profit or loss when incurred.

The initial measurement of the long-term equity investment obtained by means other than the long-term equity investment formed by business combination shall be accounted for at cost. Where additional investment results in significant influence or joint control (but not control) over the investee, the cost of long-term equity investment is the sum of the fair value of the original equity investment determined in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments plus the additional investment cost.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

12. Long-term equity investments (continued)

12.3 Subsequent measurement and recognition method for profit or loss

12.3.1 Long-term equity investments accounted for using the cost method

The Company's financial statements adopt the cost method to account for long-term equity investment in subsidiaries. Subsidiaries refer to investees which can be controlled by the Group.

The long-term equity investments accounted for using the cost method are measured at the initial investment cost. Adding or recovering investment adjusts the cost of long-term equity investments. The current investment income is recognised according to the cash dividend or profit declared to be distributed by the investee.

12.3.2 Long-term equity investments accounted for using the equity method

The Group accounts for investments in associates and joint ventures, except for those wholly or partially classified as held-for-sale assets, by using the equity method. Associates refer to invested entities to which the Group can exert a significant influence, and joint ventures are joint arrangements in which the Group has only the right to the net assets of the arrangements.

When equity method is adopted in accounting, if the initial investment cost of long-term equity investment is greater than the share of fair value of the net identifiable assets of the investee at the time of investment, the initial investment cost of long-term equity investment shall not be adjusted; if the initial investment cost is less than the share of fair value of the net identifiable assets of the investee at the time of investment, the difference shall be recorded in current profit or loss, and the long-term equity investment cost shall be adjusted at the same time.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

12. Long-term equity investments (continued)

12.3 Subsequent measurement and recognition method for profit or loss (continued)

12.3.2 Long-term equity investments accounted for using the equity method (continued)

When equity method is adopted in accounting, the investment income and other comprehensive income shall be recognised respectively according to the share of net profit or loss and other comprehensive income realised by the investee, and the carrying amount of long-term equity investment shall be adjusted at the same time; the carrying amount of long-term equity investment shall be reduced accordingly by calculating the portion to be enjoyed according to the profit or cash dividend declared to be distributed by the investee; the carrying amount of long-term equity investment shall be adjusted and included in capital reserve for other changes in the owners' equity of the investee except net profit or loss, other comprehensive income and profit distribution. When recognising the share of the net profit or loss of the investee, the net profit of the investee shall be adjusted and recognised on the basis of the fair value of the identifiable assets of the investee at the time of acquisition. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the Group, the financial statements of the investee shall be adjusted in accordance with the accounting policies and accounting period of the Group. The investment income and other comprehensive income shall be recognised accordingly. For transactions between the Group and associates or joint ventures, if the assets invested or sold do not constitute business, the gains and losses of internal transactions are offset by the shareholding attributable to the Group. On this basis, the investment gains or losses are recognised. However, the unrealised internal transaction losses between the Group and the investee shall not be offset if they belong to the impairment losses of the transferred assets.

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with other long-term interests that in substance form part of its net investment in the invested entity is reduced to zero. In addition, if the Group has incurred obligations to assume additional losses of the investee, estimated liability is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds its share of losses previously not recognised.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

12. Long-term equity investments (continued)

12.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying amount and the proceeds actually received is recognised in profit or loss for the current period. For a long-term equity investment accounted for using the equity method, with the remaining equity after disposal accounted for still using the equity method, other comprehensive income recognised for those previously accounted for using the equity method is processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities, and is carried forward to current profit or loss on a pro-rata basis. Changes in other owners' equity of the investee (other than net profits or losses, other comprehensive income, and profit distribution) should be carried forward to current profit or loss on a pro-rata basis. For a long-term equity investment accounted for using the cost method, with the remaining equity after disposal accounted for still using the cost method, other comprehensive income recognised for those accounted for using the equity method or according to the standard on recognition and measurement of financial instruments before obtaining control over the investee is processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities, and is carried forward to current profit or loss on a pro-rata basis. Changes in other owners' equity accounted for and recognized under the equity method in the net assets of the investee (other than net profits or losses, other comprehensive income, and profit distribution) should be carried forward to current profit or loss on a pro-rata basis.

In preparing separate financial statements, if control is lost over the investee upon partial disposal of equity investments by the Group, the remaining equity with joint control or significant influence over the investee after disposal shall be accounted for using the equity method, and shall be adjusted as if it has been accounted for using the equity method since it was acquired. The remaining equity without joint control or significant influence over the investee after disposal shall be accounted for according to the standard on recognition and measurement of financial instruments, and the difference between its fair value and carrying amount as at the date of loss of control shall be included in profit or loss for the current period. In respect of other comprehensive income recognised for those accounted for using the equity method or according to the standard on recognition and measurement of financial instruments prior to the acquisition of control over the investee by the Group, it shall be processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities when the control is lost over the investee. Changes in other owners' equity recognised for those accounted for using the equity method in the net assets of the investee (other than net profits or losses, other comprehensive income, and profit distribution) should be carried forward to current profit or loss when the control is lost over the investee. In particular, where the remaining equity after disposal is accounted for using the equity method, other comprehensive income and other owners' equity shall be carried forward on a pro-rata basis. Where the remaining equity after disposal is accounted for in accordance with the standard on recognition and measurement of financial instruments, other comprehensive income and other owners' equity shall be fully carried forward.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

12. Long-term equity investments (continued)

12.4 Disposal of long-term equity investments (continued)

If the joint control or significant influence over the investee is lost upon partial disposal of equity investments by the Group, the remaining equity after disposal shall be accounted for in accordance with the standard on recognition and measurement of financial instruments. The difference between its fair value and carrying amount as at the date of loss of joint control or significant influence shall be included in profit or loss for the current period. For other comprehensive income recognised previously for the equity investment accounted for using the equity method, it shall be processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities at the time when the equity method was ceased to be used. Changes in other owners' equity of the investee (other than net profits or losses, other comprehensive income, and profit distribution) shall be transferred to profit or loss for the current period at the time when the equity method was ceased to be used.

Where multiple transactions involving staged disposal by the Group of equity investments in a subsidiary until loss of control are considered to be a bundled transaction, these multiple transactions are accounted for as a single transaction of disposing of equity investments in the subsidiary and resulting in loss of control. The difference between the consideration received on each disposal and the carrying amount of the long-term equity investment corresponding to the equity disposed of prior to the loss of control is recognised as other comprehensive income and transferred to profit or loss for the period when the control is eventually lost.

13. Investment properties

Investment properties, defined as property held by the Group for earning rent or capital appreciation, or both of them, include land use rights that have already been leased out and held for transfer after appreciation, buildings that have already been leased out as well as terminal facilities that have already been leased out, etc.

Investment properties are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and its costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss for the period in which they are incurred.

The Group and its other subsidiaries adopt the cost model for subsequent measurement of investment properties, and such assets are depreciated or amortised using the same policies as buildings, land use rights or terminal facilities.

The net amount of proceeds from sale, transfer, retirement or damage of an investment property after deduction of its carrying amount and related taxes and surcharges is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

14. Fixed assets and depreciation

Fixed assets are tangible assets that are held for the production of goods, rendering of services, for rental to others, or for administrative purposes, and have useful lives more than one accounting year. A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost while taking into account the effect of estimated costs of abandoning the asset.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset if it is probable that the associated economic benefits will flow to the Group and its costs can be reliably measured, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures shall be recognised in the profit or loss for the period in which they are incurred.

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for its intended use. The useful life, estimated net residual value and annual depreciation rate of each category of fixed assets are as follows:

Category	Useful life	Estimated net residual value	Annual depreciation rate
Buildings	5 – 30 years	5%	3.17% – 19.00%
Port and terminal facilities	5 – 50 years	5%	1.90% – 19.00%
Automobiles and ships	5 – 25 years	5%	3.80% – 19.00%
Machinery and equipment, furniture, appliances and other equipment	3 – 15 years	5%, 15%	6.33% – 31.67%, 10.63%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the current period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at financial year-end, and accounts for any change as a change in an accounting estimate.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

15. Construction in progress

Construction in progress is measured at actual cost, which comprises all construction expenditures incurred during the construction period, borrowing costs that are capitalised before the construction gets ready for its intended use and other relevant expenses, etc. Construction in progress is not depreciated, and is transferred to fixed assets, investment properties, intangible assets and long-term prepaid expenses upon readiness for its intended use.

16. Intangible assets

16.1 Intangible assets

Intangible assets include land use rights, software, port facility use rights and others.

Intangible assets are measured initially at cost. When an intangible asset with a limited useful life is available for use, its original cost less estimated net residual value and any accumulated impairment losses provided is amortised evenly over its estimated useful life using the straight-line method. The intangible assets with an unlimited useful life are not amortised. The useful lives of the intangible assets are as follows:

Category	Useful life
Land use rights	40 – 50 years
Software	2 – 10 years
Port facility use rights	50 years
Others	10 – 46 years

For an intangible asset with a limited useful life, the Group reviews its useful life and amortisation method at the end of the period and makes adjustment if necessary.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

16. Intangible assets (continued)

16.2 Research and development expenditure

Expenditure in research phase is included in profit or loss for the period when incurred.

Expenditure in development phase that satisfies the following conditions is recognised as an intangible asset, while that does not satisfy the following conditions is included in the profit or loss for the current period:

- (1) it is technically feasible to complete the intangible asset so that it can be used or sold.
- (2) there is an intention to complete and use or sell the intangible asset.
- (3) there is a way for the intangible asset to generate economic benefits, including the evidence of a market for products produced by using the intangible asset or for the intangible asset itself (for intangible assets for internal use, their usefulness shall be proved).
- (4) there is sufficient support of technical, financial and other resources to complete the development of the intangible asset and the ability to use or sell the intangible asset.
- (5) the expenditure attributable to the development phase of the intangible asset can be measured reliably.

If the expenditures incurred in research stage and development stage cannot be distinguished separately, all development expenditures incurred are included in profit or loss for the period.

17. Long-term prepaid expenses

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

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

18. Impairment of non-financial assets other than goodwill

The Group assesses at each balance sheet date whether there is any indication that any long-term equity investments, investment properties, fixed assets, construction in progress, right-of-use assets and intangible assets with a limited useful life may be impaired. If there is any indication of the impairment of such asset, its recoverable amount shall be estimated. The intangible assets with an unlimited useful life and those not available for use are tested for impairment yearly, regardless of any indication of impairment.

The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset or asset group is determined at the higher of its fair value after deducting the disposal expenses and the present value of its estimated future cash flows.

If the recoverable amount of an asset is less than its carrying amount, a provision for impairment loss of the asset will be made for the difference and is recognised in profit or loss for the current period.

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

19. Provisions

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

At the balance sheet date, a provision is measured at the best estimate of the expenditure required to settle the related present obligation by considering the factors surrounding a contingency, such as the risks, uncertainties and the time value of money. If the effect of time value of money is significant, the best estimate is determined as the amount after discounting the expected future cash outflow.

Where all or some of the expenditures required to settle a provision are expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will be received, and the amount of reimbursement recognised does not exceed the carrying amount of the provision.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

20. Employee compensation

Employee compensation refers to all forms of considerations given by the Group in exchange for services rendered by its employees or for the termination of employment. Employee compensation includes short-term employee compensation, post-employment benefits, termination benefits and other long-term employee benefits.

Except compensation paid to employees for termination of employment, the Group recognises the employee compensation payable as liabilities in the accounting period in which services are rendered by the employees.

The Group participates in employee social security systems operated by the government according to the regulations, including basic endowment insurance, medical insurance, housing provident funds and other social security systems, and the relevant expenditure is included, when incurred, in the cost of the relevant assets or profit or loss for the current period.

Short-term employee compensation refers to the employee compensation other than post-employment benefits and termination benefits, which is required to be fully paid by the Group within 12 months after the end of the annual reporting period in which the employees render relevant services. In particular, short-term employee compensation includes staff salaries, bonuses, allowances and subsidies, staff welfare payments, social insurance premiums including medical insurance premiums, work-related injury insurance premiums and maternity insurance premiums, housing provident funds, labour union expenses and staff education expenses, short-term paid leaves, non-monetary welfare and other short-term compensation. During the accounting period in which the employees render services, the Group recognises the short-term employee compensation payable as liabilities and includes the same into relevant asset costs or expenses according to the object which benefits from the services rendered by employees.

Post-employment benefits refer to all kinds of remunerations and benefits other than short-term employee compensation and termination benefits that are provided by the Group after the retirement of the employees or termination of employment relation with the enterprise in exchange for services rendered by employees. Post-employment benefits include endowment insurance, annuity, unemployment insurance, early retirement benefits and other post-employment benefits.

The Group categorises post-employment benefit plan as defined contribution plan. Post-employment benefit plan refers to the agreement reached between the Group and its employees on the post-employment benefits, or the rules or measures formulated by the Group for providing post-employment benefits to its employees. Defined contribution plan refers to the post-employment benefit plan under which the Group assumes no obligation of making further payment after depositing fixed amount to independent funds.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

20. Employee compensation (continued)

Termination benefits are the compensation to employees when the Group terminates the employment relationship with employees before the expiry of the employment contracts or as an offer to encourage employees to accept voluntary redundancy. If the Group provides termination benefits to the employees, the liabilities that arise from termination benefits will be recognised and included in the profit or loss for the period at the earlier of the following dates: (1) when the Group cannot unilaterally withdraw termination benefits for the termination employment plan or the redundancy offer; (2) when the Group recognises the costs or expenses related to the reorganisation involving in payment of termination benefits.

Other long-term employee benefits refer to all employee compensation other than short-term employee compensation, post-employment benefits and termination benefits.

21. Revenue recognition

The Group recognises revenue based on the transaction price allocated to a performance obligation under the contract when such performance obligation is satisfied, that is, when the customer has obtained the control over the relevant goods or services. A performance obligation represents the commitment in the contract that a good and service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the amount of consideration to which the Group expects to be entitled in exchange of transferring goods or services to a customer, excluding the amount received on behalf of third parties and the amount that the Group expects to return to a customer.

If one of the following conditions is met, a performance obligation which is performed over a certain period of time will be recognised as revenue by the Group based on the progress of the performance within a period of time: (I) the customer obtains and consumes economic benefits provided by the Group's performance as the Group performs; (II) the customer is able to control goods in progress during the Group's performance; (III) goods or services generated during the Group's performance have no alternative use, and the Group is entitled to charge for the accumulated part of the contract that has been performed so far during the whole contract period. Otherwise, the Group will recognise revenue at the point in time when the customer obtains control of the relevant goods or services.

The Group determines progress of performance using the investment method, namely, determines the progress of performance according to the Group's investment for fulfilling its performance obligations. When the progress of performance cannot be reasonably determined and the costs incurred are expected to be compensated, the Group recognises revenue based on the amount of costs incurred till the progress of performance can be reasonably determined.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

21. Revenue recognition (continued)

Contract on rendering of services

The contract on rendering of services between the Group and the customer generally contains the obligations of port operation services and transportation services. Because the customer will obtain and consume the economic benefits generated by the performance of the Group when the Group performs its obligations, the Group will recognise revenue according to the performance progress by treating the rendering of services as the obligations within a certain period of time, except that the performance progress cannot be reliably determined. When the performance progress cannot be reliably determined based on the investment method, but the cost incurred by the Group is expected to be compensated, the revenue will be recognised according to the amount of the incurred cost, until the performance progress can be reliably determined.

Significant financing component

If the contract contains significant financing component, the Group will determine the transaction price based on the amount payable by the customer in cash when it obtains control over goods or services, and amortise the difference between the transaction price and the consideration amount under the contract determined by using the discount rate for converting the nominal amount of the contract consideration into the cash sale price of the goods or services within the contract period based on the effective interest rate method. The significant financing component shall not be considered if the Group expects that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

Contract on sales of goods

The contract on sales of goods between the Group and the customer generally contains the obligation of transferring the relevant goods only. The Group generally recognises the revenue when the relevant goods are delivered and confirmed as accepted by the customer, on the basis of taking full consideration of the following factors: the present right to collect the goods payment, the transfer of the key risk and return in the goods ownership, the transfer of the goods legal ownership, the transfer of the physical asset of the goods, and the acceptance of the goods by the customer.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

21. Revenue recognition (continued)

Main responsible person/agent

With respect to logistics services business, if the Group can direct the logistics services provided by the third party on behalf of the Group to the customer and bears the primary responsibility for providing logistics services for the customer, the Group has the right to determine at its discretion the price of service provision. Therefore, the Group is the main responsible person and recognises the revenue based on the total considerations collected or receivable. Otherwise, the Group should be the agent and recognise the revenue based on the amount of the commission or handling fee that it is expected to charge, which shall be the net amount of the total considerations collected or receivable after deduction of payments due to other relevant parties, or determined based on the established commission amount or proportion.

Contract assets present the Group's right to collect consideration from the customer which arises from the transfer of goods or services to the customer, and such right depends on factors other than time lapse. For accounting policies on impairment of contract assets, see Note IV.9. The Group separately presents as receivables the right that it owns unconditionally (i.e., depending on the time lapse only) to collect consideration from the customer. Contract liabilities present the Group's obligation to transfer goods or services to the customer for the consideration received or receivable from the customer.

The amounts of contract assets and contract liabilities under the same contract are presented on a net basis.

If the contract contains two or more performance obligations, the Group allocates, at the contract inception, the transaction price to each single performance obligation based on the relative proportion of stand-alone selling prices of goods or services promised in single performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price is a price at which the Group would sell goods or services separately to a customer. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relevant reasonably acquired information and maximum use of observable inputs.

If the contract contains significant financing component, the Group will determine the transaction price based on the amount payable by the customer in cash when it obtains control over goods or services, and amortise the difference between the transaction price and the consideration amount under the contract within the contract period based on the effective interest rate method. The effects of a significant financing component shall not be considered if the Group expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

21. Revenue recognition (continued)

Main responsible person/agent (continued)

If the Group receives advance sales of goods or services from its customer, it first recognises the amount as a liability and then converts it into revenue when it fulfills its relevant performance obligations. When the Group's advances from customers need not be returned and the customer may abandon all or part of its contractual rights, the Group expects to be entitled to the amount related to the contractual rights abandoned by the customer, the amount mentioned above shall be recognised as revenue proportionally in accordance with the mode of exercising the contractual rights by the customer; otherwise, the Group will convert the relevant balance of the above liabilities into revenue only when there is a very low possibility of the customer requesting the performance of the remaining obligations.

Cost of contract acquisition

If the incremental cost incurred by the Group in order to obtain a contract (i.e. costs that would not occur without a contract) is expected to be recoverable, such cost is recognised as an asset. If the amortisation period of the asset does not exceed one year, such asset is recognised in current profit or loss when incurred. Other expenditures incurred by the Group in order to obtain the contract shall be included in the profit or loss for the period when incurred, except those clearly to be borne by the customers.

Cost of performance of contract

If the cost incurred by the Group for the performance of the contract does not fall within the scope of other accounting standards for business enterprises other than the Standard on Revenue and meets the following conditions at the same time, it is recognised as an asset: (1) the cost is directly related to a current or expected contract; (2) the cost increases the resources that the Group will use to perform its obligations in the future; (3) the cost is expected to be recovered. The above asset is amortised on the same basis as that used for the recognition of revenue from the goods or services relating to such asset, and is recognised in current profit or loss.

If the carrying amount of the asset related to contractual cost is higher than the difference of the following two items, the Group will make impairment provision for the excess part and recognise it as asset impairment loss: (1) the remaining consideration that the enterprise expects to obtain from the transfer of the goods or services related to the asset; (2) the cost estimated to be incurred for transferring the relevant goods or services.

If there is any change to the factors causing the impairment in the previous periods, and as a result, the difference between (1) minus (2) is higher than the carrying amount of the asset, the asset impairment provision shall be reversed and charged into current profit or loss, provided that the reversed carrying amount of the asset shall not exceed the carrying amount of the asset on the date of reversal under the assumption that the asset impairment provision had not been made.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

22. Government grants

Government grants refer to the Group's free access to monetary and non-monetary assets from the government. Government grants are recognised when the grants can be received and the Group can comply with all attached conditions.

If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount. Government grant measured at its nominal amount is directly recognised in current profit or loss.

Government grants related to assets shall be recorded as deferred income and recognised in current profit or loss by stages on a reasonable and systematic basis over the useful life of the assets. Government grants measured at nominal amount are directly recognised in current profit or loss. If the relevant assets are sold, transferred, retired or destroyed before the end of the useful life, the relevant undistributed deferred income balance shall be recognised under current profit or loss as asset disposal.

Government grants related to income that compensate the Group's relevant costs, expenses or losses in future periods are recorded as deferred income and recognised in profit or loss in the period when the relevant costs, expenses or losses are recognised; government grants related to income that compensate the relevant costs, expenses or losses that have been incurred by the Group are recognised in profit or loss directly in current period.

For government grants that include both asset-related and income-related parts, different parts should be distinguished and separately accounted for; for those that are difficult to distinguish, they should be classified as income-related government grants as a whole.

Government grants related to the daily activities of the Group shall be included in other income or set off against relevant costs and expenses in accordance with the essence of economic operations. Government grants unrelated to the daily activities of the Group shall be included in the non-operating income and expenses.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

23. Borrowing costs

For borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, its capitalisation commences when expenditures for the asset have been incurred, borrowing costs have been incurred, and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced; and ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalisation of borrowing costs is suspended during the period in which the acquisition, construction or production of a qualifying asset is interrupted abnormally for a continuous period of more than 3 months until the acquisition, construction or production of the asset is resumed.

The rest borrowing costs are recognised as expenses in the period when incurred.

The actual interest expenses incurred in the current period of specific-purpose borrowings shall be capitalised after deducting the interest income obtained by depositing unused borrowing funds into banks or the investment income obtained from temporary investments; the capitalised amount of general-purpose borrowings is determined based on the weighted average of the excess of the accumulated asset expenses over the asset expenses of specific-purpose borrowings multiplied by the capitalisation rate of the utilised general-purpose borrowings. The capitalisation rate is calculated and determined according to the weighted average interest rate of the general-purpose borrowings. During the capitalisation period, the exchange balance of the foreign currency specific-purpose borrowings shall be fully capitalised; the exchange difference of foreign currency general-purpose borrowings shall be recorded into the current profit or loss.

24. Income tax

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

24.1 Current income tax

At the balance sheet date, the Group measures the current income tax liability (or asset) generated in the current period and previous periods based on the income tax amount expected to be payable (or refundable) according to the tax law.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

24. Income tax (continued)

24.2 Deferred income tax asset and deferred income tax liability

The Group recognises deferred income tax asset and deferred income tax liability with balance sheet liability approach for the difference between the carrying value of certain item of asset and liability and its tax base, and the temporary difference between the carrying value of the item which is not recognised as asset and liability but its tax base can be determined according to the tax law and its tax base.

Relevant deferred income tax is generally recognised for all temporary differences. However, for deductible temporary differences, the Group recognises the relevant deferred income tax asset to the extent that taxable income is likely to be obtained to offset against the deductible temporary differences. In addition, the relevant deferred income tax asset or liability is not recognised for temporary differences related to the initial recognition of goodwill and those related to the initial recognition of the asset or liability arising from transactions that are neither business merger nor affect accounting profits or taxable income (or deductible losses) at the time of occurrence.

For deductible loss and tax credit which can be carried forward to the subsequent years, the Group recognises the resulting deferred income tax asset to the extent that future taxable income is likely to be obtained to offset against the deductible losses and tax credit.

The Group recognises deferred income tax liability arising from taxable temporary differences relating to investments in subsidiaries, affiliates and joint ventures, unless the Group can control the time for the reversal of temporary differences and the temporary differences are likely not to be reversed in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, affiliates and joint ventures, the Group recognises deferred income tax asset only when the temporary differences are likely to be reversed in the foreseeable future and the amount of taxable income used to deduct the temporary differences is likely to be obtained in the future.

The Group will measure on the balance sheet date the deferred income tax asset and deferred income tax liability based on the tax rate applicable to the period in which the asset is expected to be recovered or the liability is expected to be settled according to the tax law.

Except the current income tax and deferred income tax related to transactions and events directly included in other comprehensive income or owners' equity are included in other comprehensive income or owners' equity, and the carrying amount of goodwill is adjusted by deferred income tax resulting from business combination, the other current income tax and deferred income tax expenses or gains are included in current profits or losses.

At the balance sheet date, the carrying amount of deferred income tax asset is reviewed. If it is likely that sufficient taxable income will not be obtained in the future to offset the interests of deferred income tax asset, the carrying amount of deferred income tax asset is written down. When it is possible to obtain sufficient taxable income, the amount written down shall be reversed.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

24. Income tax (continued)

24.3 Offset of income tax

The Group's current income tax asset and current income tax liability will be presented in the net amount after offsetting with each other when the Group has the legal right to settle with net amount, and intends to settle with net amount or acquire assets and discharge liabilities simultaneously.

The Group's deferred income tax asset and deferred income tax liability will be presented in the net amount after offsetting with each other when the Group has the legal right to settle the current income tax asset and current income tax liability with net amount, and the deferred income tax asset and deferred income tax liability are related to the income tax imposed by the same tax authority on the same tax payer, or they are related to different tax payers, but in each subsequent period in which the significant reversal of deferred income tax asset or deferred income tax liability is made, the relevant tax payers intend to settle the current income tax asset and current income tax liability with net amount, or they acquire assets and discharge liabilities simultaneously.

25. Foreign currency business and translation of foreign currency financial statements

25.1 Foreign currency business

The spot exchange rate on the date of transaction is used to convert foreign currency transactions when they are initially recognised.

At the balance sheet date, foreign currency monetary items are converted into the recording currency at the spot exchange rate on that day, and the exchange difference between the spot exchange rate on that day and the spot exchange rate at the time of initial recognition or at the previous balance sheet date shall be included in the current profit or loss, except for: (1) the exchange differences of foreign currency specific-purpose borrowings that meet the capitalisation conditions shall be capitalised into the cost of related assets during the capitalisation period; (2) in order to avoid foreign exchange risk, the exchange differences of hedging instruments shall be treated according to the hedging accounting method; (3) the exchange differences, arising from changes in carrying amounts of monetary items (other than amortised costs) classified as at fair value through other comprehensive income, shall be included in other comprehensive income.

Where the preparation of consolidated financial statements involves overseas operations, if there is a foreign currency monetary item substantially constituting net investment in overseas operations, the exchange difference resulting from the change of exchange rate shall be included in the "Exchange differences on translation of foreign currency financial statements" item of other comprehensive income; when dealing with overseas operations, it shall be included in the profit or loss for the current period of disposal.

Foreign currency non-monetary items measured at historical cost are still measured at the amount in the recording currency converted at the spot exchange rate on the date of transaction. Foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the date of determination of fair value. The difference between the converted amount in the recording currency and the original amount in the recording currency shall be treated as changes in fair value (including changes in exchange rate), and shall be included in current profit and loss or recognised as other comprehensive income.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

25. Foreign currency business and translation of foreign currency financial statements (continued)

25.2 Translation of foreign currency financial statements

In order to prepare the consolidated financial statements, foreign currency financial statements of overseas operations are converted into RMB statements by the following methods: all items of assets and liabilities in the balance sheet are converted at the spot exchange rate at the balance sheet date; owners' equity items are converted at the spot exchange rate on the date of occurrence; all items in the income statement and items reflecting the amount of profit distribution are converted at the spot exchange rate on the transaction occurrence date; after conversion, the difference between the assets items and the sum of liabilities items and owners' equity items is recognised as other comprehensive income and included in owners' equity.

Foreign currency cash flows and cash flows of overseas subsidiaries are converted at the spot exchange rate on the date of cash flow occurrence, and the effect of exchange rate changes on cash and cash equivalents is taken as a regulation item, which is separately shown in the cash flow statement under the "Effect of foreign exchange rate changes on cash and cash equivalents".

The balance at the beginning of the period and the actual number of the previous year are shown in accordance with the amount converted from the financial statements of the previous year.

26. Leases

A lease refers to a contract assigning a lessor's right to use an asset to a lessee for a certain period of time for consideration.

For a contract entered into or amended after the initial implementation date, the Group evaluates whether the contract is a lease or contains a lease on the contract commencement or amendment date. The Group shall not reassess whether a contract is a lease or contains a lease unless there are changes to the contract terms and conditions.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

26. Leases (continued)

26.1 As lessee

26.1.1 Separation of lease

For a contract that contains one or more lease components and non-lease components at the same time, the Group separates non-lease components from each lease component, and allocates the consideration of the contract on the basis of the relative stand-alone price of each lease component and the aggregate stand-alone prices of the non-lease components.

As a practical expedient, the Group accounts for leases with similar characteristics as a portfolio, provided that the Group can reasonably expect that its effects on the financial statements would not differ materially from those resulting from accounting for each lease within the portfolio on a separate basis.

26.1.2 Right-of-use assets

Except for short-term leases and low-value asset leases, the Group recognises right-of-use assets for leases on the commencement date of lease term. The commencement date of lease term refers to the date from which a leased asset is provided by the lessor for the Group's use.

Right-of-use assets are initially measured at costs. These costs include:

- The amount at which lease liabilities are initially measured.
- Lease payments made at or before the commencement date of lease term, net of the lease incentive amount already enjoyed when there is a lease incentive.
- The initial direct costs incurred by the Group.
- The costs expected to be incurred by the Group for the purpose of demolition and removal of leased assets, recovery of the premises where the leased assets are located or restoration of the leased assets to the condition agreed upon in the lease terms.

If lease liabilities are remeasured after the commencement date of lease term, the carrying amount of right-of-use assets shall be adjusted accordingly.

The Group makes depreciation provisions for the right-of-use assets with reference to the depreciation requirements of the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. If the Group is reasonably certain to obtain ownership of leased assets upon expiry of the lease term, right-of-use assets are depreciated over the remaining useful life of the leased assets. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful life of the leased assets.

The Group determines whether the right-of-use assets are impaired or not and accounts for the impairment under the relevant regulations of the Accounting Standards for Business Enterprises No. 8 – Impairment of Assets.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

26. Leases (continued)

26.1 As lessee (continued)

26.1.3 Lease liabilities

Except for short-term leases and low-value asset leases, the Group initially measures lease liabilities on the commencement date of lease term according to the present value of outstanding lease payments on that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate, or uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to the amount paid by the Group to a lessor which is related to the right to use leased assets during the lease term, including:

- Fixed payments and substantially fixed payments (deduction of related lease incentive amount, if any).
- Variable lease payments which depend on an index or a rate.
- The exercise price of an option which the Group reasonably determines that the purchase option is to be exercised.
- The amount payable upon exercising an option to terminate a lease, provided that the exercising of such option by the Group can be reflected over the lease term.
- Estimated amount due based on the residual value of the guarantee provided by the Group.

After the commencement date of lease term, the Group recognises interest expenses on lease liabilities in each period during the lease term by using the fixed periodic interest rate. If it is to be included in relevant asset cost in accordance with the Accounting Standards for Business Enterprises No. 17 – Borrowing Costs or other relevant standard, such other standard shall prevail.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

26. Leases (continued)

26.1 As lessee (continued)

26.1.3 Lease liabilities (continued)

Upon occurrence of the following cases after the commencement date of lease term, the Group shall remeasure lease liabilities and adjust the right-of-use assets correspondingly:

- In the event of any changes in the lease term or the assessment results of purchase option, the Group shall remeasure lease liabilities according to their present value calculated using the lease payments after the changes and the revised discount rate.
- In the event of any changes in the amounts payable estimated by residual value of the guarantee or the index or ratio used to determine lease payments, the Group shall remeasure lease liabilities according to their present value calculated using the lease payments after the changes and the original discount rate, or the revised discount rate if the change of lease payments is due to a movement in floating interest rate.

26.1.4 Short-term leases and low-value asset leases

For short-term leases of buildings, transportation equipment and others, and low-value asset leases, the Group chooses not to recognise right-of-use assets and lease liabilities. A short-term lease refers to a lease that, at the commencement date, has a lease term of less than 12 months and does not contain a purchase option. A low-value asset lease refers to a lease where a single lease asset has a value of less than RMB50,000 when being a new asset. The Group recognizes lease payments on short-term leases and low-value asset leases in current profit or loss or the cost of relevant assets on a straight-line basis or otherwise on a systematic and reasonable basis in each period over the lease term.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

26. Leases (continued)

26.1 As lessee (continued)

26.1.5 Modification of lease

If modification of lease happens and meets the following conditions at the same time, the Group will conduct accounting treatment for the modification of lease as a separate lease:

- The modification of lease expands the scope of lease by increasing the rights of use of one or more leased assets.
- The increased consideration and the stand-alone price for the increase in scope of the lease are commensurate with the amount adjusted in accordance with the circumstance of the contract.

If accounting treatment for the modification of lease as a separate lease is not conducted, the Group shall, on the effective date of modification of lease, reallocate the modified consideration of the contract, and redetermine the lease term and remeasure lease liabilities according to their present value calculated using the lease payments after the modification and the revised discount rate.

26.2 As lessor

The Group recognises lease receipts from an operating lease as rental income on a straight-line basis in each period over the lease term, unless other systematic and reasonable methods can better reflect the consumption pattern of economic benefits arising from the use of leased assets. The initial direct costs related to an operating lease incurred by the lessor are capitalised, and are apportioned on the same basis as that used for the recognition of the rental income over the lease term. Such costs will be charged to profit or loss for the current period by stages.

26.2.1 Separation of lease

For a contract that contains both lease and non-lease components, the Group shall allocate the consideration of the contract according to the Accounting Standards for Business Enterprises No. 14 – Revenue in respect of allocation of transaction price, on the basis of their respective standalone prices.

26.2.2 Classification of lease

A lease that transfers substantially all the risks and rewards incidental to the ownership of an asset is a finance lease. All the other leases are operating leases.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IV. Significant accounting policies and accounting estimates (continued)

26. Leases (continued)

26.2 As lessor (continued)

26.2.3 Recording operating leasing business as a lessor

The Group recognises lease receipts from an operating lease as rental income on a straight-line basis or otherwise on a systematic and reasonable basis in each period over the lease term. The Group capitalises, when incurred, initial direct costs incurred in relation to an operating lease and apportions such costs on the same basis as that used for the recognition of rental income over the lease term. Such costs will be charged to profit or loss for the current period by stages.

The Group recognises any variable lease receipts relating to an operating lease not included in the lease receipts, in profit or loss for the current period as incurred.

26.2.4 Modification of lease

When an operating lease is modified, the Group accounts for it as a new lease from the effective date of the modification, and accounts for the advanced lease receipts or lease receivables relating to the original lease as receipts of the new lease.

27. Production safety funds

Production safety fund is accrued by the Group in accordance with the Administrative Measures for Accrual and Usage of Production Safety Expenses of the Enterprises (Cai Qi [2022] No. 136) jointly issued by the Ministry of Finance and the Ministry of Emergency Management on 13 December 2022, which is charged to the cost of related products or recognised in profit or loss for the current period, and transferred to the specific reserve. As production safety fund accrued is utilised, if it is of expenditure nature, the cost is directly charged against the specific reserve. For the production safety fund used that is formed into a fixed asset, the cost is collected under the "Construction in progress" line item and will be recognised as fixed asset when the safety projects are completed and get ready for their intended use. Meanwhile, the cost of fixed asset is offset against the specific reserve, and accumulated depreciation of the same amount is recognised. For such fixed asset, there will be no further depreciation in the subsequent periods.

28. Profit distribution

The cash dividend of the Company will be recognised as liability when approved by the general meeting.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of the accounting policies and the accounting estimation as described in Note IV, the Group is required to make judgments, estimates and assumptions about the carrying amounts of items in the statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgments, estimates and assumptions are based on historical experiences of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from the Group's estimates.

The aforementioned judgments, estimates and assumptions are reviewed by the Group regularly on a going concern basis. The effect of a change in accounting estimate is recognised in the period of the change, if the change affects that period only; or recognised in the period of the change and future periods, if the change affects both.

1. Critical judgments and key assumptions and uncertainties in accounting estimates

The followings are the critical judgments and key assumptions and uncertainties in accounting estimates at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods:

1.1 Business model

The classification of financial assets upon initial recognition depends on the business model of the Group for managing financial assets. When judging business model, the Group considers corporate evaluation and way of reporting performance of financial asset to key management personnel, the risks affecting performance of financial asset and their management and the way in which relevant business management personnel are paid. When evaluating whether to take contractual cash flow as the goal, the Group is required to analyse and judge the reasons, time, frequency and value of the sale of financial assets before the due date.

1.2 Characteristics of contractual cash flow

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flow. Judgment should be made on whether the contractual cash flow is only for the payment of the principal and the interest based on the outstanding principal, including the judgment on whether there is any significant difference when compared with the benchmark cash flow during the evaluation on the revision of the time value of money, and the judgment on whether the fair value of the prepayment characteristics is insignificant for the financial assets with prepayment characteristics.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Critical judgments and key assumptions and uncertainties in accounting estimates (continued)

1.3 Recognition of expected credit loss

Significant increase in credit risks: In evaluating expected credit loss on financial assets, the Group is required to make a judgment about whether the credit risks of financial assets have increased significantly since acquisition thereof by considering qualitative and quantitative information and combining the forward-looking information.

Establishment of asset portfolio with similar credit risk characteristics: When expected credit losses are measured on a portfolio basis, financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics of these financial instruments on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the financial instruments. This may result in establishment of a new portfolio or assets moving to an existing portfolio of assets that better reflects the similar credit risk characteristics of that group of assets.

1.4 Determination of performance progress of port operation contracts

The Group determines the performance progress of port operation contracts according to the investment method. In this regard, the Group determines the performance progress according to the proportion of the accumulative actual port operation costs in the total costs, and recognises the revenue accordingly. The accumulative actual costs include the direct cost and indirect cost incurred by the Group during the provision of port operation services to customers.

1.5 Impairment of goodwill

As at 30 June 2023, the carrying amount of goodwill was RMB225,929,504.67. The Group conducts an impairment test on goodwill at least annually. When conducting an impairment test on goodwill, the present value of projected future cash flow of the underlying assets or portfolio of assets incorporating such goodwill will be calculated, and projection of the future cash flow of such assets or portfolio of assets will be made, and a pre-tax interest rate shall be determined which can properly reflect the prevailing time value of currency in the market as well as the specific risks concerning such assets, which all involve judgments made by the management.

1.6 Recognition of deferred income tax

When it is probable that enough taxable income will be available against which the deductible temporary differences and deductible losses are applied in the future periods, deferred income tax assets shall be recognised by the Group for all the deductible temporary differences and deductible losses that have not been used. This requires the management of the Group to use a lot of judgments to estimate the time and amount of the taxable income in the future and determine the amount of the deferred income tax assets that should be recognised according to the tax planning strategy.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Critical judgments and key assumptions and uncertainties in accounting estimates (continued)

1.7 *Estimated useful life and estimated residual value of fixed assets and intangible assets*

The Group estimates the useful life and residue value of fixed assets and intangible assets. This estimate is made based on the historical experience of actual useful life and residue value of fixed assets and intangible assets with shared natures and functions, and is subject to material change as a result of technological innovation and severe industry competition. If the estimated useful life and residue value of fixed assets or intangible assets are lower than the estimates previously made, the Group will increase the depreciation/amortisation, or write-off or write-down of fixed assets or intangible assets with backward technologies.

1.8 *Impairment of non-current assets other than financial assets (except for goodwill)*

The Group will judge if non-current assets other than financial assets have any sign of impairment on the balance sheet date, and conduct an impairment test when there is any sign of impairment. In addition, intangible assets with unlimited useful life shall be subject to an annual impairment test. The recoverable amount of an asset or asset group is determined at the higher of the value in use of the asset or asset group and the net amount of its fair value less the disposal expenses. In estimating its value in use, the future cash flow of the asset or asset group will be projected after discounting at a discount rate. The management makes accounting estimates in connection with the use of the asset and estimates future cash flows on a reasonable and well-founded basis, and determines the present value of future cash flows by using a discount rate which reflects the prevailing time value of currency in the market as well as the specific risks concerning such asset.

1.9 *Lease term of lease contracts that are certain to have an option to renew the lease*

A lease term is the period during which the Group has the right to use the leased asset and is irrevocable. Where the Group has an option to renew the lease and reasonably determines to exercise the option, the lease term shall also include the period covered by the option to renew the lease. In assessing whether it is reasonably determined to exercise the option to renew the lease, the Group will consider all relevant facts and circumstances that bring economic benefits to the exercise of the renewal option of the Group, including the expected changes in facts and circumstances from the commencement date of the lease term to the date of exercise of the option. At the commencement date of the lease term, the Group believes that the Group can reasonably determine that it will exercise the option to renew the lease as the leased asset is crucial to its operation and it is hard to obtain appropriate alternative asset. Therefore, the lease term includes the period covered by the option to renew the lease. After the commencement date of the lease term, if material events or changes within the control of the Group occur and affect the Group's ability to reasonably determine whether to exercise the corresponding option to renew the lease, the Group will reassess whether or not to exercise of the renewal option and amend the lease term according to the outcome of reassessment.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Critical judgments and key assumptions and uncertainties in accounting estimates (continued)

1.10 Consolidation scope – the Group holding 50% or less equity interests of the investees

The Group believes that even if the Group only holds 50% or less of the equity interests, it has control over Dalian Haijia Automobile Terminal Co., Ltd., Dalian Golden Bay Grain Logistics Co., Ltd., Dalian Harbour ECL Logistics Co., Ltd., Dalian Port Telecommunications Engineering Co., Ltd. and Dalian Container Terminal Co., Ltd.. According to the joint venture contract entered into between the Company and the other shareholders of Dalian Haijia Automobile Terminal Co., Ltd., the other shareholders give consent to the decisions made by the Company on significant financial and operational policies. The Company has de-facto control over Dalian Haijia Automobile Terminal Co., Ltd.. Pursuant to the acting-in-concert agreement signed by and between the Group and another shareholder of each of Dalian Container Terminal Co., Ltd., Dalian Golden Bay Grain Logistics Co., Ltd., Dalian Harbour ECL Logistics Co., Ltd. and Dalian Port Telecommunications Engineering Co., Ltd., other shareholders give consent to the decisions made by the Group on significant financial and operational policies. The Group has de-facto control over the above four companies.

VI. Changes in significant accounting policies

1. Changes in accounting policies and impact

(1) Accounting Standards for Business Enterprises Interpretation No. 16

The Ministry of Finance issued and implemented the Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No.31) (hereinafter referred to as “Interpretation No. 16”) on 13 December 2022, which specified that in respect of a single transaction that was not business combination and neither affected the accounting profits nor taxable income (or deductible losses) at the time of occurrence, as well as resulted in equal amounts of taxable temporary differences and deductible temporary differences in respect of the initial recognition of the asset and liability, the requirement of exempting from recognizing deferred income tax would not be applied. With the above requirement taking effect from 1 January 2023, taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in lease transactions that initially recognize lease liabilities and include right-of-use assets at the commencement of the lease term have been changed from not recognizing deferred income tax originally to separately recognizing deferred income tax liabilities and deferred income tax assets. In accordance with the transitional requirement, the Group made adjustments for the above transactions that occurred between the beginning of the earliest period as stated in financial statements that adopt the interpretation for the first time and the date of the change in accounting policies. In respect of lease liabilities and right-of-use assets recognized at the beginning of the earliest period as stated in financial statements that adopt the interpretation for the first time due to the adoption of the interpretation and resulted in taxable temporary differences and deductible temporary differences, the Group would record the accumulative effect of RMB1,243,849,487.17, and adjust the un-eliminated deferred income tax liabilities and deferred income tax assets as at the earliest period as stated in financial statements. After evaluating, the Group presented the deferred income tax liabilities and deferred income tax assets satisfying the requirement on a net basis after elimination, hence, the Group believed that the adoption of this requirement did not have a material impact on the Group’s financial statements.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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VII. Taxes

1. Major categories of taxes and respective tax rates

Taxes	Basis of calculating tax	Tax rate
Value-added tax (VAT) (Note 1)	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	6%, 13%, 9%, 6%, 9%, 5% and 6%
City maintenance and construction tax	Turnover taxes paid	7%
Educational surcharge	Turnover taxes paid	5%
Property tax	70% of the cost of the property or rental income from the rental of the property	1.2% or 12%
Corporate income tax (Note 2)	Taxable profit	25%

Note 1: 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%, 9%, 5% and 6%, respectively, which is levied after deducting deductible input VAT for the current period.

Note 2: It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group which enjoy tax preferences (see Note VII. 2 for details).

2. Tax preference and approvals

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 (Announcement of the Ministry of Finance and the State Administration of Taxation [2023] No. 5), from 1 January 2023 to 31 December 2027, 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 Announcement of the Ministry of Finance and the State Taxation Administration on the Clarification of Value-Added Tax Reduction and Exemption for Small-Scale Value-Added Tax Taxpayers and Other Policies (Cai Shui [2023] No. 1) issued by the Ministry of Finance, State Administration of Taxation, the Group shall, from 1 January 2023 to 31 December 2023, deduct additional 5% of current deductible input tax from VAT payable.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

VII. Taxes (continued)

2. Tax preference and approvals (continued)

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%.

Dalian Ocean Shipping Tally Co., Ltd., a subsidiary of the Group, has obtained on 20 September 2022, the Certificate of Advanced Technology Service Enterprise (Certificate No. 20222102420047) issued by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Taxation Bureau of the State Administration of Taxation and Dalian Municipal Commission of Development and Reform. Under the Notice on Promoting Nationwide the Enterprise Income Tax Policies for Advanced Technology Service Enterprises (Cai Shui [2017] No. 79), the Notice on Promoting Nationwide the Enterprise Income Tax Policies for Advanced Technology Service Enterprises in Pilot Areas for the Innovation and Development of Trade in Services (Cai Shui [2018] No. 44) and Measures for the Recognition and Administration of Advanced Technology Service Enterprises in Dalian (Revised) (Da Ke Gao Fa [2018] No. 151) jointly issued by the Ministry of Finance, the State Administration of Taxation, Ministry of Commerce, Ministry of Science and Technology and National Development and Reform Commission, 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) and Income Tax Preferential Policies for Small and Micro Enterprises and Individual Entrepreneurs (Announcement of the Ministry of Finance and the State Administration of Taxation [2023] No. 6), 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. 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., Dalian Port Haiheng Ship Management Co., Ltd., Dalian Gangrun Gas Co., Ltd., and Caofeidian Port Container Logistics Co., Ltd. for the current 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 of the Ministry of Finance and the State Administration of Taxation [2022] No. 10), 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 Gangrun Gas Co., Ltd., Dalian Jifa Port Logistics Co., Ltd. and Dalian Port Haiheng Ship Management Co., Ltd. for the current period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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VIII. Business combinations and consolidated financial statements

1. Basic information on the subsidiaries included in the scope of consolidated statements during the period

Investee	Place of registration	Major place of business	Nature of business	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage (%)	Remark
					Direct	Indirect		
Subsidiaries invested by PDA Group by equity injection on the date of incorporation of the Company								
Dalian Port Container Development Co., Ltd.	Dalian	Dalian	Container services	296,411	100	–	100	
Dalian Port Jifa Logistics Co., Ltd. ("Jifa Logistics")	Dalian	Dalian	Logistics services	117,940	–	100	100	
Dalian Jifa Shipping Agency Co., Ltd.	Dalian	Dalian	Vessel agency	550	–	100	100	
Dalian International Logistics Park Development Co., Ltd.	Dalian	Dalian	Property development	15,000	–	100	100	
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Dalian	Dalian	Transportation	4,923	–	97.36	97.36	
Dalian International Container Services Co., Ltd.	Dalian	Dalian	Logistics services	USD1,440,000	–	55	60	Note 1
Dalian Jifa Port Logistics Co., Ltd. (大连集发港口物流有限公司)	Dalian	Dalian	Loading, unloading and handling	1,200	–	100	100	
Dalian Jifa Shipping Management Co., Ltd.	Dalian	Dalian	Management services	41,500	100	–	100	
Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd.	Dalian	Dalian	Wholesale & agency	1,000	60	–	60	
Subsidiaries acquired through establishment or investment								
Dalian Dilangsirui Caravan Co., Ltd.	Dalian	Dalian	Manufacturing sector	10,000	51	–	51	
Asia Pacific Ports Company Limited	Hong Kong	Hong Kong	Logistics service	HKD75,000,000	100	–	100	
Asia Pacific Ports (Dalian) Co., Ltd.	Dalian	Dalian	Logistics service	21,572.48	100	–	100	
Dalian Container Terminal Co., Ltd.	Dalian	Dalian	Terminal services	348,000	–	48.15	55.56	Note 2
Heilongjiang Suimu Dalian Port Logistics Co., Ltd.	Muling	Muling	Logistics service	4,500	–	91.67	91.67	
Qinhuangdao Jigang Shipping Agency Co., Ltd.	Qinhuangdao	Qinhuangdao	Logistics service	500	–	100	100	

Notes to the Financial Statements (continued)

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(All amounts in RMB unless otherwise stated)

VIII. Business combinations and consolidated financial statements (continued)

1. Basic information on the subsidiaries included in the scope of consolidated statements during the period (continued)

Investee	Place of registration	Major place of business	Nature of business	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage	Remark
					Direct	Indirect	(%)	
Dalian Port Grain and Oil Trading Co., Ltd.	Dalian	Dalian	Wholesale	2,500	100	-	100	
Dalian Haijia Automobile Terminal Co., Ltd.	Dalian	Dalian	Terminal services	40,000	50	-	100	Note 3
Caofeidian Port Container Logistics Co., Ltd.	Tangshan	Tangshan	Vessel agency	50	-	51	51	
Dalian Zhuanghe Gangxing Investment Co., Ltd.	Dalian	Dalian	Property development	8,000	100	-	100	
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Tongliao	Tongliao	Freight services	1,000	-	51	51	
Dalian Gangrun Gas Co., Ltd.	Dalian	Dalian	Sale of fuel gas	1,000	51	-	51	
Dalian Port Lianheng Supply Chain Management Co., Ltd.	Dalian	Dalian	Supply chain management	2,000	-	51	51	
Dalian Jifa South Coast International Logistics Co., Ltd.	Dalian	Dalian	Terminal services	1,500	-	100	100	
Dalian Dilangsirui Tourism Development Co., Ltd.	Dalian	Dalian	Tourist project development	3,000	-	100	100	
Subsidiaries acquired through business combinations involving enterprises under common control								
Dalian Ocean Shipping Tally Co., Ltd.	Dalian	Dalian	Tallying services	630.14	84	-	84	
Dalian Port Construction Supervision & Consultation Co., Ltd.	Dalian	Dalian	Supervision services	1,000	75	-	75	
Dalian Port Telecommunications Engineering Co., Ltd.	Dalian	Dalian	Telecommunication	1,000	45	-	65	Note 4
Dalian Golden Bay Grain Logistics Co., Ltd.	Dalian	Dalian	Logistics service	9,733	37.50	-	75	Note 4
Dalian Port Power Supply Co., Ltd.	Dalian	Dalian	Engineering services	11,000	100	-	100	
Dalian Changxing Island Economic Zone Wanpeng Port Construction Supervision & Consultation Co., Ltd.	Dalian	Dalian	Supervision services	10	-	100	100	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

VIII. Business combinations and consolidated financial statements (continued)

1. Basic information on the subsidiaries included in the scope of consolidated statements during the period (continued)

Investee	Place of registration	Major place of business	Nature of business	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage (%)	Remark
					Direct	Indirect		
Dalian Port Haiheng Ship Management Co., Ltd.	Dalian	Dalian	Service industry	500	100	-	100	
Liaoning Port Holdings (Yingkou) Co., Ltd. (遼港控股(營口)有限公司) ("Yingkou Ltd.")	Yingkou	Yingkou	Terminal services	1,000,000	100	-	100	
Yingkou Xingang Ore Terminal Co., Ltd. (營口新港礦石碼頭有限公司) ("Xingang Ore Terminal")	Yingkou	Yingkou	Terminal services	358,006.30	-	88	90.1	Note 5
Yingkou New Century Container Terminal Co., Ltd. (營口新世紀集裝箱碼頭有限公司)	Yingkou	Yingkou	Terminal services	4,000	-	60	60	
Yingkou Port Bulk Cargo Terminal Co., Ltd. (營口港散貨碼頭有限公司)	Yingkou	Yingkou	Terminal services	50,000	100	-	100	
Subsidiaries acquired through business combinations not involving entities under common control								
DCT Logistics Co., Ltd. ("DCT Logistics")	Dalian	Dalian	Logistics service	15,538.70	-	100	100	
Dalian Jiye Logistics Co., Ltd.	Dalian	Dalian	Freight services	10,000	-	100	100	
Dalian Port Lvshun Harbour Service Co., Ltd.	Dalian	Dalian	Terminal services	35,000	60	-	60	
Liaoning Con-Rail International Logistics Co., Ltd.	Shenyang	Shenyang	Logistics service	1,600	-	100	100	
Dalian Harbour ECL Logistics Co., Ltd.	Dalian	Dalian	Terminal services	USD9,000,000	50	-	75	Note 4

Note 1: Shareholding percentage in subsidiaries is different from voting right percentage. Shareholding percentage is determined based on the share of contribution as stated in the investment agreement, while voting right percentage is determined based on the voting manner of the highest decision-making organization in accordance with the articles of associations of the investee. As a result, there is inconsistency.

Note 2: Based on the concerted action agreement signed with another shareholder, the decision made by such shareholder aligns with that of the subsidiary of the Company, Dalian Port Container Development Co., Ltd. The Company, in fact, has the effective control over the subsidiary.

Note 3: Shareholding percentage in subsidiaries is different from voting right percentage. Based on the joint venture contract signed with other shareholders, other shareholders will align with the decision made by the Company in respect of significant operating matters of joint ventures. The Company, in fact, has effective control over the subsidiary.

Note 4: Based on the concerted action agreement signed with some of the other shareholders, the decision made by such shareholders aligns with that of the Company. The Company, in fact, has the effective control over the subsidiary.

Note 5: In October 2021, Yingkou Ltd., a subsidiary of the Company, signed a capital increase agreement with Xingang Ore Terminal, pursuant to which, Yingkou Ltd. subscribed for all proposed increased registered capital of RMB759,407,300 from Xingang Ore Terminal and other shareholders agreed to waive their rights of first refusal. Upon completion of the subscription contribution, the shareholding of Yingkou Ltd. in Xingang Ore Terminal would increase from 88% to 90.1%. As of the date of these financial statements, Yingkou Ltd. has not paid for the subscribed additional capital contribution. Pursuant to the capital increase agreement, supplemental agreement for joint operation and the articles of association, the voting rights in the resolutions of a general meeting shall be exercised by the shareholders according to their proportion of subscribed capital contributions. All shareholders shall share the company's profits and risks and losses according to their proportion of actual capital contributions. Therefore, there are circumstances in which the shareholding percentage is different from the voting rights percentage.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

VIII. Business combinations and consolidated financial statements (continued)

2. Information on major non-wholly-owned subsidiaries

(1) Minority shareholders

30 June 2023 (Unaudited)

No.	Enterprise name	Shareholding percentage of minority shareholders (%)	Profit or loss of the current period attributable to minority shareholders	Dividend paid to minority shareholders for the current period	Accumulated minority interests at the end of the period
1	Dalian Container Terminal Co., Ltd.	51.85	78,314,433.60	-	2,112,182,865.78
2	Dalian Haijia Automobile Terminal Co., Ltd.	50.00	-3,319,634.37	-	201,747,129.95
3	Dalian Port Lvshun Harbour Service Co., Ltd.	40.00	770,013.63	-	133,171,304.32
4	Xingang Ore Terminal	12.00	8,872,404.37	-	502,528,449.95

31 December 2022

No.	Enterprise name	Shareholding percentage of minority shareholders (%)	Profit or loss of the current year attributable to minority shareholders	Dividend paid to minority shareholders for the current year	Accumulated minority interests at the end of the year
1	Dalian Container Terminal Co., Ltd.	51.85	126,325,722.95	102,495,935.99	2,031,166,819.14
2	Dalian Haijia Automobile Terminal Co., Ltd.	50.00	-3,203,444.80	-	205,064,177.33
3	Dalian Port Lvshun Harbour Service Co., Ltd.	40.00	-7,167,676.83	-	132,375,562.94
4	Xingang Ore Terminal	12.00	17,884,775.20	-	493,448,037.70

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

VIII. Business combinations and consolidated financial statements (continued)

2. Information on major non-wholly-owned subsidiaries (continued)

(2) Key financial information

Item	Dalian Container Terminal Co., Ltd.	Dalian Haijia Automobile Terminal Co., Ltd.	Dalian Port Lvshun Harbour Service Co., Ltd.	Xingang Ore Terminal
30 June 2023 (Unaudited)				
Current assets	398,430,670.01	66,225,779.88	63,459,104.40	660,987,216.78
Non-current assets	6,701,478,578.85	300,021,445.77	275,781,666.60	3,851,771,046.21
Total assets	7,099,909,248.86	366,247,225.65	339,240,771.00	4,512,758,262.99
Current liabilities	473,395,902.22	8,098,617.84	7,300,353.54	99,846,379.35
Non-current liabilities	2,737,785,081.81	–	4,518,571.89	225,174,800.72
Total liabilities	3,211,180,984.03	8,098,617.84	11,818,925.43	325,021,180.07
For the six months ended 30 June 2023 (Unaudited)				
Revenue	643,673,683.36	8,879,416.39	33,714,256.53	293,340,637.63
Net profit/(net loss is represented by “-”)	144,507,997.19	-6,090,063.80	2,429,421.54	73,936,703.08
Total comprehensive income	144,507,997.19	-6,090,063.80	2,429,421.54	73,936,703.08
Net cash flows from operating activities	358,298,286.08	-1,393,809.27	7,129,353.18	85,654,706.24
31 December 2022				
Current assets	340,287,849.06	65,864,561.60	55,383,829.81	666,010,053.82
Non-current assets	6,857,402,802.44	305,745,785.25	281,559,786.51	3,668,538,457.81
Total assets	7,197,690,651.50	371,610,346.85	336,943,616.32	4,334,548,511.63
Current liabilities	616,776,777.88	7,376,849.22	7,760,922.96	198,171,127.78
Non-current liabilities	2,841,874,490.40	–	4,254,588.70	24,310,402.99
Total liabilities	3,458,651,268.28	7,376,849.22	12,015,511.66	222,481,530.77
2022				
Revenue	1,274,321,506.70	20,139,505.23	47,707,424.22	632,049,142.27
Net profit/(net loss is represented by “-”)	220,391,598.00	-7,505,142.06	-17,279,381.09	149,039,793.33
Total comprehensive income	220,391,598.00	-7,505,142.06	-17,279,381.09	149,039,793.33
Net cash flows from operating activities	727,672,659.69	11,667,626.33	1,797,553.80	104,439,714.55

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements

1. Cash at bank and on hand

Item	30 June 2023 (Unaudited)			31 December 2022		
	Amount in original currency	Conversion rate	Amount in RMB	Amount in original currency	Conversion rate	Amount in RMB
Cash on hand	-	-	28,620.12	-	-	30,138.17
Of which: RMB	28,620.12	1.0000	28,620.12	30,138.17	1.0000	30,138.17
Cash at bank	-	-	5,669,730,116.18	-	-	5,085,163,945.09
Of which: RMB	5,603,755,478.30	1.0000	5,603,755,478.30	4,987,514,540.05	1.0000	4,987,514,540.05
USD	9,120,096.71	7.2258	65,899,994.81	13,971,160.31	6.9646	97,303,543.10
HKD	74,996.82	0.9218	69,132.07	383,947.09	0.8933	342,979.94
Japanese Yen	110,000.00	0.0501	5,511.00	55,000.00	0.0524	2,882.00
Other cash balances	-	-	-	-	-	-
Of which: RMB	-	-	-	-	-	-
Total	-	-	5,669,758,736.30	-	-	5,085,194,083.26
Of which: Interest receivable from bank deposits	-	-	2,090,693.71	-	-	17,824,910.06
Total amount restricted usage due to reasons including pledges, charges or lock up (Note IX. 22)	-	-	22,710,615.39	-	-	21,895,674.97

As at 30 June 2023, the use rights of the Group's cash at bank and on hand of RMB22,710,615.39 (31 December 2022: RMB21,895,674.97) were restricted.

Interest income earned on current deposits is calculated by using the current deposit interest rate. The terms of short-term time deposits vary from seven days to six months depending on the cash requirements of the Group, and earn interests at the respective bank time deposit rates.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

2. Notes receivable

- (1) Classification of notes receivable

Type	30 June 2023 (Unaudited)	31 December 2022
Bank acceptance notes	229,126,073.56	369,445,570.06
Less: Provision for bad debts on notes receivable (Note)	–	–
Total	229,126,073.56	369,445,570.06

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.

- (2) As at 30 June 2023, the Group had no pledged notes receivable (31 December 2022: Nil).
- (3) The Group's notes receivable which have been endorsed or discounted but not mature yet as at the balance sheet date are as follows:

Type	30 June 2023 (Unaudited)		31 December 2022	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	3,362,274.22	2,291,407.89	18,150,230.58	500,000.00

- (4) As at 30 June 2023, there were no discounted notes or notes that were recognised as accounts receivable due to the drawer's inability to perform (31 December 2022: Nil)

3. Accounts receivable

- (1) Overall situation of accounts receivable

Item	30 June 2023 (Unaudited)	31 December 2022
Accounts receivable	3,875,309,322.09	3,346,144,470.15
Less: Credit loss provision	502,981,657.51	454,106,135.43
Total	3,372,327,664.58	2,892,038,334.72

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

3. Accounts receivable (continued)

(2) The overall aging of accounts receivable

Item	30 June 2023 (Unaudited)			31 December 2022		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	1,456,994,136.08	37.60	98,999,827.76	1,220,103,223.75	36.46	98,438,130.16
1 to 2 years (including 2 years)	623,764,036.20	16.10	93,215,769.56	627,872,887.05	18.76	89,007,912.33
2 to 3 years (including 3 years)	623,838,674.32	16.10	93,120,961.42	643,391,636.87	19.23	92,910,580.35
Over 3 years	1,170,712,475.49	30.20	217,645,098.77	854,776,722.48	25.55	173,749,512.59
Total	3,875,309,322.09	100.00	502,981,657.51	3,346,144,470.15	100.00	454,106,135.43

(3) The movements of provision for bad debts of accounts receivable are as follows:

	Balance as at the beginning of the period/year	Provision for the period/year	Recovery/reversal during the period/year	Write-off during the period/year	Balance as at the end of the period/year
For the six months ended 30 June 2023 (Unaudited)	454,106,135.43	51,675,522.08	-2,800,000.00	-	502,981,657.51
2022	331,338,824.23	158,005,683.65	-35,082,051.53	-156,320.92	454,106,135.43

(4) Significant credit loss provision recovered or reversed during the period

Name of entity	Book balance of accounts receivable	Reason for recovery or reversal	Basis for determining the original credit loss provision	Accumulated amount of credit loss provision before recovery or reversal	Recovered or reversed amount
Yingkou Gangjun Logistics Co., Ltd. (營口港駿物流有限公司)	-	Payment recovery	Expected credit losses	2,800,000.00	2,800,000.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

3. Accounts receivable (continued)

(5) Details of accounts receivable of which provision for bad debts is made are as follows:

As at 30 June 2023, details of the Group's 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
A	800,812,172.74	0.00%-0.10%	85,025.87
B	60,917,925.02	0.10%-0.30%	81,566.52
C	2,933,145,517.73	0.30%-50.00%	426,721,478.32
D	80,433,706.60	50.00%-100.00%	76,093,586.80
Total	3,875,309,322.09		502,981,657.51

As at 31 December 2022, details of the Group's 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
A	598,534,421.07	0.00%-0.10%	62,943.12
B	34,790,860.33	0.10%-0.30%	49,362.33
C	2,638,348,746.63	0.30%-50.00%	382,978,832.00
D	74,470,442.12	50.00%-100.00%	71,014,997.98
Total	3,346,144,470.15		454,106,135.43

(6) As at 30 June 2023, no significant amounts due from shareholders who held more than 5% (inclusive) of the voting rights of the Group (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

3. Accounts receivable (continued)

- (7) The top five entities by the amounts of accounts receivable as at 30 June 2023 were summarised as below (unaudited)

Name of entity	Relationship with the Group	Amount	Aging	Provision for credit loss	Percentage of total accounts receivable (%)
Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司) (Note)	Client	2,922,878,717.00	Within 1 year, 1-2 years, 2-3 years, 3-4 years and 4-5 years	425,841,178.36	75.42
Rizhao Steel Yingkou Medium Plate Co., Ltd. (日鋼營口中板有限公司)	Client	57,947,100.49	Within 1 year, 1-2 years	6,587.15	1.50
Huaneng Power International, Inc.	Client	45,973,517.91	Within 1 year	4,597.35	1.19
BMW Brilliance Automotive Ltd.	Client	40,394,453.13	Within 1 year	4,039.45	1.04
Dalian Automobile Terminal Co., Ltd.	Related party	37,656,647.20	Within 1 year, 1-2 years	5,180.83	0.97
Total		3,104,850,435.73		425,861,583.14	80.12

Note: As at 30 June 2023, the book balance of the Group's secured accounts receivable amounted to RMB2,922,878,717.00 (31 December 2022: RMB2,623,568,742.00), which was mainly the Group's warehousing costs due from Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司). Based on the relevant agreement signed by the Group and Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司), this company shall not transfer its goods equivalent to such accounts receivable stored in the Group until the outstanding amount is settled.

4. Receivables financing

- (1) Classification of receivables financing

Type	30 June 2023 (Unaudited)	31 December 2022
Bank acceptance notes measured at fair value	197,974,198.01	154,213,980.23

- (2) As at 30 June 2023, the Group has no receivables financing pledged (31 December 2022: Nil).

- (3) As at 30 June 2023, the Group's receivables financing which have been endorsed or discounted but not mature yet as at the balance sheet date are as follows:

Type	30 June 2023 (Unaudited)		31 December 2022	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance notes	256,018,346.61	-	165,581,952.09	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

5. Prepayments

(1) An ageing analysis of prepayments is as follows:

Item	30 June 2023 (Unaudited)			31 December 2022		
	Book balance	Percentage (%)	Provision for impairment	Book balance	Percentage (%)	Provision for impairment
Within 1 year (including 1 year)	67,968,661.45	96.99	-	49,904,698.15	99.40	-
1 to 2 years (including 2 years)	2,010,512.67	2.87	-	158,405.33	0.32	-
2 to 3 years (including 3 years)	62,871.49	0.09	-	38,328.90	0.08	-
Over 3 years	36,669.00	0.05	-	101,909.00	0.20	-
Total	70,078,714.61	100.00	-	50,203,341.38	100.00	-

As at 30 June 2023, the Group has no significant prepayments aged over 1 year (31 December 2022: Nil).

(2) Five largest prepayments by debtor at the end of the period are summarised as below (Unaudited)

Name of entity	Relationship with the Group	Amount	Ageing	Proportion to the total prepayments (%)	Reasons for unsettlement
PICC Property and Casualty Company Limited	Third party	7,457,114.11	Within 1 year	10.64	The condition for settlement is unsatisfied
China Railway Shenyang Group Co., Ltd.	Third party	6,764,655.65	Within 1 year	9.65	The condition for settlement is unsatisfied
China Railway Harbin Bureau Group Co., Ltd.	Third party	5,282,500.13	Within 1 year	7.54	The condition for settlement is unsatisfied
State Grid Liaoning Electric Power Co., Ltd.	Third party	4,494,026.08	Within 1 year	6.41	The condition for settlement is unsatisfied
China Railway Tielong Container Logistics Co., Ltd.	Third party	2,942,854.80	Within 1 year	4.20	The condition for settlement is unsatisfied
Total		26,941,150.77		38.44	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables

Item	30 June 2023 (Unaudited)	31 December 2022
Interest receivable	3,139,208.09	2,689,917.11
Dividends receivable	156,672,630.13	112,343,783.60
Other receivables	349,641,917.31	315,891,463.03
Total	509,453,755.53	430,925,163.74

(1) Interest receivable

1) Classification of due interest receivable

Item	30 June 2023 (Unaudited)	31 December 2022
Borrowings from related parties	4,073,944.25	3,323,273.19
Less: Provision for credit loss	934,736.16	633,356.08
Total	3,139,208.09	2,689,917.11

As at 30 June 2023, the Group has no significant amount of overdue interest (31 December 2022: Nil).

2) Provision for credit loss of interest receivable (Unaudited)

Provision for credit loss	Stage I Expected credit loss over the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	-	633,356.08	-	633,356.08
Provision for the period	-	301,380.08	-	301,380.08
Closing balance	-	934,736.16	-	934,736.16

For the six months ended 30 June 2023, the provision for bad debts amounted to RMB301,380.08 (2022: RMB580,156.67), and no recovery or reversal of bad debt provision was recorded (2022: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(2) Dividends receivable

1) Presentation of dividends receivable

Investee	30 June 2023 (Unaudited)	31 December 2022
Dalian Port Yidu Cold Chain Co., Ltd.	72,617,796.35	72,617,796.35
China Merchants International Technology Company Limited	25,735,801.03	–
Dalian Petro China International Warehousing and Transportation Co., Ltd.	23,002,571.00	–
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23
Dalian Automobile Terminal Co., Ltd.	11,200,000.00	11,200,000.00
Dalian Port Logistics Technology Co., Ltd.	7,000,000.00	7,000,000.00
Dalian Port Logistics Network Co., Ltd.	6,000,000.00	10,000,000.00
Dalian Singamas International Container Co., Ltd.	5,467,472.88	5,467,472.88
China United Tally (Dalian) Co., Ltd.	1,112,267.52	1,112,267.52
Dalian Dagang China Shipping Container Terminal Co., Ltd.	–	943,125.50
Dalian Port Design and Research Institute Co., Ltd.	533,600.00	–
Total	175,177,048.01	130,848,201.48
Less: Provision for credit loss	18,504,417.88	18,504,417.88
Book value	156,672,630.13	112,343,783.60

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(2) Dividends receivable (continued)

2) Material dividends receivable aged over 1 year

Investee	30 June 2023 (unaudited)	31 December 2022	Reasons for being unsettled	Closing balance of provision for credit loss
Dalian Port Yidu Cold Chain Co., Ltd.	72,617,796.35	72,617,796.35	Delay of payment	5,813,055.91
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23	Delay of payment	11,253,769.62
Dalian Port Logistics Technology Co., Ltd.	7,000,000.00	7,000,000.00	Delay of payment	382,401.02
Dalian Port Logistics Network Co., Ltd.	6,000,000.00	10,000,000.00	Delay of payment	555,994.20
Dalian Singamas International Container Co., Ltd.	5,467,472.88	5,467,472.88	Delay of payment	460,029.00
Total	113,592,808.46	117,592,808.46		18,465,249.75

3) Movements in provision for credit losses on dividends receivable (unaudited)

Provision for credit loss	Stage I Expected credit loss over the next 12 months	Stage II Expected credit loss over the entire duration (no credit impairment occurred)	Stage III Expected credit loss over the entire duration (credit impairment occurred)	Total
Opening balance	7,250,648.26	11,253,769.62	-	18,504,417.88
Provision during the period	-	-	-	-
Closing balance	7,250,648.26	11,253,769.62	-	18,504,417.88

For the six months ended 30 June 2023, there was no provision for bad debts (2022: RMB15,845,358.56), and no recovery or reversal of bad debt provision was recorded (2022: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables

1) Other receivables by nature

Amount by nature	30 June 2023 (unaudited)	31 December 2022
Government subsidies receivable	156,428,084.31	140,177,900.52
Receivables from income of entrusted management services	88,379,227.26	86,437,627.26
Receivables from project payment and guarantee deposit	24,803,644.09	32,459,217.00
Settlement to be transferred	59,017,333.75	25,639,033.71
Borrowings from related parties	23,000,000.00	23,000,000.00
Advances receivable	26,367,701.64	22,775,660.35
Receivables from deposit and security deposit	24,334,719.07	20,477,252.74
Public infrastructure maintenance expenses	10,100,888.22	8,170,749.02
Others	56,798,532.63	44,562,198.78
Subtotal	469,230,130.97	403,699,639.38
Less: Provision for credit loss	119,588,213.66	87,808,176.35
Total	349,641,917.31	315,891,463.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

2) Ageing analysis

Item	30 June 2023 (unaudited)			31 December 2022		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	219,890,735.01	46.86	2,312,215.87	168,690,521.19	41.78	2,408,923.56
1 to 2 years (including 2 years)	88,214,239.10	18.80	3,517,947.83	74,436,286.64	18.44	2,272,329.33
2 to 3 years (including 3 years)	9,737,270.65	2.08	2,321,372.34	20,370,093.77	5.05	1,882,655.25
Over 3 years	151,387,886.21	32.26	111,436,677.62	140,202,737.78	34.73	81,244,268.21
Total	469,230,130.97	100.00	119,588,213.66	403,699,639.38	100.00	87,808,176.35

3) Details of other receivable of which provision for bad debts is made according to the portfolio of credit risk rating are as follows:

30 June 2023 (unaudited)

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss over the next 12 months	Expected credit loss for the entire duration
A	289,888,937.42	0.00%-0.10%	41,346.69	-
B	55,704,358.14	0.10%-0.30%	1,919,308.55	-
C	6,226,480.16	0.30%-50.00%	-	2,380,227.67
D	117,410,355.25	50.00%-100.00%	-	115,247,330.75
Total	469,230,130.97		1,960,655.24	117,627,558.42

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

3) Details of other receivable of which provision for bad debts is made according to the portfolio of credit risk rating are as follows: (continued)

31 December 2022

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss over the next 12 months	Expected credit loss for the entire duration
A	233,917,699.58	0.00%-0.10%	34,459.06	–
B	46,907,081.02	0.10%-0.30%	1,910,093.64	–
C	67,639,859.50	0.30%-50.00%	–	32,441,244.01
D	55,234,999.28	50.00%-100.00%	–	53,422,379.64
Total	403,699,639.38		1,944,552.70	85,863,623.65

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

30 June 2023 (unaudited)

Provision for credit loss	Stage I Expected credit loss over the next 12 months	Stage II Expected credit loss over the entire duration (no credit impairment occurred)	Stage III Expected credit loss over the entire duration (credit impairment occurred)	Total
Opening balance	1,944,552.70	32,441,244.01	53,422,379.64	87,808,176.35
Opening balance for the period:				
– transferred into stage II	-130.44	130.44	–	–
– transferred into stage III	-129.61	-30,153,323.00	30,153,452.61	–
Provision during the period	16,362.59	92,176.22	31,671,498.50	31,780,037.31
Reversal during the period	–	–	–	–
Closing balance	1,960,655.24	2,380,227.67	115,247,330.75	119,588,213.66

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

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

31 December 2022

Provision for credit loss	Stage I Expected credit loss over the next 12 months	Stage II Expected credit loss over the entire duration (no credit impairment occurred)	Stage III Expected credit loss over the entire duration (credit impairment occurred)	Total
Opening balance	53,194.87	33,411,438.46	51,310,941.71	84,775,575.04
Opening balance for the year:				
– transfer into stage II	-12,164.41	12,164.41	–	–
– transfer into stage III	-70.20	-1,880,785.41	1,880,855.61	–
Provision for the year	1,903,592.44	898,426.55	1,559,485.51	4,361,504.50
Reversal during the year	–	–	-255,256.00	-255,256.00
Write-off during the year	–	–	-1,073,647.19	-1,073,647.19
Closing balance	1,944,552.70	32,441,244.01	53,422,379.64	87,808,176.35

For the six months ended 30 June 2023, the provision for bad debts amounted to RMB31,780,037.31 (2022: RMB4,361,504.50). There was no recovery or reversal of bad debt provision (2022: RMB255,256.00), and no provision for bad debts written off (2022: RMB1,073,647.19).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

5) Debts of shareholders holding 5% or more shares of the Company with voting rights

Name of entity	30 June 2023 (unaudited)		31 December 2022	
	Outstanding amount	Provision for credit losses	Outstanding amount	Provision for credit losses
PDA Group	478,562.12	60,219.13	4,348,201.03	51,835.54

6) Other receivables of the top five debtors by closing balances

30 June 2023 (unaudited)

Name of entity	Relationship with the Group	Amount	Ageing	Proportion to total other receivables (%)	Credit loss provision	Nature or content
Dalian Shipping and Logistics Development Service Center (大連市航運和物流發展服務中心)	Government agency	121,220,567.23	Within 1 year, 1-2 years	25.83	18,278.69	Receivables from government grants
Dalian Changxing Island Port Investment and Development Co., Ltd.	Related party	89,777,344.77	Within 1 year, 1-2 years, 3-4 years and over 5 years	19.13	61,078,715.14	Receivables from income of entrusted management services
China Merchants Gangrong Big Data Co., Ltd. (“China Merchants Gangrong”)	Related party	59,018,333.75	Within 1 year	12.58	5,901.83	Settlement to be transferred
Dalian Vanguard International Logistics Co., Ltd.	Related party	23,000,000.00	4-5 years	4.90	1,877,616.22	Borrowings from related parties
People’s Government of Horqin District, Tongliao	Government agency	19,401,925.08	1-2 years, 2-3 years and 3-4 years	4.13	5,175.99	Receivables from government grants
Total		312,418,170.83		66.57	62,985,687.87	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

6) Other receivables of the top five debtors by closing balances (continued)

31 December 2022

Name of entity	Relationship with the Group	Amount	Ageing	Proportion to total other receivables (%)	Credit loss provision	Nature or content
Dalian Shipping and Logistics Development Service Center (大連市航運和物流發展服務中心)	Government agency	104,470,383.44	Within 1 year, 1-2 years	25.88	15,453.02	Receivables from government grants
Dalian Changxing Island Port Investment and Development Co., Ltd.	Related party	82,471,892.27	Within 1 year, 1-2 years, 3-4 years and 4-5 years	20.43	30,156,476.79	Receivables from income of entrusted management services
China Merchants Gangrong	Related party	25,639,033.71	Within 1 year	6.35	2,554.37	Settlement to be transferred
Dalian Vanguard International Logistics Co., Ltd.	Related party	23,000,000.00	3-4 years	5.70	1,877,616.22	Borrowings from related parties
People's Government of Horqin District, Tongliao	Government agency	19,901,925.08	1-2 years and 2-3 years	4.93	5,325.99	Receivables from government grants
Total		255,483,234.50		63.29	32,057,426.39	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

7) The receivables from government grants

As at 30 June 2023, the receivables from government grants were as follows (Unaudited):

	Government grants	Amount	Ageing	Basis
Dalian Jiye Logistics Co., Ltd.	Subsidy to China – Europe Railway Lines	121,220,567.23	Within 1 year and 1-2 years	Opinions on the Support Policy of Dalian China–Europe Railway Lines and Administrative Measures for the Special Funds of Dalian
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Subsidy for container freight	19,401,925.08	1-2 years, 2-3 years and 3-4 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	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	3,446,400.00	4-5 years	Request for Instructions Concerning Supporting the Development of Container Freight in Dongying Port Zone
Total		156,428,084.31		

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

7) The receivables from government grants (continued)

As at 31 December 2022, the receivables from government grants were as follows:

Name of entity	Government grants	Amount	Ageing	Basis
Dalian Jiyi Logistics Co., Ltd.	Subsidy to China – Europe Railway Lines	104,470,383.44	Within 1 year and 1-2 years	Opinions on the Support Policy of Dalian China–Europe Railway Lines and Administrative Measures for the Special Funds of Dalian
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Subsidy for container freight	19,901,925.08	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	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	3,446,400.00	4-5 years	Request for Instructions Concerning Supporting the Development of Container Freight in Dongying Port Zone
Total		140,177,900.52		

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

7. Inventories

(1) Classification of inventories

Item	30 June 2023 (unaudited)			31 December 2022		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	95,174,803.30	1,442,701.98	93,732,101.32	94,189,095.07	1,442,701.98	92,746,393.09
Merchandise inventories (finished goods)	8,689,047.69	2,697,873.64	5,991,174.05	8,692,167.69	2,697,873.64	5,994,294.05
Turnover materials	15,388,772.40	18,014.10	15,370,758.30	14,171,877.83	18,014.10	14,153,863.73
Contract performance cost	8,126,738.77	-	8,126,738.77	10,315,427.88	-	10,315,427.88
Others	704,301.07	-	704,301.07	704,301.07	-	704,301.07
Total	128,083,663.23	4,158,589.72	123,925,073.51	128,072,869.54	4,158,589.72	123,914,279.82

The information on the amortisation of contract performance cost in the balance of inventories is as follows:

30 June 2023 (Unaudited)

Item	Opening balance	Increase in the period	Amortisation in the period	Other decrease	Closing balance (Unaudited)
Project construction	10,315,427.88	20,368,248.70	22,556,937.81	-	8,126,738.77

31 December 2022

Item	Opening balance	Increase in the year	Amortisation in the year	Other decrease	Closing balance
Project construction	8,279,690.75	47,148,161.87	45,112,424.74	-	10,315,427.88

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

7. Inventories (continued)

(2) Provision for decline in the value of inventories

Item	31 December 2022	Increase in the period		Decrease in the period		30 June 2023 (Unaudited)
		Provision	Others	Reversal or write-off	Others	
Raw materials	1,442,701.98	-	-	-	-	1,442,701.98
Merchandise inventories (finished goods)	2,697,873.64	-	-	-	-	2,697,873.64
Turnover materials	18,014.10	-	-	-	-	18,014.10
Total	4,158,589.72	-	-	-	-	4,158,589.72

8. Non-current assets due within one year

Item	30 June 2023 (Unaudited)	31 December 2022
Long-term receivables due within one year	26,500,000.00	26,500,000.00
Less: Provision for impairment	13,250,000.00	13,250,000.00
Total	13,250,000.00	13,250,000.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

9. Other current assets

Item	30 June 2023 (Unaudited)	31 December 2022
Input VAT to be deducted	328,523,213.64	351,022,418.50
Input VAT to be certified	8,082,866.54	9,552,033.29
Prepaid income tax	2,096,831.30	3,029,773.89
Sub-total	338,702,911.48	363,604,225.68
Less: Provision for impairment	-	-
Total	338,702,911.48	363,604,225.68

10. Long-term equity investments

(1) Classification of long-term equity investments

Item	31 December 2022	Increase in the period	Decrease in the period	Other increase (decrease)	30 June 2023 (Unaudited)
Investment in joint ventures	2,021,336,892.74	-	-	-79,106,101.19	1,942,230,791.55
Investment in associates	1,760,571,049.78	-	-	-44,213,463.77	1,716,357,586.01
Sub-total	3,781,907,942.52	-	-	-123,319,564.96	3,658,588,377.56
Less: Provision for impairment of long-term equity investments	8,468,465.03	-	-	-	8,468,465.03
Total	3,773,439,477.49	-	-	-123,319,564.96	3,650,119,912.53

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued) (2) Breakdown of long-term equity investments

30 June 2023 (Unaudited)

Investee	Movements for the period											Balance of provision for impairment at the end of the period	
	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Investment gains or losses recognised under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment	Others		Closing balance
Joint ventures													
VTTI Terminals Dalian Co., Ltd.	86,876,185.37	191,750,504.89	-	-	-	3,348,215.69	-	468,765.57	-25,000,000.00	-	-	170,567,486.15	-
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	225,750,336.65	-	-	-	12,564,388.26	-	-	-35,000,000.00	-	-	203,320,724.91	-
Dalian United International Shipping Agency Co., Ltd.	2,175,192.85	16,847,597.36	-	-	-	2,384,935.17	-	-	-	-	-	19,232,532.53	-
Dalian Vanguard International Logistics Co., Ltd.	37,000,000.00	34,073,345.39	-	-	-	460,351.07	-	-	-	-	-	34,533,696.46	-
Dalian Port Yidu Cold Chain Co., Ltd.	260,500,000.00	401,640,829.79	-	-	-	-2,644,683.06	-	-	-	-	-	398,996,136.73	-
China United Tally (Dalian) Co., Ltd.	5,103,200.33	1,979,575.68	-	-	-	357,615.85	-	-10,554.66	-	-	-	2,326,636.87	-
China OI Dock Management (Dalian) Co., Ltd.	16,301,068.34	21,150,046.87	-	-	-	9,271.89	-	-	-8,470,840.37	-	-	12,688,478.39	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	5,798,464.21	7,272,661.03	-	-	-	577,361.78	-	-27,823.98	-	-	-	7,822,198.83	-
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	15,334,583.11	-	-	-	-	-	-	-	-	-	15,334,583.11	-
China United International Rail Containers (Dalian) Co., Ltd.	214,000,000.00	175,294,712.46	-	-	-	1,345,580.82	-	-	-	-	-	176,640,293.28	-
Dalian Changyung Island Port Co., Ltd.	246,000,000.00	117,829,681.03	-	-	-	-10,926,824.93	-	262,615.42	-	-	-	107,165,471.52	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	4,000,000.00	9,947,569.59	-	-	-	2,744,865.46	-	25,666.84	-	-	-	12,718,093.89	-
Dalian Changyung Island Port Investment and Development Co., Ltd.	463,147,800.00	344,159,739.59	-	-	-	-13,341,744.51	-	784,657.63	-	-	-	331,602,652.71	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	10,000,000.00	-	-	-	-	-	-	-	-	-	-	-	8,468,465.03
Ha'ou International Logistics Co., Ltd.	23,000,000.00	28,669,990.33	-	-	-	589,495.57	-	-	-1,428,000.00	-	-	27,831,485.90	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(2) Breakdown of long-term equity investments (Continued)

30 June 2023 (Unaudited) (Continued)

Investee	Movements for the period										Balance of provision for impairment at the end of the period	
	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Investment gains or losses recognised	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment		Others
Cofjet Changqing Terminals (Dalian) Co., Ltd.	14,627,723.47	7,819,393.29	-	-	-	-41,290.95	-	-	-	-	-	7,778,102.94
Weifang Weida Container Service Co., Ltd.	1,500,000.00	1,840,830.51	-	-	-	67,418.98	-	-	-	-	-	1,908,249.49
Dalian Port Xiangyu Grain Logistics Co., Ltd.	49,980,000.00	36,647,305.35	-	-	-	-995,464.76	-	-	-	-	-	35,651,840.59
China Shipping Gang Lian Co., Ltd.	90,000,000.00	78,961,401.08	-	-	-	-5,817,470.59	-	-	-	-	-	73,143,930.49
Yingkou Container Terminals Company Limited	16,468,690.85	62,175,870.02	-	-	-	11,068,117.27	-	-	-	-	-	73,243,987.29
Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運有限公司)	192,118,114.69	233,716,453.69	-	-	-	-12,460,909.25	-	-	-	-	-	221,255,544.44
Sub-total	1,886,588,440.11	2,012,868,427.71	-	-	-	-10,710,779.64	-	1,503,518.82	-69,898,840.37	-	-	1,933,762,326.52
												8,468,465.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(2) Breakdown of long-term equity investments (Continued)

30 June 2023 (Unaudited) (Continued)

Investee	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Movements for the period					Closing balance	Balance of provision for impairment at the end of the period	
						Increase in investment	Investment gains or losses recognized under the equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits			Provision for impairment
Associates													
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	59,422,161.59	-	-	-	12,815,746.78	-	274,701.72	-23,002,571.00	-	-	-	49,510,009.09
Dalian Wanpeng Port Engineering Testing Co., Ltd.	2,000,000.00	3,169,254.28	-	-	-	-242,286.42	-	-	-	-	-	-	2,926,967.86
Dalian Pujia Storage Facility Co., Ltd.	239,636,434.98	96,857,584.20	-	-	-	154,553.66	-	-	-	-	-	-	97,012,137.86
Taizang Xinggang Tug Co., Ltd.	6,233,613.00	8,512,059.32	-	-	-	1,760,900.78	-	10,956.75	-2,142,855.00	-	-	-	8,141,061.95
National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd.	520,000,000.00	632,625,580.04	-	-	-	7,946,060.64	-	441,539.28	-31,642,716.53	-	-	-	609,370,463.43
Dalian North Oil Petroleum Logistics Co., Ltd.	60,000,000.00	69,083,581.68	-	-	-	1,606,176.18	-	94,202.09	-	-	-	-	70,783,959.95
Sino Bai Boai Train Ferry Co., Ltd.	274,500,286.56	218,167,105.14	-	-	-	-1,950,485.40	-	13,493.93	-	-	-	-	216,230,113.67
CDC International Logistics Co., Ltd.	90,000,000.00	126,112,180.19	-	-	-	1,867,539.10	-	-	-	-	-	-	127,779,719.29
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	183,599,201.66	-	-	-	6,960,495.70	-	213,276.59	-	-	-	-	190,772,973.95
Dalian Singamas International Container Co., Ltd.	43,729,517.84	43,651,805.67	-	-	-	506,212.29	-	-1,731.41	-	-	-	-	44,156,286.55
Liaoning Electronic Port Co., Ltd.	600,000.00	669,399.47	-	-	-	-114,384.52	-	-	-4,589.95	-	-	-	550,425.00
China Merchants International Technology Company Limited	66,576,800.00	111,358,341.33	-	-	-	-827,472.00	-	-	-25,735,801.03	-	-	-	85,095,068.30
Angang Yingkou Port Co., Ltd.	213,224,500.00	207,342,795.21	-	-	-	6,685,574.00	-	-	-	-	-	-	214,028,369.21
Sub-total	1,689,293,312.38	1,760,571,049.78	-	-	-	37,268,630.79	-	1,046,438.95	-82,528,533.51	-	-	-	1,716,357,586.01
Total	3,575,881,752.49	3,773,439,477.49	-	-	-	26,557,851.15	-	2,549,957.77	-152,427,373.88	-	-	-	3,650,119,912.53
													8,468,465.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(2) Breakdown of long-term equity investments (Continued)

31 December 2022

Investee	Movements for the year										Balance of provision for impairment at the end of the year			
	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Investment gains or losses recognised under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment		Others	Closing balance	
Joint ventures														
Dalian Port Tongji Shipping Agency Co., Ltd.	1,311,300.00	1,271,654.19	-	-	-1,331,560.85	59,906.66	-	-	-	-	-	-	-	-
VTTI Terminals Dalian Co., Ltd.	86,878,185.37	184,193,475.87	-	-	-	17,557,029.02	-	-	-10,000,000.00	-	-	-	191,750,504.89	-
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	236,277,638.10	-	-	-	24,478,638.55	-	-	-35,000,000.00	-	-	-	225,756,338.65	-
Dalian United International Shipping Agency Co., Ltd.	2,175,192.85	16,155,463.15	-	-	-	5,282,134.21	-	-	-4,570,000.00	-	-	-	16,847,597.36	-
Dalian Vanguard International Logistics Co., Ltd.	37,000,000.00	32,574,640.50	-	-	-	1,346,713.67	-	151,991.22	-	-	-	-	34,073,345.39	-
Dalian Port Yidu Cold Chain Co., Ltd.	260,500,000.00	361,994,703.39	-	-	-	38,730,000.00	-	856,126.40	-	-	-	-	401,640,829.79	-
China United Tally (Dalian) Co., Ltd.	5,103,200.33	1,480,827.06	-	-	-	510,701.15	-	-11,952.53	-	-	-	-	1,979,575.68	-
China Oil Dock Management (Dalian) Co., Ltd.	16,301,068.34	23,381,453.02	-	-	-	8,477,000.00	-	-	-10,708,406.15	-	-	-	21,150,046.87	-
Dalian Dagang Container Terminal Co., Ltd.	5,798,464.21	7,274,281.19	-	-	-	943,328.38	-	-1,823.04	-	-	-	-	7,272,661.03	-
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	15,334,583.11	-	-	-	-	-	-	-	-	-	-	15,334,583.11	-
China United International Rail Containers (Dalian) Co., Ltd.	214,000,000.00	171,758,464.77	-	-	-	3,536,247.69	-	-	-	-	-	-	175,294,712.46	-
Dalian Changying Island Port Co., Ltd.	246,000,000.00	135,698,325.76	-	-	-	-18,284,576.47	-	414,931.74	-	-	-	-	117,829,681.03	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	4,000,000.00	24,176,763.89	-	-	-	3,777,857.39	-	128,046.85	-18,137,098.54	-	-	-	9,947,569.59	-
Dalian Changying Island Port Investment and Development Co., Ltd.	463,147,800.00	358,302,444.62	-	-	-	-15,412,608.70	-	1,289,903.67	-	-	-	-	344,159,739.59	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	10,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	8,468,465.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(2) Breakdown of long-term equity investments (Continued)

31 December 2022 (Continued)

Investee	Movements for the year										Balance of provision for impairment at the end of the year	
	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Investment gains or losses recognised under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment		Others
Hakou International Logistics Co., Ltd.	23,000,000.00	27,921,773.46	-	-	-	748,216.87	-	-	-	-	-	28,669,990.33
Doifei Changxing Terminals (Dalian) Co., Ltd.	14,627,723.47	7,902,231.45	-	-	-	-82,838.16	-	-	-	-	-	7,819,393.29
Weifang Weida Container Service Co., Ltd.	1,500,000.00	1,727,412.70	-	-	-	113,417.81	-	-	-	-	-	1,840,830.51
Dalian Port Xiangyu Grain Logistics Co., Ltd.	49,980,000.00	33,846,283.81	-	-	-	2,801,021.54	-	-	-	-	-	36,647,305.35
China Shipping Gang Lian Co., Ltd.	90,000,000.00	91,930,080.58	-	-	-	-12,988,679.50	-	-	-	-	-	78,941,401.08
Dalian New Silk Road International Logistics Co., Ltd.	2,000,000.00	1,767,020.51	-	-	-1,781,681.97	14,661.46	-	-	-	-	-	-
Yingkou Container Terminals Company Limited	16,468,690.85	73,732,915.13	-	-	-	20,379,754.69	-	1,113,594.47	-33,050,394.27	-	-	62,175,870.02
Sinograin Yingkou Storage and Transportation Co., Ltd. (中穀糧營口儲運有限公司)	192,118,114.69	231,600,142.85	-	-	-	2,116,310.84	-	-	-	-	-	233,716,453.69
Sub-total	1,889,899,740.11	2,040,305,579.11	-	-	-3,113,242.82	84,164,297.10	-	3,920,818.78	-12,409,024.46	-	-	2,012,868,427.71
												8,468,465.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(2) Breakdown of long-term equity investments (Continued)

31 December 2022 (Continued)

Investee	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Movements for the year					Closing balance	Balance of provision for impairment at the end of the year	
						Investment gains or losses recognised under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment			Others
Associates													
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	46,828,027.11	-	-	-	22,314,719.43	-	-	-9,720,584.95	-	-	59,422,161.59	-
Dalian Wansheng Port Engineering Testing Co., Ltd.	2,000,000.00	3,139,580.96	-	-	-	29,673.32	-	-	-	-	-	3,169,254.28	-
Dalian Puji Storage Facility Co., Ltd.	239,636,434.98	98,839,088.54	-	-	-	-1,981,514.34	-	-	-	-	-	96,857,584.20	-
Taicang Xinggang Tug Co., Ltd.	6,233,613.00	11,300,772.42	-	-	-	3,280,991.16	-	50,401.14	-6,130,105.40	-	-	8,512,059.32	-
National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連液化天然氣有限公司)	520,000,000.00	688,113,647.84	-	-	-	35,414,388.42	-	742,679.95	-101,645,136.17	-	-	632,625,580.04	-
Dalian North Oil Petroleum Logistics Co., Ltd.	60,000,000.00	75,261,880.21	-	-	-	3,441,910.68	-	-20,209.21	-9,600,000.00	-	-	69,083,561.68	-
Sno Rail Bohai Train Ferry Co., Ltd.	274,500,286.56	232,488,589.17	-	-	-	-14,321,484.03	-	-	-	-	-	218,167,105.14	-
CDC International Logistics Co., Ltd.	90,000,000.00	124,563,359.86	-	-	-	1,548,820.33	-	-	-	-	-	126,112,180.19	-
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	5,600,000.00	5,969,589.22	-	-	-5,652,442.02	-251,127.20	-	-	-60,000.00	-	-	-	-
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	180,379,539.87	-	-	-	14,341,214.57	-	78,447.22	-11,200,000.00	-	-	183,599,201.66	-
Dalian Singamas International Container Co., Ltd.	43,729,517.84	43,456,007.93	-	-	-	222,548.45	-	-26,760.71	-	-	-	43,651,805.67	-
Leiyang Electronic Port Co., Ltd.	600,000.00	645,889.47	-	-	-	23,500.00	-	-	-	-	-	669,389.47	-
China Merchants International Technology Company Limited (招商局國際科技有限公司)	66,576,800.00	88,888,932.80	-	-	-	22,469,408.53	-	-	-	-	-	111,358,341.33	-
Angang Yingkou Port Co., Ltd.	21,3224,500.00	203,954,250.73	-	-	-	11,641,050.98	-	-	-8,252,506.50	-	-	207,342,795.21	-
Sub-total	1,694,893,312.38	1,813,823,156.13	-	-	-5,652,442.02	98,184,100.30	-	824,566.39	-146,808,333.02	-	-	1,760,571,049.78	-
Total	3,584,793,052.49	3,854,128,735.24	-	-	-8,765,684.84	182,346,397.40	-	4,745,387.17	-259,017,357.48	-	-	3,773,459,477.49	8,468,465.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(3) *Change in provision for impairment of long-term equity investment is as follows:*

For the six months ended 30 June 2023 (Unaudited)

Item	Balance as at the beginning of the period	Provision for the period	Decrease in the period	Balance as at the end of the period (Unaudited)
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	8,468,465.03	–	–	8,468,465.03

2022

Item	Balance as at the beginning of the year	Provision for the year	Decrease in the year	Balance as at the end of the year
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	8,468,465.03	–	–	8,468,465.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(4) Investment in joint ventures

Name of investee	Place of registration	Nature of business	Registered capital (RMB0'000)	Shareholding percentage (%)		Voting right percentage (%)	Accounting treatment
				Direct	Indirect		
VTTI Terminals Dalian Co., Ltd.	Dalian	Construction and operation of storage tank harbor	USD28,000,000	50	-	50	Equity method
Dalian Port PetroChina International Terminal Co., Ltd.	Dalian	Oil product harbor, loading and discharging, advisory services	25,000	50	-	50	Equity method
Dalian United International Shipping Agency Co., Ltd.	Dalian	Shipping agency, shipment technical advisory services	500	-	50	50	Equity method
Dalian Vanguard International Logistics Co., Ltd.	Dalian	Storage of international containers	7,400	-	50	50	Equity method
Dalian Port Yidu Cold Chain Co., Ltd. (Note 1)	Dalian	Agency of trade warehousing and freight	52,100	-	46.64	50	Equity method
China United Tally (Dalian) Co., Ltd.	Dalian	Ship tally and others	280	50	-	50	Equity method
China Oil Dock Management (Dalian) Co., Ltd.	Dalian	Oil product dock services	1,000	49	-	49	Equity method
Dalian Dagang China Shipping Container Terminal Co., Ltd. (Note 2)	Dalian	Container dock services	1,000	-	57	57	Equity method
Dalian Jilong Logistics Co., Ltd.	Dalian	Logistics storage	7,000	-	30	30	Equity method
China United International Rail Containers (Dalian) Co., Ltd.	Dalian	International container services	53,500	-	40	40	Equity method
Odfjell Changxing Terminals (Dalian) Co., Ltd.	Dalian	Development and construction of dock and harbor warehousing facilities	5,000	40	-	40	Equity method

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(4) Investment in joint ventures (Continued)

Name of investee	Place of registration	Nature of business	Registered capital (RMB0'000)	Shareholding percentage (%)		Voting right percentage (%)	Accounting treatment
				Direct	Indirect		
Dalian Changxing Island Port Co., Ltd.	Dalian	Port services	62,000	40	–	40	Equity method
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Dalian	Bulk cargo logistics	1,000	40	–	40	Equity method
Dalian Changxing Island Port Investment and Development Co., Ltd.	Dalian	Development and construction of dock facilities	95,000	46.58	–	46.58	Equity method
China Shipping Gang Lian Co., Ltd.	Dalian	Shipping services for Hong Kong	30,000	30	–	30	Equity method
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	Dalian	Import and export of goods & technology	5,000	–	20	20	Equity method
Ha'ou International Logistics Co., Ltd.	Harbin	International freight agency	10,000	–	23	23	Equity method
Dalian Port Xiangyu Grain Logistics Co., Ltd. (Note 2)	Dalian	Freight agency	9,800	51	–	51	Equity method
Weifang Weida Container Service Co., Ltd.	Weifang	Discharging and storage	500	–	50	50	Equity method
Yingkou Container Terminals Company Limited	Yingkou	Loading and discharging of containers	800	–	50	50	Equity method
Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運有限責任公司)	Yingkou	Grain and oil storage and processing	39,315.24	–	48.3	48.3	Equity method

Note 1: Under the investment contract, the shareholder, China Development Fund Co., Ltd. (“China Development Fund”), obtains fixed income each year and does not participate in the Company’s decision-making, and thus Jifa Logistics recognises the investment income at 50% of the net profit of Dalian Port Yidu Cold Chain Co., Ltd., net of the income of China Development Fund.

Note 2: In accordance with the Company’s Articles of Association, all significant events are jointly decided by investors, and thus it is a joint venture under common control of the Group and other investors.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(5) Key financial information of important joint ventures

30 June 2023 (Unaudited)

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	VTTI Terminals Dalian Co., Ltd.	Dalian Changxing Island Port Co., Ltd.	Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運 有限責任公司)
	Current assets	318,621,545.18	122,806,113.30	423,378,333.98	12,409,429.82	81,235,343.23	63,635,649.39
Including: Cash and cash equivalents	9,699,055.83	90,107,355.22	3,641,557.04	12,491,903.42	53,673,882.42	2,348,721.88	4,330,721.46
Non-current assets	4,104,124,076.33	343,045,661.71	716,586,473.05	400,384,385.08	378,130,704.56	1,798,587,048.76	1,847,044,829.22
Total assets	4,422,745,621.51	465,851,775.01	1,139,964,807.03	412,793,814.90	459,366,047.79	1,862,222,698.15	2,241,733,880.91
Current liabilities	198,635,434.68	24,251,041.80	256,316,446.63	6,152,365.09	53,007,504.08	303,815,359.60	181,832,569.51
Non-current liabilities	3,512,210,545.98	-	85,656,086.93	-	65,223,571.41	1,290,493,659.76	1,601,815,298.07
Total liabilities	3,710,845,980.66	24,251,041.80	341,972,533.56	6,152,365.09	118,231,075.49	1,594,309,019.36	1,783,647,867.58
Net assets	711,899,640.85	441,600,733.21	797,992,273.47	406,641,449.81	341,134,972.30	267,913,678.79	458,086,013.33
Share of net assets based on shareholding percentage	331,602,852.71	176,640,293.28	398,996,136.73	203,320,724.91	170,567,486.15	107,165,471.52	221,255,544.44
Carrying amount of investment in joint ventures	331,602,852.71	176,640,293.28	398,996,136.73	203,320,724.91	170,567,486.15	107,165,471.52	221,255,544.44

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(5) Key financial information of important joint ventures (Continued)

For the six months ended 30 June 2023 (Unaudited)

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.		China United International Rail Containers (Dalian) Co., Ltd.		Dalian Port Yidu Cold Chain Co., Ltd.		Dalian Port PetroChina International Terminal VTTI Terminals Dalian Co., Ltd.		Dalian Changxing Island Port Co., Ltd.		Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運 有限責任公司)
Revenue	195,250,997.36	43,798,700.24	137,314,419.43	43,095,238.09	34,475,576.70	68,349,431.18	41,105,051.40				
Financial expenses	92,884,610.11	-810,787.43	2,516,373.12	-512,652.85	-316,805.25	45,732,217.63	4,257,884.21				
Income tax expenses	-	-	-	8,428,087.44	1,051,574.74	-	-				
Net profit/(net loss represented by "-")	-28,642,646.01	3,363,952.05	-5,289,386.12	25,128,776.52	6,696,431.38	-27,317,062.32	-25,798,983.95				
Other comprehensive income	-	-	-	-	-	-	-				
Total comprehensive income	-28,642,646.01	3,363,952.05	-5,289,386.12	25,128,776.52	6,696,431.38	-27,317,062.32	-25,798,983.95				
Dividends received from joint ventures in the period	-	-	-	35,000,000.00	25,000,000.00	-	-				

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(5) Key financial information of important joint ventures (Continued)

31 December 2022

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	VTTI Terminals Dalian Co., Ltd.	Dalian Changxing Island Port Co., Ltd.	Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運 有限責任公司)
	Current assets	323,978,885.81	113,045,553.52	428,919,008.82	50,682,907.40	113,939,146.96	64,393,302.65
Including: Cash and cash equivalents	20,572,667.44	77,130,003.58	11,802,867.86	50,609,895.19	89,809,980.35	3,955,784.67	4,257,143.37
Non-current assets	4,191,625,843.15	348,779,027.09	731,023,965.01	406,084,432.68	385,312,548.58	1,828,707,786.24	1,857,920,792.99
Total assets	4,515,604,728.96	461,824,580.61	1,159,942,973.83	456,767,340.08	499,251,695.54	1,893,101,088.89	2,274,549,813.91
Current liabilities	175,517,016.18	23,587,799.46	263,206,890.82	5,254,666.78	50,488,080.13	713,775,477.71	185,036,882.09
Non-current liabilities	3,601,230,392.92	-	93,454,423.43	-	65,262,605.63	884,751,408.60	1,605,627,934.53
Total liabilities	3,776,747,409.10	23,587,799.46	356,661,314.25	5,254,666.78	115,750,685.76	1,598,526,886.31	1,790,664,816.62
Net assets	738,857,319.86	438,236,781.15	803,281,659.58	451,512,673.30	383,501,009.78	294,574,202.58	483,884,997.29
Share of net assets based on shareholding percentage	344,159,739.59	175,294,712.46	401,640,829.79	225,756,336.65	191,750,504.89	117,829,681.03	233,716,453.69
Carrying amount of investment in joint ventures	344,159,739.59	175,294,712.46	401,640,829.79	225,756,336.65	191,750,504.89	117,829,681.03	233,716,453.69

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(5) Key financial information of important joint ventures (Continued)

For the six months ended 30 June 2022 (Unaudited)

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	VTTI Terminals Dalian Co., Ltd.	Dalian Changxing Island Port Co., Ltd.	Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運 有限責任公司)
	Revenue	232,873,464.69	51,162,598.04	232,747,973.96	43,095,238.09	57,009,468.12	102,875,474.80
Financial expenses	110,540,285.95	-463,776.73	2,934,654.03	-562,198.62	-308,195.04	47,761,590.41	4,570,509.70
Income tax expenses	-	-	7,249,546.85	7,963,593.99	6,524,320.55	-	-
Net profit/("-" for net loss)	-13,368,027.22	7,029,525.52	41,080,765.53	23,779,224.87	22,063,247.88	-3,844,640.25	4,528,476.13
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-13,368,027.22	7,029,525.52	41,080,765.53	23,779,224.87	22,063,247.88	-3,844,640.25	4,528,476.13
Dividends received from joint ventures in the period	-	-	-	35,000,000.00	10,000,000.00	-	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(6) Interests in associates

Name of investee	Place of registration	Business nature	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage (%)	Accounting treatment
				Direct	Indirect		
Dalian Puji Storage Facility Co., Ltd.	Dalian	Other storage services	USD80,000,000	-	40	40	Equity method
Dalian Petro China International Warehousing and Transportation Co., Ltd.	Dalian	Crude oil tank leasing services	10,000	20	-	20	Equity method
Taicang Xinggang Tug Co., Ltd.	Suzhou	Vessel tugging services	1,349.51	42.86	-	42.86	Equity method
National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連液化天然氣有限公司)	Dalian	LNG related services	260,000	20	-	20	Equity method
Dalian North Oil Petroleum Logistics Co., Ltd.	Dalian	Oil Petroleum Logistics related services	30,000	20	-	20	Equity method
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Dalian	Engineering testing	500	-	40	40	Equity method
Sino Rail Bohai Train Ferry Co., Ltd.	Yantai	Ferry transportation	120,000	17.5	-	17.5	Equity method
CDC International Logistics Co., Ltd.	Wuhu	International freight agency	30,000	30	-	30	Equity method
Dalian Automobile Terminal Co., Ltd.	Dalian	Domestic and international import and export, discharging and storage services	40,000	32	-	32	Equity method
Dalian Singamas International Container Co., Ltd.	Dalian	Container services	USD13,250,000	-	43.63	43.63	Equity method
Liaoning Electronic Port Co., Ltd.	Dalian	Computer system services, data processing, etc.	1,200	-	5	5	Equity method
China Merchants International Technology Company Limited (招商局國際科技有限公司)	Dalian	Computer system services, data processing, etc.	8,784.82	-	35.64	35.64	Equity method
Angang Yingkou Port Co., Ltd.	Yingkou	Port engineering construction, loading, unloading and handling	80,154.58	-	20	20	Equity method

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(7) Key financial information of important associates

30 June 2023 (Unaudited)

Item	National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連 液化天然氣有限公司)	CDC International Logistics Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Angang Yingkou Port Co., Ltd.
	Current assets	1,312,162,256.79	728,025,674.73	181,863,715.68	15,791,432.41	168,539,700.91
Non-current assets	1,819,266,842.28	619,120,706.00	1,361,557,636.39	372,469,683.31	539,021,303.16	399,059,999.59
Total assets	3,131,429,099.07	1,347,146,380.73	1,543,421,352.07	388,261,115.72	707,561,004.07	1,139,235,206.81
Current liabilities	84,576,781.90	669,345,214.52	55,891,869.15	11,740,368.61	119,063,017.51	69,093,360.78
Non-current liabilities	0.01	167,459,550.65	251,928,833.36	79,000,000.00	-	-
Total liabilities	84,576,781.91	836,804,765.17	307,820,702.51	90,740,368.61	119,063,017.51	69,093,360.78
Minority interests	-	84,409,217.93	-	-	-	-
Equity attributable to shareholders of the parent company	3,046,852,317.16	425,932,397.63	1,235,600,649.56	297,520,747.11	588,497,986.56	1,070,141,846.03
Share of net assets based on shareholding percentage	609,370,463.43	127,779,719.29	216,230,113.67	119,008,298.84	188,319,355.70	214,028,369.21
Adjustments	-	-	-	-21,996,160.98	2,453,618.25	-
Carrying amount of investment in associates	609,370,463.43	127,779,719.29	216,230,113.67	97,012,137.86	190,772,973.95	214,028,369.21

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(7) Key financial information of important associates (continued)

For the six months ended 30 June 2023 (Unaudited)

Item	National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連 液化天然氣有限公司)	CDC International Logistics Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Angang Yingkou Port Co., Ltd.
	Revenue	233,069,544.05	629,834,676.45	237,676,086.67	24,389,992.25	82,749,906.90
Financial expenses	51,111.03	7,281,487.13	4,476,140.94	2,052,816.60	-456,237.83	-9,205,037.60
Income tax expenses	26,670,031.33	2,562,980.41	89,064.72	-	7,541,617.57	9,891,570.54
Net profit/("-" for net loss)	39,730,303.22	5,558,463.68	-11,145,630.83	386,384.15	21,751,549.06	33,427,870.02
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	39,730,303.22	5,558,463.68	-11,145,630.83	386,384.15	21,751,549.06	33,427,870.02
Dividends received from associates in the period	31,642,716.53	-	-	-	-	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(7) Key financial information of important associates (continued)

31 December 2022

Item	National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連 液化天然氣有限公司)	CDC International Logistics Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Angang Yingkou Port Co., Ltd.
Current assets	1,344,967,157.16	792,451,352.80	195,179,970.50	14,080,873.12	153,398,256.54	683,493,438.15
Non-current assets	1,919,625,264.11	552,341,188.77	1,415,738,567.41	387,267,425.20	546,472,781.21	413,479,438.92
Total assets	3,264,592,421.27	1,344,792,541.57	1,610,918,537.91	401,348,298.32	699,871,037.75	1,096,972,877.07
Current liabilities	100,221,946.01	642,521,483.80	62,270,532.34	7,991,831.43	133,791,089.59	60,258,901.02
Non-current liabilities	1,242,575.07	196,831,041.89	301,978,833.34	96,000,000.00	-	-
Total liabilities	101,464,521.08	839,352,525.69	364,249,365.68	103,991,831.43	133,791,089.59	60,258,901.02
Minority interests	-	85,066,081.91	-	-	-	-
Equity attributable to shareholders of the parent company	3,163,127,900.19	420,373,933.97	1,246,669,172.23	297,356,466.89	566,079,948.16	1,036,713,976.05
Share of net assets based on shareholding percentage	632,625,580.04	126,112,180.19	218,167,105.14	118,942,586.76	181,145,583.41	207,342,795.21
Adjustments	-	-	-	-22,085,002.56	2,453,618.25	-
Carrying amount of investment in associates	632,625,580.04	126,112,180.19	218,167,105.14	96,857,584.20	183,599,201.66	207,342,795.21

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(7) Key financial information of important associates (continued)

For the six months ended 30 June 2022 (Unaudited)

Item	National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連 液化天然氣有限公司)	CDC International Logistics Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Angang Yingkou Port Co., Ltd.
Revenue	341,040,714.40	619,876,352.74	240,025,520.71	20,958,387.37	104,372,648.09	165,640,013.49
Financial expenses	34,363.37	11,531,257.36	5,904,107.83	3,253,392.36	-583,428.37	-6,387,392.77
Income tax expenses	46,405,423.14	-	2,703,732.39	-	5,459,076.88	7,713,230.69
Net profit/"-" for net loss	142,816,108.60	-16,280,033.28	-42,250,583.25	-4,899,307.80	16,284,119.74	21,205,254.89
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	142,816,108.60	-16,280,033.28	-42,250,583.25	-4,899,307.80	16,284,119.74	21,205,254.89
Dividends received from associates in the period	-	-	-	-	-	8,252,506.50

(8) Summary information of other unimportant joint ventures and associates

Item	30 June 2023 (Unaudited)	31 December 2022
Joint ventures:		
Aggregate carrying amount of investments	324,213,816.78	322,720,169.61
Aggregate amount of the following items calculated in the Group's equity proportion		
Net profit	11,405,207.34	31,383,196.17
Other comprehensive income	-	-
Total comprehensive income	11,405,207.34	31,383,196.17
Associates:		
Aggregate carrying amount of investments	261,163,808.60	295,866,603.34
Aggregate amount of the following items calculated in the Group's equity proportion		
Net profit	15,804,893.09	51,541,624.37
Other comprehensive income	-	-
Total comprehensive income	15,804,893.09	51,541,624.37

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

11. Investments in other equity instruments

Item	Changes in fair value accumulated in other comprehensive income	30 June 2023 (Unaudited)	31 December 2022	Dividend income	Reason for being designated as investments in other equity instruments
Jinzhou New Age Container Terminal Co., Ltd.	53,156,079.76	105,999,713.76	88,664,785.91	–	Non-trading equity instrument and
Qinhuangdao Port Xingangwan Container Terminal Co., Ltd.	-12,730,048.03	47,269,951.97	44,692,471.65	–	will not be sold in foreseeable future
Dalian Port Design and Research Institute Co., Ltd.	4,068,498.46	4,703,098.46	6,763,566.58	533,600.00	
Da-In Ferry Co., Ltd.	3,623,256.67	5,523,314.17	6,304,107.79	–	
Dalian Xin Beiliang Co., Ltd.	-7,785,802.24	8,398,597.76	10,444,714.67	–	
Total	40,331,984.62	171,894,676.12	156,869,646.60	533,600.00	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

12. Investment properties

Investment properties measured at cost

For the six months ended 30 June 2023 (Unaudited)

Item	Buildings	Land use rights	Terminal facilities	Total
I. Original value				
Opening	188,277,878.60	49,020,298.36	100,893,640.92	338,191,817.88
Transfer from fixed assets	2,249,831.60	-	-	2,249,831.60
Transfer to intangible assets	-	-	-	-
Closing	190,527,710.20	49,020,298.36	100,893,640.92	340,441,649.48
II. Accumulated depreciation and accumulated amortisation				
Opening	92,703,631.63	15,531,070.62	61,481,217.52	169,715,919.77
Provision for the period	2,677,128.91	543,842.98	2,904,081.11	6,125,053.00
Transfer from fixed assets	1,916,671.47	-	-	1,916,671.47
Transfer to intangible assets	-	-	-	-
Closing	97,297,432.01	16,074,913.60	64,385,298.63	177,757,644.24
III. Provision for impairment				
Opening	-	-	-	-
Closing	-	-	-	-
IV. Net amount				
Opening	95,574,246.97	33,489,227.74	39,412,423.40	168,475,898.11
Closing	93,230,278.19	32,945,384.76	36,508,342.29	162,684,005.24

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

12. Investment properties (continued)

Investment properties measured at cost (continued)

2022

Item	Buildings	Land use rights	Terminal facilities	Total
I. Original value				
Opening	182,714,220.80	49,038,994.53	100,893,640.92	332,646,856.25
Transfer from fixed assets	5,563,657.80	–	–	5,563,657.80
Transfer to intangible assets	–	18,696.17	–	18,696.17
Closing	188,277,878.60	49,020,298.36	100,893,640.92	338,191,817.88
II. Accumulated depreciation and accumulated amortisation				
Opening	80,169,181.19	14,446,696.55	53,594,785.17	148,210,662.91
Provision for the year	7,270,379.44	1,090,750.72	7,886,432.35	16,247,562.51
Transfer from fixed assets	5,264,071.00	–	–	5,264,071.00
Transfer to intangible assets	–	6,376.65	–	6,376.65
Closing	92,703,631.63	15,531,070.62	61,481,217.52	169,715,919.77
III. Provision for impairment				
Opening	–	–	–	–
Closing	–	–	–	–
IV. Net amount				
Opening	102,545,039.61	34,592,297.98	47,298,855.75	184,436,193.34
Closing	95,574,246.97	33,489,227.74	39,412,423.40	168,475,898.11

13. Fixed assets

Item	30 June 2023 (Unaudited)	31 December 2022
Fixed assets	30,235,191,008.79	30,687,870,142.06
Disposal of fixed assets	2,886,813.54	6,447,501.72
Total	30,238,077,822.33	30,694,317,643.78

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

13. Fixed assets (continued)

(1) Fixed assets

1) Breakdown of fixed assets

For the six months ended 30 June 2023 (Unaudited)

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Total
I. Original book value					
Opening balance	3,506,944,318.28	34,183,250,219.90	4,146,276,902.77	11,864,289,171.51	53,700,760,612.46
Purchase	15,596.22	39,861,145.64	146,017.70	32,134,083.86	72,156,843.42
Transfer from construction in progress	166,989.50	4,524,979.55	1,113,330.10	366,638,295.75	372,443,594.90
Disposal or obsolescence	99,798.08	34,228.47	2,702,269.34	3,874,654.57	6,710,950.46
Transfer to investment properties	2,249,831.60	-	-	-	2,249,831.60
Closing balance	3,504,777,274.32	34,227,602,116.62	4,144,833,981.23	12,259,186,896.55	54,136,400,268.72
II. Accumulated depreciation					
Opening balance	1,243,993,743.56	11,417,459,470.90	2,308,525,633.62	7,997,919,008.80	22,967,897,856.88
Provision	77,494,074.74	462,639,454.29	91,288,278.26	265,147,448.32	896,569,255.61
Disposal or obsolescence	96,238.03	32,698.44	2,567,155.87	3,637,702.27	6,333,794.61
Transfer to investment properties	1,916,671.47	-	-	-	1,916,671.47
Closing balance	1,319,474,908.80	11,880,066,226.75	2,397,246,756.01	8,259,428,754.85	23,856,216,646.41

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

1) Breakdown of fixed assets (continued)

For the six months ended 30 June 2023 (Unaudited) (continued)

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Total
III. Provision for impairment					
Opening balance	-	44,992,613.52	-	-	44,992,613.52
Closing balance	-	44,992,613.52	-	-	44,992,613.52
IV. Carrying amount					
Opening	2,262,950,574.72	22,720,798,135.48	1,837,751,269.15	3,866,370,162.71	30,687,870,142.06
Closing	2,185,302,365.52	22,302,543,276.35	1,747,587,225.22	3,999,758,141.70	30,235,191,008.79
Pledged net assets at the end of period	-	-	-	-	-

Note: Some of the assets of DCT Logistics, a subsidiary of the Company, were seized, frozen and detained by the major warehousing client due to its involvement in lawsuits. As at 30 June 2023, its fixed assets with a carrying amount of RMB59,031,904.41 (31 December 2022: RMB60,935,935.77) were seized. Please refer to Note IX. 22 and Note XIII. 1.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

1) Breakdown of fixed assets (continued)

2022

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Total
I. Original book value					
Opening balance	3,491,142,211.13	33,754,209,044.88	4,230,348,895.26	11,456,965,775.37	52,932,665,926.64
Purchase	2,160,036.92	5,267,371.27	8,658,512.23	91,968,609.45	108,054,529.87
Transfer from construction in progress	19,205,728.03	423,774,963.75	14,918,440.95	363,846,545.11	821,745,677.84
Disposal or obsolescence	-	1,160.00	107,648,945.67	48,491,758.42	156,141,864.09
Transfer to investment properties	5,563,657.80	-	-	-	5,563,657.80
Closing balance	3,506,944,318.28	34,183,250,219.90	4,146,276,902.77	11,864,289,171.51	53,700,760,612.46
II. Accumulated depreciation					
Opening balance	1,087,207,078.18	10,478,143,767.16	2,226,625,737.91	7,483,855,659.71	21,275,832,242.96
Provision	162,050,736.38	939,316,826.62	183,679,523.68	560,155,410.30	1,845,202,496.98
Disposal or obsolescence	-	1,122.88	101,779,627.97	46,092,061.21	147,872,812.06
Transfer to investment properties	5,264,071.00	-	-	-	5,264,071.00
Closing balance	1,243,993,743.56	11,417,459,470.90	2,308,525,633.62	7,997,919,008.80	22,967,897,856.88

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

1) Breakdown of fixed assets (continued)

2022 (continued)

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Total
III. Provision for impairment					
Opening balance	-	44,992,613.52	-	-	44,992,613.52
Closing balance	-	44,992,613.52	-	-	44,992,613.52
IV. Carrying amount					
Opening	2,403,935,132.95	23,231,072,664.20	2,003,723,157.35	3,973,110,115.66	31,611,841,070.16
Closing	2,262,950,574.72	22,720,798,135.48	1,837,751,269.15	3,866,370,162.71	30,687,870,142.06
Pledged net assets at the end of year	-	-	-	-	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

2) Fixed assets leased out under operating leases

For the six months ended 30 June 2023 (Unaudited)

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Total
I. Original book value					
Opening balance	10,223,543.48	1,416,776,934.28	1,098,991,377.52	548,416,345.10	3,074,408,200.38
Increase in the period	2,968,310.77	24,690,161.13	2,099,179.35	44,728,390.25	74,486,041.50
Decrease in the period	330,182.94	21,770,011.46	13,983,970.00	7,410,550.74	43,494,715.14
Closing balance	12,861,671.31	1,419,697,083.95	1,087,106,586.87	585,734,184.61	3,105,399,526.74
II. Accumulated depreciation					
Opening balance	4,440,771.14	721,381,984.98	519,502,176.84	418,846,502.04	1,664,171,435.00
Increase in the period	455,702.21	19,625,309.06	24,213,660.61	23,549,489.72	67,844,161.60
Decrease in the period	135,444.70	18,809,302.18	13,284,771.50	7,271,906.03	39,501,424.41
Closing balance	4,761,028.65	722,197,991.86	530,431,065.95	435,124,085.73	1,692,514,172.19
III. Carrying amount					
Opening	5,782,772.34	695,394,949.30	579,489,200.68	129,569,843.06	1,410,236,765.38
Closing	8,100,642.66	697,499,092.09	556,675,520.92	150,610,098.88	1,412,885,354.55

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

2) Fixed assets leased out under operating leases (continued)

2022

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Total
I. Original book value					
Opening balance	10,474,788.54	1,419,329,338.57	1,069,857,795.91	513,762,717.52	3,013,424,640.54
Increase in the year	1,340,053.51	2,234,756.22	55,778,913.82	54,697,877.45	114,051,601.00
Decrease in the year	1,591,298.57	4,787,160.51	26,645,332.21	20,044,249.87	53,068,041.16
Closing balance	10,223,543.48	1,416,776,934.28	1,098,991,377.52	548,416,345.10	3,074,408,200.38
II. Accumulated depreciation					
Opening balance	4,228,457.36	693,933,797.68	456,874,197.73	382,309,456.02	1,537,345,908.79
Increase in the year	911,040.92	29,223,064.08	85,863,226.78	54,256,305.92	170,253,637.70
Decrease in the year	698,727.14	1,774,876.78	23,235,247.67	17,719,259.90	43,428,111.49
Closing balance	4,440,771.14	721,381,984.98	519,502,176.84	418,846,502.04	1,664,171,435.00
III. Carrying amount					
Opening	6,246,331.18	725,395,540.89	612,983,598.18	131,453,261.50	1,476,078,731.75
Closing	5,782,772.34	695,394,949.30	579,489,200.68	129,569,843.06	1,410,236,765.38

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

3) Fixed assets pending certificates of ownership

Item	30 June 2023 (Unaudited)	31 December 2022
Buildings	844,539,694.02	867,187,834.70

4) Others

Item	Amount (Unaudited)
1. Original value of fixed assets fully depreciated at the end of the period but still in use	5,636,198,361.68
2. Disposal and retirement of fixed assets in the period	
(1) Original value of fixed assets disposed and retired in the period	6,710,950.46
(2) Net value of fixed assets disposed and retired in the period	377,155.85
(3) Gains and losses from disposal and retirement of fixed assets in the period	3,443,109.33

(2) Disposal of fixed assets

Item	30 June 2023 (Unaudited)	31 December 2022
Port and terminal facilities	163,986.76	163,986.76
Automobiles and ships	75,342.19	1,130,866.83
Machinery, furniture, appliances and other equipment	2,647,484.59	5,152,648.13
Total	2,886,813.54	6,447,501.72

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

14. Construction in progress

(1) Construction in progress

Item	30 June 2023 (Unaudited)			31 December 2022		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Dayao Bay No. 13-16 Berths in Phase II	722,465,600.62	-	722,465,600.62	722,465,600.62	-	722,465,600.62
No. 19-21 Berths Construction in Progress	519,858,654.93	-	519,858,654.93	519,858,654.93	-	519,858,654.93
Xingang No. 18-21 Berths	351,516,342.18	-	351,516,342.18	351,516,342.18	-	351,516,342.18
Dayao Bay North Shore Automotive Logistics Centre	148,898,592.13	-	148,898,592.13	148,898,592.13	-	148,898,592.13
Others	243,415,880.67	8,942,675.89	234,473,204.78	513,920,260.87	8,942,675.89	504,977,584.98
Total	1,986,155,070.53	8,942,675.89	1,977,212,394.64	2,256,659,450.73	8,942,675.89	2,247,716,774.84

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

14. Construction in progress (continued)

(2) Book balance and changes of construction in progress at the end of the period

For the six months ended 30 June 2023 (Unaudited)

Item	Budget	Opening balance	Additions in the period	Transferred to fixed assets, intangible assets, investment properties and long-term prepaid expenses	Impact of change in scope of combination	Other decreases	Closing balance	% of investment to budget	% of construction progress	Accumulative amount of capitalized interests in the period	Including: Interests capitalized in the period	Capitalisation rate (%)	Source of funds
Dayao Bay No. 13-16 Berths in Phase II	3,783,000,000.00	722,465,600.62	-	-	-	-	722,465,600.62	93	93	237,311,095.64	-	-	Self-owned funds, loans from financial institutions and other sources
No.19-21 Berths Construction in Progress	2,516,823,200.00	519,858,654.93	-	-	-	-	519,858,654.93	21	21	70,396,661.32	-	-	Self-owned funds and loans from financial institutions
Xingang No. 18-21 Berths	413,770,000.00	351,516,342.18	-	-	-	-	351,516,342.18	86	86	83,622,029.54	-	-	Loans from financial institutions and other sources
Dayao Bay North Shore Automotive Logistics Centre	450,000,000.00	148,898,592.13	-	-	-	-	148,898,592.13	33	33	8,054,440.28	-	-	Self-owned funds and loans from financial institutions
Others	998,643,289.18	504,977,584.98	102,789,356.21	373,293,736.41	-	-	234,473,204.78	-	-	6,090,158.98	-	-	
Total	8,161,236,489.18	2,247,716,774.84	102,789,356.21	373,293,736.41	-	-	1,977,212,394.64	-	-	405,374,385.76	-	-	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

14. Construction in progress (continued)

(2) Book balance and changes of construction in progress at the end of the period (continued)

2022

Item	Budget	Opening balance	Additions in the year	Transferred to fixed assets, intangible assets, investment properties and long-term prepaid expenses	Impact of change in scope of combination	Provision for impairment	Closing balance	% of investment to budget	Progress of construction (%)	Accumulative amount of capitalized interests	Including: Interests capitalized in current year	Capitalisation rate (%)	Source of funds
Dayao Bay No. 18-16 Berths in Phase II	3,783,000,000.00	722,465,600.62	-	-	-	-	722,465,600.62	93	93	237,311,095.64	-	-	Self-owned funds; loans from financial institutions and other sources
No.19-21 Berths Construction in Progress	2,515,823,200.00	520,158,654.93	590,000.00	890,000.00	-	-	519,888,654.93	21	21	70,396,661.32	-	-	Self-owned funds and loans from financial institutions
Xingang No. 18-21 Berths	413,770,000.00	351,516,342.18	-	-	-	-	351,516,342.18	86	86	83,522,029.54	-	-	Loans from financial institutions and other sources
Dayao Bay North Shore Automotive Logistics Centre	450,000,000.00	148,898,592.13	-	-	-	-	148,898,592.13	33	33	8,054,440.28	-	-	Self-owned funds and loans from financial institutions
Renovation of No. 59-60 Berths	1,201,126,300.00	559,801,186.70	124,630,745.67	684,431,904.37	-	-	-	100	100	-	-	-	Self-owned funds
Others	1,225,769,810.65	394,609,189.45	284,163,704.71	164,852,693.29	-	8,942,675.89	504,977,594.98	-	-	6,090,158.99	-	-	
Total	9,599,489,310.65	2,697,449,538.01	409,394,450.38	850,174,537.66	-	8,942,675.89	2,247,716,774.84	-	-	405,374,385.76	-	-	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

15. Right-of-use assets

For the six months ended 30 June 2023 (Unaudited)

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Others	Total
I. Original value						
Opening balance	146,673,804.28	3,858,349,659.84	3,767,170.10	2,120,525.96	1,646,573,596.25	5,657,484,756.43
Increase in the period	18,929,706.41	-	-	-	-	18,929,706.41
Decrease in the period	-	12,948,822.25	249,277.72	-	-	13,198,099.97
Closing balance	165,603,510.69	3,845,400,837.59	3,517,892.38	2,120,525.96	1,646,573,596.25	5,663,216,362.87
II. Accumulated depreciation						
Opening balance	49,512,086.24	406,696,337.20	834,455.11	462,423.72	224,489,127.16	681,994,429.43
Increase in the period	8,925,628.57	82,503,170.26	264,246.64	231,211.92	28,826,216.68	120,750,474.07
Decrease in the period	-	-	249,277.72	-	-	249,277.72
Closing balance	58,437,714.81	489,199,507.46	849,424.03	693,635.64	253,315,343.84	802,495,625.78
III. Provision for impairment						
Opening balance	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
IV. Net amount						
Opening balance	97,161,718.04	3,451,653,322.64	2,932,714.99	1,658,102.24	1,422,084,469.09	4,975,490,327.00
Closing balance	107,165,795.88	3,356,201,330.13	2,668,468.35	1,426,890.32	1,393,258,252.41	4,860,720,737.09

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

15. Right-of-use assets (continued)

2022

Item	Buildings	Port and terminal facilities	Automobiles and ships	Machinery, furniture, appliances and other equipment	Others	Total
I. Original value						
Opening balance	143,108,934.98	3,376,922,803.94	4,536,482.08	–	1,384,685,719.38	4,909,253,940.38
Increase in the year	13,585,664.24	1,031,802,091.61	848,826.89	2,120,525.96	271,050,993.77	1,319,408,102.47
Decrease in the year	10,020,794.94	550,375,235.71	1,618,138.87	–	9,163,116.90	571,177,286.42
Closing balance	146,673,804.28	3,858,349,659.84	3,767,170.10	2,120,525.96	1,646,573,596.25	5,657,484,756.43
II. Accumulated depreciation						
Opening balance	34,258,297.75	291,772,006.11	1,328,239.77	–	167,429,049.03	494,787,592.66
Increase in the year	18,199,547.26	166,290,017.65	661,438.06	462,423.72	59,702,573.69	245,316,000.38
Decrease in the year	2,945,758.77	51,365,686.56	1,155,222.72	–	2,642,495.56	58,109,163.61
Closing balance	49,512,086.24	406,696,337.20	834,455.11	462,423.72	224,489,127.16	681,994,429.43
III. Provision for impairment						
Opening balance	–	–	–	–	–	–
Closing balance	–	–	–	–	–	–
IV. Net amount						
Opening balance	108,850,637.23	3,085,150,797.83	3,208,242.31	–	1,217,256,670.35	4,414,466,347.72
Closing balance	97,161,718.04	3,451,653,322.64	2,932,714.99	1,658,102.24	1,422,084,469.09	4,975,490,327.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

16. Intangible assets

For the six months ended 30 June 2023 (Unaudited)

Item	Land use rights	Software	Port facility use rights	Others	Total
I. Original book value					
1. Opening balance	6,054,637,275.03	342,623,116.50	407,216,152.62	66,086,080.90	6,870,562,625.05
2. Increase in the period					
(1) Additions	-	-	-	-	-
(2) Increase in scope of combination	-	-	-	-	-
(3) Transfer from construction in progress	-	850,141.51	-	-	850,141.51
(4) Transfer from investment properties	-	-	-	-	-
3. Decrease in the period					
(1) Disposal	-	200,000.00	-	-	200,000.00
(2) Decrease in scope of combination	-	-	-	-	-
(3) Transfer to investment properties	-	-	-	-	-
(4) Other decreases	-	-	-	-	-
4. Closing balance	6,054,637,275.03	343,273,258.01	407,216,152.62	66,086,080.90	6,871,212,766.56
II. Accumulated amortisation					
1. Opening balance	940,848,632.96	220,709,693.60	151,851,759.38	66,086,080.90	1,379,496,166.84
2. Increase in the period					
(1) Provision	74,754,017.11	9,944,713.50	4,660,184.40	-	89,358,915.01
(2) Transfer from investment properties	-	-	-	-	-
3. Decrease in the period					
(1) Disposal	-	200,000.00	-	-	200,000.00
(2) Decrease in scope of combination	-	-	-	-	-
(3) Transfer to investment properties	-	-	-	-	-
4. Closing balance	1,015,602,650.07	230,454,407.10	156,511,943.78	66,086,080.90	1,468,655,081.85

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

16. Intangible assets (Continued)

For the six months ended 30 June 2023 (Unaudited) (Continued)

Item	Land use rights	Software	Port facility use rights	Others	Total
III. Provision for impairment					
1. Opening balance	-	-	-	-	-
2. Increase in the period	-	-	-	-	-
3. Decrease in the period	-	-	-	-	-
4. Closing balance	-	-	-	-	-
IV. Carrying amount					
1. Closing balance	5,039,034,624.96	112,818,850.91	250,704,208.84	-	5,402,557,684.71
2. Opening balance	5,113,788,642.07	121,913,422.90	255,364,393.24	-	5,491,066,458.21
Pledged net assets at the end of the period	-	-	-	-	-

Note: Some of the assets of DCT Logistics, a subsidiary of the Company, were seized, frozen and detained by the major warehousing client due to its involvement in lawsuits. As at 30 June 2023, its intangible assets with a carrying amount of RMB21,352,116.44 were seized (31 December 2022: RMB21,675,825.44). Please refer to Note IX.22 and Note XIII.1.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

16. Intangible assets (continued)

2022

Item	Land use rights	Software	Port facility use rights	Others	Total
I. Original book value					
1. Opening balance	6,056,618,578.86	294,843,892.55	407,216,152.62	66,086,080.90	6,824,764,704.93
2. Increase in the year					
(1) Additions	-	4,570,364.13	-	-	4,570,364.13
(2) Transfer from construction in progress	-	28,428,859.82	-	-	28,428,859.82
(3) Transfer from investment properties	18,696.17	-	-	-	18,696.17
(4) Transfer from development expenditure	-	14,780,000.00	-	-	14,780,000.00
3. Decrease in the year					
(1) Disposal	-	-	-	-	-
(2) Decrease in change of scope of combination	-	-	-	-	-
(3) Transfer to investment properties	-	-	-	-	-
(4) Other decreases	2,000,000.00	-	-	-	2,000,000.00
4. Closing balance	6,054,637,275.03	342,623,116.50	407,216,152.62	66,086,080.90	6,870,562,625.05
II. Accumulated amortisation					
1. Opening balance	790,854,401.08	201,913,413.01	142,258,277.30	64,901,066.15	1,199,927,157.54
2. Increase in the year					
(1) Provision	149,987,855.23	18,796,280.59	9,593,482.08	1,185,014.75	179,562,632.65
(2) Increase in change of scope of combination	-	-	-	-	-
(3) Transfer from investment properties	6,376.65	-	-	-	6,376.65
3. Decrease in the year					
(1) Disposal	-	-	-	-	-
(2) Decrease in change of scope of combination	-	-	-	-	-
(3) Transfer to investment properties	-	-	-	-	-
4. Closing balance	940,848,632.96	220,709,693.60	151,851,759.38	66,086,080.90	1,379,496,166.84

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

16. Intangible assets (continued)

2022 (continued)

Item	Land use rights	Software	Port facility use rights	Others	Total
III. Provision for impairment					
1. Opening balance	-	-	-	-	-
2. Increase in the year	-	-	-	-	-
3. Decrease in the year	-	-	-	-	-
4. Closing balance	-	-	-	-	-
IV. Carrying amount					
1. Closing balance	5,113,788,642.07	121,913,422.90	255,364,393.24	-	5,491,066,458.21
2. Opening balance	5,265,764,177.78	92,930,479.54	264,957,875.32	1,185,014.75	5,624,837,547.39
Pledged net assets at the end of the year	-	-	-	-	-

The Group's management believes that no provision for impairment of intangible assets is required at the balance sheet date.

As at 30 June 2023, the intangible assets for which the certificate of title had not been obtained are as follows:

Item	30 June 2023 (Unaudited) Carrying amount	31 December 2022 Carrying amount
Land use rights	3,349,716.02	3,407,469.74

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

17. Development expenditure

For the six months ended 30 June 2023 (Unaudited)

Item	Opening balance	Impact of change in scope of combination	Increase in the period		Decrease in the period			Affected amount of translation of foreign currency financial statements	Closing balance (Unaudited)
			Internal development expenditure	Others	Transfer to intangible assets	Included in current profit or loss	Others		
Research and development of smart terminal	12,684,691.00	-	-	-	-	-	-	-	12,684,691.00
Others	-	-	193,750.00	83,132.29	-	276,882.29	-	-	-
Total	12,684,691.00	-	193,750.00	83,132.29	-	276,882.29	-	-	12,684,691.00

2022

Item	Opening balance	Impact of change in scope of combination	Increase in the year		Decrease in the year			Affected amount of translation of foreign currency financial statements	Closing balance
			Internal development expenditure	Others	Transfer to intangible assets	Included in current profit or loss	Others		
Research and development of smart terminal	13,695,980.00	-	-	13,768,711.00	14,780,000.00	-	-	-	12,684,691.00
Others	-	-	3,832,415.04	1,854,763.81	-	5,687,178.85	-	-	-
Total	13,695,980.00	-	3,832,415.04	15,623,474.81	14,780,000.00	5,687,178.85	-	-	12,684,691.00

The proportion of development expenditure in current period to the total research and development expenditure of the period was 18.61% (2022: 70.77%). No intangible assets generated from the Company's internal research and development in the period (2022: RMB14,780,000.00).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

18. Goodwill

(1) *The breakdown of goodwill is as follows:*

For the six months ended 30 June 2023 (Unaudited)

Investee	Source	Opening balance	Increase in the period	Decrease in the period	Closing balance
Liaoning Con-Rail International logistics Co., Ltd.	Corporate combination	4,398,401.85	-	-	4,398,401.85
Dalian Jiyi Logistics Co., Ltd.	Corporate combination	2,397,589.82	-	-	2,397,589.82
DCT Logistics	Corporate combination	6,218,460.29	-	-	6,218,460.29
Yingkou Ltd.	Corporate combination	219,133,513.00	-	-	219,133,513.00
Coal business, barge business and hydropower business in Yingkou Port Group	Business combination	97,144,359.35	-	-	97,144,359.35
Total		329,292,324.31	-	-	329,292,324.31
Provision for impairment of goodwill		103,362,819.64	-	-	103,362,819.64
Total net goodwill		225,929,504.67	-	-	225,929,504.67

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

18. Goodwill (continued)

(1) The breakdown of goodwill is as follows: (continued)

2022

Investee	Source	Opening balance	Increase in the year	Decrease in the year	Closing balance
Liaoning Con-Rail International logistics Co., Ltd.	Corporate combination	4,398,401.85	-	-	4,398,401.85
Dalian Jiyi Logistics Co., Ltd.	Corporate combination	2,397,589.82	-	-	2,397,589.82
DCT Logistics	Corporate combination	6,218,460.29	-	-	6,218,460.29
Yingkou Ltd.	Corporate combination	219,133,513.00	-	-	219,133,513.00
Coal business, barge business and hydropower business in Yingkou Port Group	Business combination	97,144,359.35	-	-	97,144,359.35
Total		329,292,324.31	-	-	329,292,324.31
Provision for impairment of goodwill		103,362,819.64	-	-	103,362,819.64
Total net goodwill		225,929,504.67	-	-	225,929,504.67

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

18. Goodwill (continued)

(2) Details of provision for impairment of goodwill are as follows:

For the six months ended 30 June 2023 (Unaudited)

Item	Opening balance	Provision for the period	Decrease for the period	Closing balance
DCT Logistics	6,218,460.29	-	-	6,218,460.29
Coal business, barge business and hydropower business in Yingkou Port Group	97,144,359.35	-	-	97,144,359.35
Total	103,362,819.64	-	-	103,362,819.64

2022

Item	Opening balance	Provision for the year	Decrease for the year	Closing balance
DCT Logistics	6,218,460.29	-	-	6,218,460.29
Coal business, barge business and hydropower business in Yingkou Port Group	97,144,359.35	-	-	97,144,359.35
Total	103,362,819.64	-	-	103,362,819.64

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (Continued)

18. Goodwill (continued)

(2) Details of provision for impairment of goodwill are as follows: (continued)

The measurement basis for the recoverable amount of the above asset group is as follows:

The recoverable amount of the asset group (Liaoning Con-Rail International Logistics Co., Ltd., Dalian Jiyi Logistics Co., Ltd. and Yingkou Ltd.) was determined according to the present value of expected future cash flows of the asset group. The expected future cash flows were based on financial budgets covering a five-year period approved by management. Cash flows beyond the five-year period are estimated on the basis of fixed growth rate (as described in the table below), and calculated using cash flows expectation method. The main assumptions for the recoverable amount for such asset groups are as follows:

	Liaoning Con- Rail International Logistics Co., Ltd.	Dalian Jiyi Logistics Co., Ltd.	Yingkou Ltd.
Discount rate	13%	15%	9%
Growth rate	3%	3%	3%

The discount rates adopted above are before-tax discount rates which reflect the specific risk related to the relevant asset group. The growth rates are determined with reference to the expected growth rate of the industry and do not exceed the average growth rate of the industry for a long term. The key assumptions made in determining cash flow projections also include budgetary gross margins, which are determined based on past experience and forecast on market developments by the management.

After testing, the management of the Group believes that any reasonable change in the above assumptions will not result in the book value of each asset group that generates goodwill to be higher than its recoverable amount, so there is no need to make provision for impairment of goodwill.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

19. Long-term prepaid expenses

The long-term prepaid expenses are listed as follows by item:

For the six months ended 30 June 2023 (Unaudited)

Item	Opening balance	Increase in the period	Amortisation in the period	Other decreases	Closing balance
Public facilities in a bonded port	3,631,467.15	–	363,146.88	–	3,268,320.27
Decoration	2,974,262.57	180,040.62	250,830.28	–	2,903,472.91
Site development expenses	4,725,890.03	–	810,152.52	–	3,915,737.51
Environmental reconstruction expenses	15,894,254.06	–	598,916.70	–	15,295,337.36
Berth dredging costs	8,009,270.15	–	1,134,180.00	14,204.59	6,860,885.56
Asset maintenance expenses	17,860,827.25	748,230.11	845,714.40	–	17,763,342.96
Others	3,576,504.51	–	493,635.32	–	3,082,869.19
Total	56,672,475.72	928,270.73	4,496,576.10	14,204.59	53,089,965.76

2022

Item	Opening balance	Increase in the year	Amortisation in the year	Other decreases	Closing balance
Public facilities in a bonded port	4,357,760.91	–	726,293.76	–	3,631,467.15
Decoration	2,458,876.29	1,405,544.55	856,292.78	33,865.49	2,974,262.57
Site development expenses	6,346,195.07	–	1,620,305.04	–	4,725,890.03
Environmental reconstruction expenses	17,092,087.46	–	1,197,833.40	–	15,894,254.06
Reconstruction of No.6 bridge	3,435,154.78	–	3,435,154.78	–	–
Berth dredging costs	9,759,778.73	819,676.99	2,570,185.57	–	8,009,270.15
Asset maintenance expenses	43,465.13	19,463,133.54	1,645,771.42	–	17,860,827.25
Others	4,728,757.90	134,654.87	1,286,908.26	–	3,576,504.51
Total	48,222,076.27	21,823,009.95	13,338,745.01	33,865.49	56,672,475.72

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

20. Deferred income tax

(1) Deferred income tax assets before offsetting

Item	30 June 2023 (Unaudited)		31 December 2022	
	Deferred income tax assets	Deductible temporary differences and deductible losses	Deferred income tax assets	Deductible temporary differences and deductible losses
Unrealised profit of intra-group transaction	157,202,587.00	628,810,348.00	164,384,805.64	657,539,222.56
Depreciation of fixed assets	367,654,262.80	1,470,617,051.20	372,781,303.59	1,491,125,214.36
Provision for asset impairments	165,425,586.16	661,702,344.64	140,766,436.11	563,065,744.44
Changes in fair value of other equity instrument investments	1,946,450.56	7,785,802.24	1,434,921.33	5,739,685.32
Lease liabilities	1,302,683,285.12	5,210,733,140.49	1,320,610,988.60	5,282,443,954.40
Adjustment to fair value of corporate/business combined assets	80,191,071.43	320,764,285.72	82,144,049.12	328,576,196.48
Deferred income	33,942,576.02	135,770,304.08	34,879,991.78	139,519,967.12
Others	13,144,676.59	52,578,706.36	-	-
Total	2,122,190,495.68	8,488,761,982.73	2,117,002,496.17	8,468,009,984.68

- 1) Deductible temporary differences and deductible losses that are not recognised as deferred income tax assets

Item	30 June 2023 (Unaudited)	31 December 2022
Deductible losses	584,846,721.62	509,447,641.49
Deductible temporary differences	270,367,115.20	295,197,155.35
Total	855,213,836.82	804,644,796.84

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

20. Deferred income tax (continued)

(1) Deferred income tax assets before offsetting (continued)

- 2) Deductible losses that are not recognised as deferred income tax assets will expire in the following years

Year	30 June 2023 (Unaudited)	31 December 2022
2023	87,266,779.91	87,692,813.88
2024	103,323,341.42	103,323,341.42
2025	89,261,314.43	89,261,314.43
2026	67,822,768.74	67,822,768.74
2027	158,860,007.64	161,347,403.02
2028	78,312,509.48	–
Total	584,846,721.62	509,447,641.49

(2) Deferred income tax liabilities before offsetting

Item	30 June 2023 (Unaudited)		31 December 2022	
	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences
Adjustment to fair value of corporate/ business combined assets	674,331,290.75	2,697,325,163.00	694,719,927.60	2,778,879,710.40
Depreciation of fixed assets	70,297,178.74	281,188,714.96	72,915,151.64	291,660,606.56
Changes in fair value of investments in other equity instruments	12,029,446.71	48,117,786.86	7,761,660.10	31,046,640.42
Realisation of business combination in stages	37,891,003.77	151,564,015.08	37,891,003.77	151,564,015.08
Right-of-use assets	1,215,180,184.27	4,860,720,737.09	1,243,872,581.75	4,975,490,327.00
Others	8,095,356.74	32,381,426.92	8,023,168.28	32,092,673.10
Total	2,017,824,460.98	8,071,297,843.91	2,065,183,493.14	8,260,733,972.56

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

20. Deferred income tax (continued)

(3) Deferred income tax assets or liabilities presented at net amount after offsetting

Item	30 June 2023 (Unaudited)		31 December 2022	
	Offset amount of deferred income tax assets and liabilities at the end of the period	Remaining deferred income tax assets or liabilities after offset at the end of the period	Offset amount of deferred income tax assets and liabilities at the beginning of the period	Remaining deferred income tax assets or liabilities after offset at the beginning of the period
Deferred income tax assets	-1,767,752,499.23	354,437,996.45	-1,805,615,082.60	311,387,413.57
Deferred income tax liabilities	-1,767,752,499.23	250,071,961.75	-1,805,615,082.60	259,568,410.54

21. Other non-current assets

Item	30 June 2023 (Unaudited)	31 December 2022
Guarantee payment for land bidding	1,860,000.00	1,860,000.00
VAT input to be deducted	3,733,520.39	1,903,411.65
Construction prepayments	16,079,489.70	8,788,368.73
Total	21,673,010.09	12,551,780.38

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

22. Assets with restricted ownership or use right

Item	30 June 2023 (Unaudited)	31 December 2022
Cash at bank and on hand (Note 1)	22,710,615.39	21,895,674.97
Notes receivable (Note 2)	2,291,407.89	–
Fixed assets (Note 3)	59,031,904.41	60,935,935.77
Intangible assets (Note 4)	21,352,116.44	21,675,825.44
Total	105,386,044.13	104,507,436.18

Note 1: As at 30 June 2023, a bank deposit of RMB3,551,848.69 (31 December 2022: RMB2,853,716.05) was pledged as the Group's project performance guarantee.

At at 30 June 2023, a bank deposit of RMB395,102.00 (31 December 2022: RMB755,102.00) was pledged as the Group's project quality guarantee.

At at 30 June 2023, a bank deposit of RMB50,887.27 (31 December 2022: Nil) was pledged as the Group's wage guarantee for migrant workers.

At at 30 June 2023, bank deposits of Dalian Jiyi Logistics Co., Ltd. (a subsidiary of the Group) with carrying amount of RMB253,169.00 (December 31 2022: Nil) were frozen (subject to the amount in dispute) by the court pursuant to the civil ruling ((2022) Liao 0291 Min Chu No. 5431) issued by the People's Court of Dalian Economic and Technological Development Zone in relation to the case of road cargo transportation contract dispute of Dalian Jiyi Logistics Co., Ltd.. As at 14 August 2023, the bank deposits were unfrozen by the court pursuant to the civil ruling ((2022) Liao 0291 Min Chu No. 5431 II) issued by the People's Court of Dalian Economic and Technological Development Zone.

As at 30 June 2023, bank deposits of DCT Logistics, a subsidiary of the Company, with carrying amount of RMB18,459,608.43 (31 December 2022: RMB18,286,856.92) were frozen by the court due to litigation. See note XIII.1 for details.

Note 2: As at 30 June 2023, the Group's notes receivable with carrying amount of RMB2,291,407.89 (31 December 2022: Nil) were endorsed for transfer but not derecognized.

Note 3: As at 30 June 2023, fixed assets of DCT Logistics, a subsidiary of the Company, with carrying amount of RMB59,031,904.41 (31 December 2022: RMB60,935,935.77) were compulsorily preserved by the court due to litigation. See note XIII.1 for details.

Note 4: As at 30 June 2023, intangible assets of DCT Logistics, a subsidiary of the Company, with carrying amount of RMB21,352,116.44 (31 December 2022: RMB21,675,825.44) were compulsorily preserved by the court due to litigation. See note XIII.1 for details.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

23. Provision for asset impairments and provision for credit loss

30 June 2023 (Unaudited)

Item	Opening balance	Impact of change in scope of combination	Provision in the period	Reversal in the period	Write-off in the period	Closing balance
Provision for bad debts	574,302,085.74	-	83,756,939.47	-2,800,000.00	-	655,259,025.21
Provision for decline in value of inventories	4,158,589.72	-	-	-	-	4,158,589.72
Provision for impairment of long-term equity investment	8,468,465.03	-	-	-	-	8,468,465.03
Provision for impairment of fixed assets	44,992,613.52	-	-	-	-	44,992,613.52
Provision for impairment of construction in progress	8,942,675.89	-	-	-	-	8,942,675.89
Provision for impairment of goodwill	103,362,819.64	-	-	-	-	103,362,819.64
Total	744,227,249.54	-	83,756,939.47	-2,800,000.00	-	825,184,189.01

31 December 2022

Item	Opening balance	Impact of change in scope of combination	Provision in the year	Reversal in the year	Write-off during the year	Write-off in the year	Closing balance
Provision for bad debts	419,622,598.75	-	191,247,703.38	-35,338,248.28	-1,229,968.11	-	574,302,085.74
Provision for decline in value of inventories	9,246,496.78	-	2,715,887.74	-	-	-7,803,794.80	4,158,589.72
Provision for impairment of long-term equity investment	8,468,465.03	-	-	-	-	-	8,468,465.03
Provision for impairment of fixed assets	44,992,613.52	-	-	-	-	-	44,992,613.52
Provision for impairment of construction in progress	-	-	8,942,675.89	-	-	-	8,942,675.89
Provision for impairment of goodwill	103,362,819.64	-	-	-	-	-	103,362,819.64
Total	585,692,993.72	-	202,906,267.01	-35,338,248.28	-1,229,968.11	-7,803,794.80	744,227,249.54

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

24. Accounts payable

(1) Breakdown of accounts payable

Aging	30 June 2023 (Unaudited)		31 December 2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	214,134,340.30	87.70	273,580,612.87	90.19
1 to 2 years (including 2 years)	5,986,743.80	2.45	6,613,219.77	2.18
2 to 3 years (including 3 years)	3,212,844.40	1.32	2,518,117.57	0.83
Over 3 years	20,831,270.94	8.53	20,620,063.01	6.80
Total	244,165,199.44	100.00	303,332,013.22	100.00

(2) Significant accounts payable aged over 1 year

Name of entity	Amount owed	Aging	Reason for unsettlement
Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司)	8,000,000.00	Above 3 years	Not yet settled
Total	8,000,000.00		

(3) Amount by nature

Nature	30 June 2023 (Unaudited)	31 December 2022
	Vessel rental and shipping freight	153,039,586.99
Payment for purchase of goods	8,412,700.41	9,794,052.98
Payment for purchase of supplementary materials	82,712,912.04	116,970,166.13
Total	244,165,199.44	303,332,013.22

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

25. Advances from customers

(1) Breakdown of aging of advances from customers

Aging	30 June 2023 (Unaudited)		31 December 2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	3,245,478.35	100.00	4,508,721.75	100.00

As at 30 June 2023, the Group had no significant advances from customers aged over one year.

(2) Nature of advances from customers

Nature	30 June 2023 (Unaudited)	31 December 2022
Rental fees	3,245,478.35	4,508,721.75

26. Contract liabilities

(1) Contract liabilities

Item	30 June 2023 (Unaudited)	31 December 2022
Miscellaneous expenses	264,036,927.17	259,761,974.35
Freight	5,439,595.42	23,741,208.71
Others	9,148,100.30	10,596,681.40
Total	278,624,622.89	294,099,864.46

(2) Revenue recognized in the current period and included in the opening carrying amount of contract liabilities

Revenue recognized in the current period and included in the opening carrying amount of contract liabilities amounted to RMB258,433,565.44, including RMB228,900,708.65 from miscellaneous expenses, RMB23,646,885.56 from freight and contract income of RMB5,885,971.23 generated from other contracts.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

26. Contract liabilities (continued)

(3) Qualitative and quantitative analysis on relevant contract liabilities

Contract liabilities mainly represent payments received by the Group for providing port operations services to customers. The payment shall be collected in accordance with the payment time agreed in the contract. The Group recognizes contract revenue based on the progress of contract performance, and contract liabilities will be recognized as revenue after the Group has fulfilled its performance obligations. The decrease in contract liabilities at the end of the period of RMB15,475,241.57 was mainly due to the decrease in business volume of bulk and general cargo terminal, container terminal and relevant logistics services, leading to a corresponding decrease in advances from customers.

27. Employee benefits payable

(1) Classification of employee benefits payable

Item	31 December 2022	Increase in the period (Unaudited)	Decrease in the period (Unaudited)	30 June 2023 (Unaudited)
I. Short-term benefits	323,737,541.43	1,200,929,931.15	1,306,001,178.38	218,666,294.20
II. Post-employment benefits				
–defined contribution plan	3,591,956.93	137,923,803.40	139,481,166.40	2,034,593.93
III. Termination benefits	20,000.00	240,000.00	260,000.00	–
Total	327,349,498.36	1,339,093,734.55	1,445,742,344.78	220,700,888.13

(2) Short-term employee benefits

Item	31 December 2022	Increase in the period (Unaudited)	Decrease in the period (Unaudited)	30 June 2023 (Unaudited)
I. Wages and salaries, bonus, allowances and subsidies	278,196,134.72	662,997,076.37	755,163,235.58	186,029,975.51
II. Staff welfare	–	38,896,143.44	38,896,143.44	–
III. Social insurance contributions	9,720,600.30	62,938,974.58	65,262,677.17	7,396,897.71
Including: Medical insurance	9,633,228.15	52,461,426.86	54,783,817.83	7,310,837.18
Work injury insurance	31,451.59	5,259,784.69	5,261,096.31	30,139.97
Maternity insurance	55,920.56	3,760,276.45	3,760,276.45	55,920.56
Others	–	1,457,486.58	1,457,486.58	–
IV. Housing funds	608,446.00	82,573,591.60	82,880,386.60	301,651.00
V. Labour union funds and employee education funds	3,839,480.99	14,397,593.39	15,654,486.28	2,582,588.10
VI. Labour costs	10,376,825.02	336,447,550.96	338,431,381.00	8,392,994.98
VII. Other short-term employee benefits	20,996,054.40	2,679,000.81	9,712,868.31	13,962,186.90
Total	323,737,541.43	1,200,929,931.15	1,306,001,178.38	218,666,294.20

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

27. Employee benefits payable (continued)

(3) Defined contribution plans

Item	31 December 2022	Provision in the period (Unaudited)	Decrease in the period (Unaudited)	30 June 2023 (Unaudited)
I. Basic pensions	627,006.56	105,705,377.56	105,731,350.12	601,034.00
II. Unemployment insurance	32,745.25	3,304,759.22	3,305,794.30	31,710.17
III. Payment of annuity	2,932,205.12	28,913,666.62	30,444,021.98	1,401,849.76
Total	3,591,956.93	137,923,803.40	139,481,166.40	2,034,593.93

28. Taxes payable

Item	31 December 2022	Provision in the period (Unaudited)	Tax paid in the period (Unaudited)	30 June 2023 (Unaudited)
VAT	11,228,906.96	143,175,930.40	124,332,717.20	30,072,120.16
Corporate income tax	101,079,018.57	313,240,441.89	334,032,963.06	80,286,497.40
City maintenance and construction	282,122.61	9,020,693.83	8,362,481.51	940,334.93
Individual income tax	3,737,007.12	20,594,442.12	23,204,965.25	1,126,483.99
Educational surcharge	241,883.62	6,444,653.43	5,964,967.90	721,569.15
Other tax payable	17,397,927.68	51,288,326.41	52,810,785.93	15,875,468.16
Total	133,966,866.56	543,764,488.08	548,708,880.85	129,022,473.79

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

29. Other payables

Item	30 June 2023 (Unaudited)	31 December 2022
Interest payable	–	–
Dividends payable	430,941,548.21	129,642,029.96
Other payables	694,567,998.34	792,929,415.50
Total	1,125,509,546.55	922,571,445.46

(1) Dividends payable

Item	Name of entity	30 June 2023 (Unaudited)	31 December 2022
Dividends of ordinary shares	Yingkou Port Group	120,341,619.21	–
	PDA Group	104,964,128.22	–
	Singapore Dalian Port Investment Pte. Ltd.	54,436,724.71	54,436,724.71
	Team Able International Limited	47,236,406.40	–
	China Shipping Terminal Development Co., Ltd.	23,009,984.79	23,009,984.79
	Broadford Global Limited	14,900,432.49	–
	Nippon Yusen Kabushiki Kaisha	14,341,983.23	14,341,983.23
	Anshan Iron & Steel Co., Ltd.	10,434,656.79	10,434,656.79
	COSCO SHIPPING Ports (Dalian) Limited	9,107,682.79	9,107,682.79
	COSCO SHIPPING Ports Development Co., Ltd.	7,663,015.86	7,663,015.86
	Dalian Bonded Zhengtong Co., Ltd.	5,779,554.22	5,779,554.22
	United States Sankyo Holdings Limited	2,036,793.56	2,704,681.98
	NYK Bulk & Projects Carriers Ltd.	1,629,434.85	2,163,745.59
	Liaoning Gangwan Industry and Finance Investment Group Co., Ltd. (遼寧港灣產融投資集團有限公司)	1,171,186.87	–
	Other holders of H shares	13,887,944.22	–
Total	430,941,548.21	129,642,029.96	

As at 30 June 2023, the balance of dividends payable aged over 1 year amounted to RMB5,779,554.22, which are dividends payable to be paid.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

29. Other payables (continued)

(2) Other payables

1) Other payables presented by nature

Item	30 June 2023 (Unaudited)	31 December 2022
Project payment and quality guarantee	325,498,797.33	291,177,799.63
Deposit and security deposit	143,364,054.67	113,607,724.15
Land compensation	7,500,000.00	7,500,000.00
Freight	4,629,857.52	6,072,329.18
Late fee	-	4,979,198.95
Last payment for assets acquisition	-	139,144,304.85
Others	213,575,288.82	230,448,058.74
Total	694,567,998.34	792,929,415.50

2) Aging analysis of other payables

Aging	30 June 2023 (Unaudited)		31 December 2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	495,535,712.42	71.34	369,304,706.89	46.57
1 to 2 years (including 2 years)	50,868,131.59	7.32	258,477,998.21	32.60
2 to 3 years (including 3 years)	17,910,459.18	2.58	22,393,880.65	2.83
Over 3 years	130,253,695.15	18.76	142,752,829.75	18.00
Total	694,567,998.34	100.00	792,929,415.50	100.00

Notes to the Financial Statements (continued)

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IX. Notes to items of the consolidated financial statements (continued)

29. Other payables (continued)

(2) Other payables (continued)

3) Important other payables aged over one year

Name of entity	Amount owed	Ageing	Reasons for non-repayment
Muling Economic Development District Infrastructure Construction and Investment Co., Ltd.	14,006,954.00	Over 3 years	The condition for payment is unsatisfied
Dalian Beiliang Enterprise Group Co., Ltd.	7,500,000.00	Over 3 years	The condition for payment is unsatisfied
Ocean Harvest Container Co., Ltd.	49,644,085.82	Over 3 years	The condition for payment is unsatisfied
Total	71,151,039.82		

30. Non-current liabilities due within one year

Item	30 June 2023 (Unaudited)	31 December 2022
Long-term borrowings due within one year (Note IX.32)	75,616,555.56	205,891,700.00
Including: Credit borrowings	75,616,555.56	205,891,700.00
Lease liabilities due within one year (Note IX.34)	158,243,630.80	155,872,007.38
Bonds payable due within one year (Note IX.33)	4,617,806,077.20	4,115,876,242.30
Total	4,851,666,263.56	4,477,639,949.68

31. Other current liabilities

Item	30 June 2023 (Unaudited)	31 December 2022
Output VAT on pending	15,423,639.75	14,329,926.71

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

32. Long-term borrowings

Type of borrowings	30 June 2023 (Unaudited)	31 December 2022
Credit borrowings	716,616,555.56	921,891,700.00
Less: Long-term borrowings due within one year (Note IX.30)	75,616,555.56	205,891,700.00
Total	641,000,000.00	716,000,000.00

On 30 June 2023, the annual interest rate of the above borrowings was 3.1% (31 December 2022: 2.85% – 3.2%).

The top five long-term borrowings by amount at the end of the year:

Lender	Commence date of borrowing	Termination date of borrowing	Currency	Interest rate	30 June 2023 (Unaudited)		31 December 2022	
					Foreign currency	Statutory currency	Foreign currency	Statutory currency
China Merchants Group Finance Co., Ltd.	3 November 2022	2 November 2028	RMB	5-year LPR-1.10%	-	533,000,000.00	-	593,000,000.00
China Merchants Group Finance Co., Ltd.	19 September 2022	18 September 2028	RMB	5-year LPR-1.10%	-	108,000,000.00	-	123,000,000.00

The maturity date of long-term borrowings is analysed as follows:

Item	30 June 2023 (Unaudited)	31 December 2022
Expired within 1 year (including 1 year)	75,616,555.56	205,891,700.00
Expired within 2 years (including 2 years)	160,000,000.00	150,000,000.00
Expired within 3 to 5 years (including 3 years and 5 years)	454,000,000.00	510,000,000.00
Over 5 years	27,000,000.00	56,000,000.00
Total	716,616,555.56	921,891,700.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

33. Bonds payable

Item	30 June 2023 (Unaudited)	31 December 2022
Corporate bonds	1,996,174,901.12	2,495,906,235.36

(1) Change in bonds payable

Name of bonds	Par value	Date of issuance	Duration	Issue size	31 December 2022	Issuance in the period	Accrued interests at par value	Amortisation of premium/discount	Repayment in the period	30 June 2023 (Unaudited)
Medium-term notes (Note 1)	100.00	3 August 2018	5 years	2,500,000,000.00	2,544,988,128.67	-	60,622,602.74	4,169,648.42	-	2,609,780,379.83
Corporate bonds (Note 2)	100.00	18 April 2022	1+1 years	1,500,000,000.00	1,526,942,223.23	-	12,115,068.47	1,142,708.30	1,540,200,000.00	-
Corporate bonds (Note 2)	100.00	18 April 2022	3 years	500,000,000.00	509,959,960.73	-	7,810,273.98	218,365.04	15,750,000.00	502,238,599.75
Corporate bonds (Note 2)	100.00	25 May 2022	2 years	2,000,000,000.00	2,029,892,165.03	-	26,778,082.18	1,067,093.80	54,000,000.00	2,003,737,341.01
Corporate bonds (Note 2)	100.00	19 June 2023	2 years	1,500,000,000.00	-	1,497,000,000.00	1,184,185.84	40,471.89	-	1,498,224,657.73
Total				8,000,000,000.00	6,611,782,477.66	1,497,000,000.00	108,510,213.21	6,638,287.45	1,609,950,000.00	6,613,980,978.32
Less: Bonds payable due within one year					4,115,876,242.30					4,617,806,077.20
Bonds payable due after one year					2,495,906,235.36					1,996,174,901.12

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

33. Bonds payable (continued)

(1) Change in bonds payable (continued)

Note 1: According to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2018] MTN360) issued by National Association of Financial Market Institutional Investors on 25 June 2018, the Company issued medium-term notes on 3 August 2018. The interest of such bonds is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 4.89%, which is payable every year. The relevant issuance expense amounted to RMB38,056,000.00.

Note 2: Under Regulatory Permission [2022] No. 658 approved by China Securities Regulatory Commission, the Company is approved to publicly issue corporate bonds with a total amount of not more than RMB8 billion (including) to professional investors. The bonds are issued in installments. On 18 April 2022, the Company issued the first tranche of corporate bonds of RMB2 billion in aggregate, of which: the corporate bonds with par value of RMB1.5 billion is issued for a term of 1+1 years, with the issuer's option to adjust the coupon rate and the investors' entitlement to sell back at the end of the first anniversary, and the interest is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 2.68%, which is payable every year. The relevant issuance expense amounted to RMB3,791,713.85. The Company has settled such corporate bonds on 20 April 2023; while the corporate bonds with a par value of RMB500 million is issued for a term of 3 years, and the interest is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 3.15%, which is payable every year. The relevant issuance expense amounted to RMB1,347,237.95. The Company issued the second tranche of corporate bonds at par value of RMB2 billion for a term of 2 years on 25 May 2022, and the interest is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 2.70%, which is payable every year. The relevant issuance expense amounted to RMB4,340,000.00. The Company issued the first tranche of corporate bonds in 2023 at par value of RMB1.5 billion for a term of 2 years on 19 June 2023, and the interest is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 2.98%, which is payable every year. The relevant issuance expense amounted to RMB3,000,000.00.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

34. Lease liabilities

(1) Lease liabilities

Item	30 June 2023 (Unaudited)	31 December 2022
Lease liabilities	9,620,249,303.75	9,811,322,560.95
Unrecognised finance costs	4,418,636,829.76	4,538,336,120.81
Total	5,201,612,473.99	5,272,986,440.14
Less: Lease liabilities due within one year (Note IX. 30)	158,243,630.80	155,872,007.38
Lease liabilities due after one year	5,043,368,843.19	5,117,114,432.76

(2) Term of lease liabilities

Item	30 June 2023 (Unaudited)	31 December 2022
The first anniversary after the balance sheet date	417,291,305.06	428,070,797.60
The second anniversary after the balance sheet date	408,704,187.94	406,471,811.75
The third anniversary after the balance sheet date	404,889,497.22	404,889,497.22
Years thereafter	8,389,364,313.53	8,571,890,454.38
Total	9,620,249,303.75	9,811,322,560.95

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

35. Long-term payables

Item	30 June 2023 (Unaudited)	31 December 2022
Equity repurchase (Note)	17,500,000.00	17,500,000.00

Note: China Development Fund made capital contribution of RMB35,000,000.00 to Dalian Port Yidu Cold Chain Co., Ltd., a joint venture of Jifa Logistics, a subsidiary of the Group. After the capital increase, the shareholding percentage of Jifa Logistics decreased from 50% to 46.64%. According to the investment contract, Jifa Logistics has the obligation to unconditionally repurchase the shares held by the China Development Fund before the capital increase since 10 December 2030. The Group recognised the long-term payable according to the repurchase obligation.

The maturity date of long-term payable is analyzed as follows:

Item	30 June 2023 (Unaudited)	31 December 2022
Due within 1 year (including 1 year)	–	–
Due within 2 years (including 2 years)	–	–
Due within 3 to 5 years (including 3 years and 5 years)	–	–
Over 5 years	17,500,000.00	17,500,000.00
Total	17,500,000.00	17,500,000.00

36. Provisions

Item	31 December 2022	Increase in the period	Decrease in the period	30 June 2023 (Unaudited)
Pending litigation (Note)	170,708,538.56	–	6,210,000.00	164,498,538.56

Note: DCT Logistics, a subsidiary of the Group, provided for provisions of RMB179,547,885.91 for pending litigations as at 31 December 2021. Due to the enforcement of the frozen monetary funds by the court, the provision was reduced by RMB6,210,000.00 (2022: RMB8,839,347.35). See Note XIII.1 for details.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

37. Deferred income

Item	31 December 2022	Increase in the period	Decrease in the period	30 June 2023 (Unaudited)
Government grants	571,197,128.39	–	25,335,802.84	545,861,325.55

Items involved in government grants are as follows (Unaudited):

Item	31 December 2022	Increase in the period	Included in other income in the period	Included in non-operating income in the period	30 June 2023	Related to assets/income
Relocation compensation	285,367,758.08	–	12,605,973.30	–	272,761,784.78	Related to assets
Production safety	23,268,182.23	–	635,989.28	–	22,632,192.95	Related to assets
Sea-rail combined transport subsidies	5,912,931.60	–	682,261.38	–	5,230,670.22	Related to assets
Transport junction passenger station project	191,947,403.28	–	5,820,662.76	–	186,126,740.52	Related to assets
Operation subsidies	8,250,000.00	–	–	–	8,250,000.00	Related to assets
Energy conservation and emission reduction special fund	5,590,596.31	–	591,713.35	147,113.52	4,851,769.44	Related to assets
Equipment reconstruction subsidies	47,533,587.54	–	4,455,804.46	–	43,077,783.08	Related to assets
Others	3,326,669.35	–	396,284.79	–	2,930,384.56	Related to assets
Total	571,197,128.39	–	25,188,689.32	147,113.52	545,861,325.55	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

38. Other non-current liabilities

Item	31 December 2022	Increase in the period	Decrease in the period	30 June 2023 (Unaudited)
All-in charges for cargo handling	54,476,945.81	–	951,062.60	53,525,883.21
Less: All-in charges for cargo handling due within one year	12,870,000.00			11,918,937.40
Other non-current liabilities due after one year	41,606,945.81			41,606,945.81

On 18 January 2013, the Company entered into a cooperation agreement with Chinatex Grains and Oils (Heilongjiang) Co., Ltd.. Chinatex Grains and Oils (Heilongjiang) Co., Ltd. paid in advance the all-in charges for full-service logistics including distribution services and port operations to the Company with an amount of RMB112 million. The first year to the seventh year represents the interest-bearing deduction period for prepaid the all-in charges for full-service logistics of the contract, the interest rate was determined with reference to the People's Bank of China Loan Rate for the same period and the eighth to tenth year represents the preferential period. On 1 June 2016, the Company signed a supplementary agreement with Chinatex Grains and Oils (Heilongjiang) Co., Ltd., and the cooperation period was extended for three years, that is, the first year to the seventh year represents the interest-bearing deduction period for prepaid the all-in charges for full-service logistics. The eighth to tenth year represents non-interest-bearing deduction period, and the eleventh to thirteenth years represents the preferential period.

39. Share capital

Item	31 December 2022		Increase in the period	Decrease in the period	30 June 2023 (Unaudited)	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
RMB-denominated ordinary shares	18,828,349,817.00	78.49	–	–	18,828,349,817.00	78.49
Foreign shares listed overseas (note)	5,158,715,999.00	21.51	–	–	5,158,715,999.00	21.51
Total	23,987,065,816.00	100.00	–	–	23,987,065,816.00	100.00

Note: As at 30 June 2023, 722,166,000 shares of foreign shares listed overseas were held by PDA Group through HKSCC Nominees Limited (31 December 2022: 722,166,000 shares).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

40. Capital surplus

Item	Opening balance	Increase in the period/year	Decrease in the period/year	Closing balance
For the six months ended 30 June 2023				
(Unaudited)				
Capital premium	8,827,459,539.57	-	-	8,827,459,539.57
Including: Ordinary shares invested by shareholders	8,827,459,539.57	-	-	8,827,459,539.57
Other capital surplus	199,532,253.62	2,549,957.77	-	202,082,211.39
Including: Other changes in owners' equity after deducting net profit or loss, profit distribution, change in other comprehensive income of investees under equity method (note)	26,775,828.83	2,549,957.77	-	29,325,786.60
Others	172,756,424.79	-	-	172,756,424.79
Total	9,026,991,793.19	2,549,957.77	-	9,029,541,750.96
2022				
Capital premium	8,827,459,539.57	-	-	8,827,459,539.57
Including: Ordinary shares invested by shareholders	8,827,459,539.57	-	-	8,827,459,539.57
Other capital surplus	194,786,866.45	4,745,387.17	-	199,532,253.62
Including: Other changes in owners' equity after deducting net profit or loss, profit distribution, change in other comprehensive income of investees under equity method (note)	22,030,441.66	4,745,387.17	-	26,775,828.83
Others	172,756,424.79	-	-	172,756,424.79
Total	9,022,246,406.02	4,745,387.17	-	9,026,991,793.19

Note: The joint ventures and affiliates invested by the Group made appropriation to special reserves this period, resulting in an increase in the Group's capital reserve of RMB2,549,957.77 (2022: RMB4,745,387.17).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

41. Other comprehensive income

Cumulative balance of other comprehensive income attributable to the parent company in the consolidated balance sheet is as follows:

30 June 2023 (Unaudited)

	Opening balance	Increase or decrease	Closing balance
Changes in fair value of other equity instrument investments	17,493,164.28	11,655,109.91	29,148,274.19
Differences on translation of foreign currency financial statements	54,871,006.75	2,322,085.26	57,193,092.01
Total	72,364,171.03	13,977,195.17	86,341,366.20

31 December 2022

	Opening balance	Increase or decrease	Closing balance
Changes in fair value of other equity instrument investments	26,171,340.13	-8,678,175.85	17,493,164.28
Differences on translation of foreign currency financial statements	32,922,622.38	21,948,384.37	54,871,006.75
Total	59,093,962.51	13,270,208.52	72,364,171.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

41. Other comprehensive income (continued)

The current amount of other comprehensive income in the consolidated income statement:

For the six months ended 30 June 2023 (Unaudited)

	Amount incurred before tax	Less: Previously included in other comprehensive income, transferred to current profit and loss	Less: Previously included in other comprehensive income, transferred to current retained earnings	Less: Income tax	Attributable to shareholders of the parent company	Attributable to minority shareholders
Changes in fair value of other equity instrument investments	15,025,029.52	-	-	3,756,257.38	11,655,109.91	-386,337.77
Differences on translation of foreign currency financial statements	2,322,085.26	-	-	-	2,322,085.26	-
Total	17,347,114.78	-	-	3,756,257.38	13,977,195.17	-386,337.77

2022

	Amount incurred before tax	Less: Previously included in other comprehensive income, transferred to current profit and loss	Less: Previously included in other comprehensive income, transferred to current retained earnings	Less: Income tax	Attributable to shareholders of the parent company	Attributable to minority shareholders
Changes in fair value of other equity instrument investments	-9,002,541.67	-	1,419,666.00	-2,605,551.92	-8,678,175.85	861,520.10
Differences on translation of foreign currency financial statements	21,948,384.37	-	-	-	21,948,384.37	-
Total	12,945,842.70	-	1,419,666.00	-2,605,551.92	13,270,208.52	861,520.10

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

42. Special reserves

Item	Opening balance	Increase in the period/year	Decrease in the period/year	Closing balance
30 June 2023 (Unaudited)				
Safety production fee	147,235,048.25	58,494,429.93	24,581,355.60	181,148,122.58
31 December 2022				
Safety production fee	92,693,542.25	141,974,044.17	87,432,538.17	147,235,048.25

43. Surplus reserve

Item	Opening balance	Increase in the period/year	Decrease in the period/year	Closing balance
30 June 2023 (Unaudited)				
Statutory surplus reserve	1,461,424,125.12	-	-	1,461,424,125.12
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
Total	1,462,397,659.49	-	-	1,462,397,659.49
31 December 2022				
Statutory surplus reserve	1,345,998,388.72	115,425,736.40	-	1,461,424,125.12
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
Total	1,346,971,923.09	115,425,736.40	-	1,462,397,659.49

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital.

After the Company makes appropriation to the statutory surplus reserve, it can make appropriation to the discretionary surplus reserve. The discretionary surplus reserve can be used to make up for the loss in previous years or increase the paid-in capital after approval.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

44. Undistributed profits

Item	30 June 2023 (Unaudited)	31 December 2022
Undistributed profit at the end of the previous period/year	3,950,404,277.47	3,437,962,835.75
Increase in the period/year	631,260,174.66	1,281,012,488.51
Among which: Net profit attributable to the parent company in the period/year	631,260,174.66	1,279,734,789.11
Other comprehensive income carried over to retained earnings	-	1,277,699.40
Decrease in the period/year	417,374,945.20	768,571,046.79
Among which: Appropriation to statutory surplus reserve in the period/year	-	115,283,769.80
Distribution of profits (Note)	417,374,945.20	647,650,777.03
Appropriation to employees' bonus and welfare fund in subsidiaries	-	5,636,499.96
Closing balance	4,164,289,506.93	3,950,404,277.47

Note: According to the resolution of the Board of Directors held on 30 March 2023 of the Company, the profit distribution for 2022 is calculated based on the number of ordinary shares outstanding 23,987,065,816 shares, and a cash dividend of RMB0.174 (including tax) is distributed to all shareholders for every 10 shares. Cash dividends of RMB417,374,945.20 were distributed. The above dividend distribution plan has been approved by the Company's shareholders meeting held on 15 June 2023.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
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IX. Notes to items of the consolidated financial statements (continued)

45. Revenue and cost

Item	For the six months ended 30 June 2023 (Unaudited)		For the six months ended 30 June 2022 (Unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operations	5,460,788,456.10	3,863,722,717.03	5,598,285,951.62	4,078,708,208.75
Other operations	191,204,130.42	150,558,700.78	190,280,201.24	164,501,079.53
Total	5,651,992,586.52	4,014,281,417.81	5,788,566,152.86	4,243,209,288.28

Revenue is as follows:

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Revenue arising from the transactions with the customers	5,541,147,813.61	5,684,629,595.06
Leasing income	110,844,772.91	103,936,557.80
Total	5,651,992,586.52	5,788,566,152.86

The composition of the revenue is as follows:

For the six months ended 30 June 2023 (Unaudited)

Major operating region	Commodity	Labour services or services	Others	Total
Within China	68,039,006.37	5,403,371,409.98	180,582,170.17	5,651,992,586.52
Total	68,039,006.37	5,403,371,409.98	180,582,170.17	5,651,992,586.52

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

45. Revenue and cost (continued)

The composition of the revenue is as follows: (continued)

For the six months ended 30 June 2023 (Unaudited) (continued)

Principal business segment	Commodity	Labour services or services	Others	Total
Container terminal and related logistics services	2,593,768.25	1,764,496,538.31	48,793,299.35	1,815,883,605.91
Oil/liquefied chemicals terminal and related logistics services	13,854,302.48	771,640,269.38	16,164,522.56	801,659,094.42
Bulk and general cargo terminal and related logistics services	102,467.89	2,016,365,170.56	4,623,913.12	2,021,091,551.57
Bulk grain terminal and related logistics services	–	305,127,691.48	5,110,465.76	310,238,157.24
Passenger and roll-on/roll-off terminal and related logistics services	1,413,373.64	87,497,984.43	5,444,507.59	94,355,865.66
Port value-added and ancillary services	50,075,094.11	412,406,266.88	52,191,021.68	514,672,382.67
Automobile terminal and related logistics services	–	22,269,038.58	1,550,672.51	23,819,711.09
Others	–	23,568,450.36	46,703,767.60	70,272,217.96
Total	68,039,006.37	5,403,371,409.98	180,582,170.17	5,651,992,586.52

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

45. Revenue and cost (continued)

The composition of the revenue is as follows: (continued)

For the six months ended 30 June 2023 (Unaudited) (continued)

Reporting segment	Commodity	Labour services or services	Others	Total
Time of revenue recognition				
Recognised at a certain point of time				
Revenue from sales of goods	16,133,705.00	-	-	16,133,705.00
Revenue from electricity fees	51,905,301.37	-	-	51,905,301.37
Recognised over a certain period				
Revenue from logistics services	-	287,616,477.47	-	287,616,477.47
Revenue from project construction and inspection services	-	38,335,168.01	-	38,335,168.01
Revenue from transportation	-	653,414,317.77	-	653,414,317.77
Revenue from port operation services	-	4,235,978,594.10	-	4,235,978,594.10
Revenue from port management services	-	160,057,721.48	-	160,057,721.48
Revenue from tallying services	-	27,969,131.15	-	27,969,131.15
Others	-	-	69,737,397.26	69,737,397.26
Others				
Revenue from leasing services	-	-	110,844,772.91	110,844,772.91
Total	68,039,006.37	5,403,371,409.98	180,582,170.17	5,651,992,586.52

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

45. Revenue and cost (continued)

For the six months ended 30 June 2022 (Unaudited)

Major operating region	Commodity	Labour services or services	Others	Total
Within China	81,023,498.19	5,533,850,281.23	173,692,373.44	5,788,566,152.86
Total	81,023,498.19	5,533,850,281.23	173,692,373.44	5,788,566,152.86

Principal business segment	Commodity	Labour services 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

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

45. Revenue and cost (continued)

The composition of the revenue is as follows: (continued)

For the six months ended 30 June 2022 (Unaudited) (continued)

Reporting segment	Commodity	Labour services or services	Others	Total
Time of revenue recognition				
Recognised at a certain point of time				
Revenue from sales of goods	17,438,702.82	–	–	17,438,702.82
Revenue from electricity fees	63,584,795.37	–	–	63,584,795.37
Recognised over a certain period				
Revenue from logistics 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

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

45. Revenue and cost (continued)

The information on performance obligations of the Group is as follows:

Sales of goods

Performance obligations are satisfied when delivering goods to customers. For old customers, the contract price is usually due and payable within 30 to 90 days after the goods are delivered; for new customers, prepayment is usually required.

Port operation services

Performance obligations are satisfied within the time frame of service provision. For old customers, the customer usually pays the contract price after the operation is completed and upon confirmed by the customer; for new customers, prepayment is usually required.

Transportation and logistics services

Performance obligations are satisfied within the time frame of service provision. For old customers, the customer usually pays the contract price after the logistics service is completed and upon confirmed by the customer; for new customers, prepayment is usually required.

Engineering construction and supervision services

Performance obligations are satisfied within the time frame of service provision, and the contract price is usually paid within 30 days after the settlement of each project node. Under general circumstance, the customer retains a certain percentage of guarantee deposit, which is usually paid after the expiration of the warranty period.

The transaction price allocated to the unfulfilled (or partially unfulfilled) performance obligations at the end of the period/year and the estimated time for recognition as revenue are:

Item	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
30 June 2023 (unaudited)	326,623,866.74	74,642,321.95	14,080,317.08	12,713,439.50	428,059,945.27
31 December 2022	373,622,802.37	67,073,399.21	35,973,139.82	12,635,834.97	489,305,176.37

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

46. Taxes and surcharges

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Land use tax	32,717,161.46	31,954,210.53
Property tax	12,665,516.51	12,520,708.48
City maintenance and construction tax	9,020,693.83	4,424,303.16
Educational surcharge	6,444,653.43	3,155,677.49
Stamp duty	2,068,369.51	1,951,806.63
Vehicle and vessel use tax	188,935.81	210,014.05
Others	3,476,015.33	5,032,969.78
Total	66,581,345.88	59,249,690.12

47. Administrative expenses

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Payroll	276,208,519.82	259,809,883.90
Labour cost	10,671,314.92	10,435,911.95
Depreciation and amortisation	16,752,800.60	21,130,846.81
Business entertainment expense	7,470,231.38	5,441,149.34
Office charges	2,349,528.35	1,882,921.28
Agency engagement expenses	4,022,904.52	4,949,220.88
Including: Audit fee	402,689.77	535,055.96
Property insurance premium	2,917,489.82	3,785,089.44
Water, power and other energy consumption cost	792,937.28	1,304,446.16
Others	48,145,398.81	44,557,338.12
Total	369,331,125.50	353,296,807.88

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

48. Research and development expenses

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Payroll	51,532.29	1,728,010.01
Others	225,350.00	24,518.32
Total	276,882.29	1,752,528.33

49. Financial expenses

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Interest expenses	266,823,386.07	260,985,446.47
Including: Bank and other borrowings	19,582,586.04	25,115,263.65
Interest of bonds	115,148,500.66	98,976,119.61
Interest expenses of lease liabilities	132,092,299.37	136,894,063.21
Less: Interest income	36,923,944.16	39,958,963.60
Net exchange losses (net gain is represented by "-")	745,092.07	6,537,536.50
Others	434,311.36	552,595.66
Total	231,078,845.34	228,116,615.03

50. Other income

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Government subsidies related to daily activities	44,605,273.69	37,912,678.00
Refund of commission for paying individual income tax	655,847.98	837,969.17
Additional deduction of VAT	12,584,507.98	14,242,782.73
Total	57,845,629.65	52,993,429.90

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

50. Other income (continued)

Government subsidies related to daily activities are as follows:

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)	Related to assets/ income
Relocation compensation	12,605,973.30	12,665,074.26	Related to assets
Production safety	635,989.28	635,989.28	Related to assets
Energy conservation and emission reduction special fund	591,713.35	467,850.37	Related to assets
Equipment reconstruction subsidies	4,455,804.46	4,338,299.26	Related to assets
Sea-rail combined transport subsidies	682,261.38	682,261.38	Related to assets
Transport junction passenger station item	5,820,662.76	2,727,211.80	Related to assets
Others related to assets	396,284.79	335,427.24	Related to assets
Operation subsidies	18,784,785.13	13,186,037.29	Related to income
Stable position subsidies	107,374.08	2,791,921.41	Related to income
Container subsidies	78,260.00	33,310.00	Related to income
Others related to income	446,165.16	49,295.71	Related to income
Total	44,605,273.69	37,912,678.00	

51. Investment income

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Investment income from long-term equity investments under the equity method	26,557,851.15	100,011,993.36
Investment income from disposal of long-term equity investments	-	197,238.03
Dividend income from other investments on hand in equity instruments	533,600.00	-
Others	1,185,357.90	1,292,829.13
Total	28,276,809.05	101,502,060.52

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

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

52. Credit impairment losses

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Impairment losses on accounts receivable	-48,875,522.08	-24,106,884.96
Impairment losses on other receivables	-32,081,417.39	-1,819,846.83
Impairment losses on long-term receivables	-	940.75
Total	-80,956,939.47	-25,925,791.04

53. Gain on disposal of assets

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)	Amount recognized as non-recurring profit or loss of the current period
Gain on disposal of non-current assets	-	4,639,108.71	-
Including: Gain on disposal of fixed assets	-	3,261,944.98	-
Gain on disposal of right-of-use assets	-	1,377,163.73	-
Total	-	4,639,108.71	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

54. Non-operating income

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)	Amount recognized as non-recurring profit or loss of the current period
Government grants	147,113.52	148,654.12	147,113.52
Insurance claims	1,221,119.05	216.28	1,221,119.05
Late fee income	642,772.98	–	642,772.98
Forfeiture and penalty income	274,762.39	812,491.44	274,762.39
Reversal of estimated liabilities	–	32,760,218.42	–
Revenues from disposal of waste and old materials	3,810,725.49	426,368.07	3,810,725.49
Others	923,970.98	2,669,049.57	923,970.98
Total	7,020,464.41	36,816,997.90	7,020,464.41

Details of government grants not related to daily activities are as follows:

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Energy conservation and emission reduction special fund	147,113.52	148,654.12
Total	147,113.52	148,654.12

55. Non-operating expenses

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)	Amount recognized as non-recurring profit or loss of the current period
Losses on obsolescence of fixed assets	367,616.16	703,792.54	367,616.16
Others	126,210.00	1,303.69	126,210.00
Total	493,826.16	705,096.23	493,826.16

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

56. Income tax expenses

(1) Income tax expenses

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Current income tax expenses	313,240,441.89	283,150,864.73
Deferred income tax expenses	-56,303,289.05	-22,614,357.45
Total	256,937,152.84	260,536,507.28

(2) The reconciliation of the accounting profit to the income tax expenses

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Accounting profit	982,135,107.18	1,072,261,932.98
Income tax expense at the rate of 25%	245,533,776.80	268,065,483.25
Tax impact of expenses not deductible for tax purposes	3,465,198.20	4,351,320.45
Tax impact of income not subject to tax	-9,924,356.11	-28,169,266.91
Tax impact of unrecognised deductible losses and deductible temporary differences in the period	19,578,127.37	23,531,300.54
Tax impact of utilisation of unrecognized deductible losses and deductible temporary differences in previous years	-4,909,086.24	-5,475,345.18
Effect of different tax rates applicable to subsidiaries	-2,268,588.36	-1,554,475.69
Effect of prior income tax reconciliation	5,609,530.04	116,089.88
Others	-147,448.86	-328,599.06
Income tax expenses	256,937,152.84	260,536,507.28

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

57. Classification of expenses by nature

The operating costs, administrative expenses and research and development expenses classified in the Group's profits classified by nature are as follows:

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Cost of goods sold	43,323,125.10	52,444,412.85
Labor cost	1,339,093,734.55	1,451,604,863.36
Depreciation and amortisation	1,117,300,273.79	1,151,053,819.98
Logistics services costs	193,249,598.45	317,366,145.02
Machinery usage expenses	316,043,682.72	316,507,071.12
Out-sourced operation expenses	241,075,393.91	225,891,308.67
Fuel expenses	184,030,356.26	173,282,840.97
Cost for tank leasing	94,768,867.64	95,711,320.39
Repair charges	87,104,220.21	83,175,086.98
Electricity expenses	79,319,324.52	82,944,482.17
Materials expenses	93,057,950.69	73,811,255.98
Rentals	101,132,077.53	62,197,829.47
Production safety fund	58,603,573.11	59,063,455.02
Railway usage fees and weighing fees	53,873,521.78	55,331,374.41
IT expenses	34,372,511.85	32,276,253.26
Insurance expenses	23,565,362.80	23,712,585.08
Commuting cost	17,830,470.55	17,409,479.96
Office expenses	9,782,336.03	10,455,698.63
Property management expenses	9,480,336.50	8,003,707.55
Business entertainment expenses	7,470,231.38	5,441,149.34
Water expenses	3,820,073.20	5,025,853.05
Agency engagement expenses	4,022,904.52	4,949,220.88
Travel expenses	4,510,472.68	1,862,204.21
Other expenses	267,059,025.83	288,737,206.14
Total	4,383,889,425.60	4,598,258,624.49

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

58. Lease

(1) Lessor of operating leases

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
I. Income		
Leasing income	110,844,772.91	103,936,557.80
II. Undiscounted lease receipts that will be received each year of five consecutive fiscal years after the balance sheet date		
The first year	126,528,771.39	132,255,818.40
The second year	45,497,270.60	58,417,632.15
The third year	35,825,863.83	50,855,787.60
The fourth year	27,176,184.88	36,860,090.95
The fifth year	22,003,428.65	31,294,354.99
Over 5 years	180,477,801.53	196,685,135.01

- 1) The Group leases part of buildings for a lease term of 0.5-30 years, forming an operating lease. According to the lease contract, the rental is required to be adjusted every year according to the market rental situation. The Group also leases part of vessels, storage facilities, machinery and equipment, land use rights, etc., for a lease term of 1-30 years, forming an operating lease.
- 2) The Group is of the view that there was no improper use of lease assets, and the unguaranteed balance of such asset will not expose significant risks to the Group.
- 3) Income relating to operating leases amounted to RMB110,844,772.91 (same period of the previous year: RMB103,936,557.80); there was no income related to variable lease payments that were not included in the lease receipts.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

58. Lease (continued)

(2) Lessee of leases

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Interest expenses of lease liabilities	132,092,299.37	136,894,063.21
Short-term lease expenses included in current profit or loss	101,132,077.53	62,197,829.47
Low-value asset lease expenses	4,884.96	–
Total cash outflows related to lease	262,153,806.20	240,293,329.10

Fixed assets under operating lease include buildings and land use rights, warehouse, vehicles, port and terminal facilities and other equipment leased from related parties and third parties by the Group. The Group has the option to renew or terminate the lease. The lease term includes the period covered by an option to renew the lease.

Please refer to Note IX. 15 for details of right-of-use assets; refer to Note IV. 26 for details of short-term leases and low-value asset leases by using simplified treatment; and refer to Note IX. 34 for details of lease liabilities.

59. 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.

The calculation of the basic EPS is as follows:

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Earnings		
Net profit for the period attributable to ordinary shareholders of the parent Company		
Continuing operation	631,260,174.66	741,962,637.45
Shares		
Weighted average number of ordinary shares in issues	23,987,065,816.00	23,987,065,816.00
Basic earnings per share	0.03	0.03

As at 30 June 2023 and 31 December 2022, there were no dilutive potential ordinary shares in issue.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

60. Items of the consolidated statement of cash flows

(1) Other cash received/paid relating to operating/investing/financing activities

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Other cash received relating to operating activities		
Bank deposit interest income received	52,658,160.51	35,351,096.96
Government grants received	3,822,248.56	6,041,759.00
Cash received from restricted cash with financial institutions	–	218,107,800.40
Deposits and margins received	42,977,593.96	42,859,502.26
Others	698,157.74	15,476,040.39
Total	100,156,160.77	317,836,199.01
Other cash paid relating to operating activities		
Payment of operating cost, administrative expenses and other daily expenses	85,113,650.07	123,449,386.55
Payment of deposits and margins	26,358,472.32	20,112,569.23
Payment of restricted cash with financial institutions	253,169.00	582,697.55
Others	10,427,918.71	35,541,015.64
Total	122,153,210.10	179,685,668.97
Other cash received relating to investing activities		
Cash received from restricted cash with financial institutions	1,560,000.00	23,640.00
Returned land premium received	–	2,000,000.00
Cash received from borrowings from related parties	–	4,700,000.00
Others	–	4,750.34
Total	1,560,000.00	6,728,390.34
Other cash paid relating to investing activities		
Payment of restricted cash with financial institutions	1,949,019.91	661,676.05
Total	1,949,019.91	661,676.05
Other cash paid relating to financing activities		
Bonds issuance expense paid	–	4,500,000.00
Lease payment paid	161,021,728.67	178,095,499.63
Consideration of business combinations under common control	13,551,134.35	824,171,897.11
Total	174,572,863.02	1,006,767,396.74

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

60. Items of the consolidated statement of cash flows (continued)

(2) Supplementary information to the statement of cash flows

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	725,197,954.34	811,725,425.70
Add: Provision for credit impairments	80,956,939.47	25,925,791.04
Depreciation of fixed assets	896,569,255.61	921,524,602.66
Depreciation of investment properties	6,125,053.00	8,120,366.93
Amortisation of intangible assets	89,358,915.01	89,549,925.05
Provision for depreciation of right-of-use assets	120,750,474.07	124,443,653.67
Amortisation of long-term prepaid expenses	4,496,576.10	7,415,271.67
Amortisation of deferred income	-25,335,802.84	-22,000,767.71
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gain)	-	-4,639,108.71
Losses on obsolescence of fixed assets ("-" for gain)	367,616.16	277,424.47
Financial expenses ("-" for gain)	265,256,909.81	266,843,021.34
Losses on investment ("-" for gain)	-28,276,809.05	-101,502,060.52
Decrease in deferred income tax assets ("-" for increase)	-42,539,053.65	-11,231,577.37
Increase in deferred income tax liabilities ("-" for decrease)	-13,764,235.40	-11,382,780.08
Decrease in inventories ("-" for increase)	-10,793.69	-8,926,233.98
Increase in special reserve ("-" for decrease)	37,404,638.99	31,597,003.06
Decrease in operating receivables ("-" for increase)	-649,411,020.52	-404,138,472.91
Increase in operating payables ("-" for decrease)	-194,647,210.05	-371,335,742.00
Net cash flows from operating activities	1,272,499,407.36	1,352,265,742.31
2. Major non-cash transactions of investing activities and financing activities:		
Acquisition of assets and businesses paid by bills	89,817,940.77	81,000,000.00
Acquisition of assets paid by bills	4,099,956.95	149,326,545.80
Lease liabilities paid by bills	26,961,397.84	4,000,000.00
3. Net changes in cash and cash equivalents:		
Cash at the end of the period	5,644,957,427.20	5,426,719,039.07
Less: Cash at the beginning of the period	5,045,473,498.23	4,433,485,423.30
Net increase in cash and cash equivalents	599,483,928.97	993,233,615.77

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

61. Cash and cash equivalents

Item	30 June 2023 (Unaudited)	31 December 2022
Cash and cash equivalents	5,644,957,427.20	5,045,473,498.23
Including: Cash on hand	28,620.12	30,138.17
Bank deposits that can be readily drawn on demand	5,644,928,807.08	5,045,443,360.06

62. Monetary items denominated in foreign currencies

Item	30 June 2023 Balance of foreign currency (Unaudited)	Exchange rate	30 June 2023 Equivalent RMB balance (Unaudited)
Cash on hand and at bank			
Including: USD	9,120,096.71	7.2258	65,899,994.81
JPY	110,000.00	0.0501	5,511.00
HKD	74,996.82	0.9218	69,132.07
Accounts receivable			
Including: USD	1,300,823.80	7.2258	9,399,492.61
JPY	14,082,378.00	0.0501	705,527.14
KRW	129,285,000.00	0.0055	711,067.50
Other receivables			
Including: USD	822,271.04	7.2258	5,941,566.08
Accounts payable			
Including: USD	3,406,793.47	7.2258	24,616,808.26
JPY	5,425.00	0.0501	271.79
Other payables			
Including: USD	7,097,056.02	7.2258	51,281,907.39

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

63. 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 | loading and discharging, storage and transshipment of oil products and liquefied chemicals, port management services; |
| (2) Container terminal and related logistics services | 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 | loading and discharging of ore, general cargo and provision of related logistics services; |
| (4) Bulk grain terminal and related logistics services | loading and discharging of grains and provision of related logistics services; |
| (5) Passenger and roll-on/roll-off terminal and related logistics services | passenger transportation, general cargo roll-on and roll-off and provision of related logistics services; |
| (6) Port value-added and ancillary services | tallying, tugging, transportation, power supply, information technology and construction services; |
| (7) Automobile terminal and related logistics services | 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 of the Company as these assets and liabilities are managed by the Group.

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

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

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

63. Segment information (continued)

Reportable segment information

For the six months ended 30 June 2023 (Unaudited)

Item	Oil/liquefied chemicals terminal and related logistics services RMB'000	Container terminal and related logistics services RMB'000	Bulk and general cargo terminal and related logistics services RMB'000	Bulk grain terminal and related logistics services RMB'000	Passenger and roll-on/ roll-off terminal and related logistics services RMB'000	Port value- added and ancillary services RMB'000	Automobile terminal and related logistics services RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
Revenue										
Revenue from external customers	801,659	1,815,884	2,021,091	310,238	94,356	514,672	23,820	70,273	-	5,651,993
Inter-segment revenue	1,226	1,021	83,964	1,482	-	497,125	-	129,781	-714,599	-
Total revenue of segment	802,885	1,816,905	2,105,055	311,720	94,356	1,011,797	23,820	200,054	-714,599	5,651,993
Cost of sales	516,933	1,213,162	1,460,333	247,382	78,376	398,924	21,063	78,108	-	4,014,281
Taxes and surcharges	10,767	10,211	21,783	1,589	1,770	2,021	1,260	17,180	-	66,581
Administrative expenses	24,157	86,250	48,109	19,022	13,960	74,812	6,488	96,533	-	369,331
Research and development expenses	-	52	-	-	-	194	-	31	-	277
Financial expenses	37,262	12,775	55,100	925	-301	4,784	-1,279	121,813	-	231,079
Credit impairment losses	-45,069	1,698	-171	-2	58	-4,897	-	-32,574	-	-80,957
Investment income	25,618	14,456	-8,182	-13,456	-7,768	8,981	8,628	-	-	28,277
Including: Investment income from associates and joint ventures	24,907	13,982	-8,182	-13,456	-7,768	8,447	8,628	-	-	26,558
Gains on disposals of assets	-	-	-	-	-	-	-	-	-	-
Other income	14,334	22,812	1,230	148	6,334	1,198	344	11,444	-	57,844
Operating profit	207,423	532,400	428,643	28,010	-825	39,219	5,260	-264,522	-	975,608
Non-operating income	54	1,188	4,730	849	9	190	-	-	-	7,020
Non-operating expenses	45	148	2	12	-	67	-	219	-	493
Total profit	207,432	533,440	433,371	28,847	-816	39,342	5,260	-264,741	-	982,135
Income tax	46,266	138,427	115,773	10,815	1,140	6,954	567	-63,005	-	256,937
Net profit	161,166	395,013	317,598	18,032	-1,956	32,388	4,693	-201,736	-	725,198
Total assets	10,193,943	12,921,329	18,693,805	2,629,645	1,431,713	3,296,868	865,245	10,781,226	-3,158,093	57,655,681
Total liabilities	1,947,800	3,378,048	3,427,398	252,724	237,494	484,884	8,872	8,989,314	-3,158,093	15,568,441
Supplementary information										
Depreciation and amortization expenses	173,094	258,084	369,986	69,709	26,456	130,978	6,938	82,055	-	1,117,300
Long-term equity investments in associates and joint ventures	1,455,622	981,807	119,884	256,907	289,374	227,973	318,553	-	-	3,650,120
Capital expenditures(i)	425	47,551	2,410	5,282	2,746	2,452	34	114,974	-	175,874

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

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

IX. Notes to items of the consolidated financial statements (continued)

63. Segment information (continued)

Reportable segment information (continued)

For the six months ended 30 June 2022 (Unaudited)

Item	Oil/liquefied chemicals terminal and related logistics services RMB'000	Container terminal and related logistics services RMB'000	Bulk and general cargo terminal and related logistics services RMB'000	Bulk grain terminal and related logistics services RMB'000	Passenger and roll-on/ roll-off terminal and related logistics services RMB'000	Port value- added and ancillary services RMB'000	Automobile terminal and related logistics services RMB'000	Others RMB'000	Elimination RMB'000	Total 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
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	10,367,670	12,728,188	19,432,324	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	1,630,529	987,357	160,937	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.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

X. Interests in other entities

1. Interests in subsidiaries are discussed in Note VIII. 1.
2. Interests in joint ventures and associates are discussed in Note IX. 11.

XI. Relationships and transactions with related parties

1. Related parties with controlling relationship

Name of related parties	Relationships with related parties
China Merchants Group Limited	Ultimate controlling party
Liaoning Port Group Limited	Indirect controlling shareholder
Dalian Port Corporation Limited	Indirect controlling shareholder
Yingkou Port Group Corporation Limited	Parent company

2. For related information of subsidiaries, please refer to Note VIII. 1.
3. For related information of joint ventures and associates, please refer to Note IX.11.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without controlling relationship:

Name of related parties	Relationships with related parties
Faku Yinggang Logistics Co., Ltd. (法庫營港物流有限公司)	Subsidiary of the parent
Liaoning Ganghang Modern Supply Chain Co., Ltd. (遼寧港航現代供應鏈有限公司) (Note 1)	Subsidiary of the parent
Liaoning Harbour Engineering Technology Co., Ltd. (遼寧港灣船務工程技術有限公司)	Subsidiary of the parent
Liaoning Gangwan Industry and Finance Investment Group Co., Ltd. (遼寧港灣產融投資集團有限公司) (Note 2)	Subsidiary of the parent
Liaoning Huiyuan Photovoltaic Co., Ltd. (遼寧薈源光伏有限公司)	Subsidiary of the parent
Panjin Port Group Co., Ltd. (盤錦港集團有限公司)	Subsidiary of the parent
Suizhong Port Group Co., Ltd. (綏中港集團有限公司)	Subsidiary of the parent
Yingkou Port Shipping Agency Co., Ltd. (營口港船貨代理有限責任公司)	Subsidiary of the parent
Yingkou Port Foreign Economic Cooperation Development Co., Ltd. (營口港對外經濟合作發展有限公司)	Subsidiary of the parent
Yingkou Port Real Estate Development Co., Ltd. (營口港房地產開發有限責任公司)	Subsidiary of the parent
Yingkou Gangfeng Hotel Co., Ltd. (營口港豐大酒店有限公司) (Note 1)	Subsidiary of the parent
Yingkou Port Engineering Supervision Consulting Co., Ltd.	Subsidiary of the parent
Yingkou Port Engineering Design and Research Institute Co., Ltd. (Note 1)	Subsidiary of the parent
Yingkou Port Tank Cleaning Co., Ltd. (營口港清洗艙有限公司)	Subsidiary of the parent
Yingkou Gangtong E-Commerce Co., Ltd. (營口港通電子商務有限公司)	Subsidiary of the parent
Yingkou Port Group Bonded Goods Storage and Transportation Co., Ltd. (營口港務集團保稅貨物儲運有限公司)	Subsidiary of the parent
Yingkou Port Fairy Island Pier Co., Ltd. (營口港仙人島碼頭有限公司)	Subsidiary of the parent
Yingkou Port Hospital	Subsidiary of the parent
Yingkou Ocean Shipping Tally Co., Ltd.	Subsidiary of the parent
Yingkou Hongyun Port Container Development Co., Ltd. (營口紅運港口集裝箱發展有限公司)	Subsidiary of the parent
China Merchants Gangrong	Subsidiary of the parent
Beidahuang Logistics Co., Ltd. (北大荒物流股份有限公司)	Joint venture of the parent
Huaneng Yingkou Port Co., Ltd. (華能營口港務有限責任公司)	Joint venture of the parent
Yingkou Port Gaizhou Logistics Co., Ltd.	Joint venture of the parent
Yingkou Port Jixing Logistics Co., Ltd. (營口港吉星物流有限公司) (Note 3)	Joint venture of the parent
Yingkou Gangyue Sugar Storage Co., Ltd. (營口港悅食糖儲備有限公司)	Joint venture of the parent

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without controlling relationship: (continued)

Name of related parties	Relationships with related parties
Yingkou Duty Free Foreign Supply Port Service Company Limited (營口中免對外供應港口服務有限責任公司)	Joint venture of the parent
Yingkou COSCO Shipping Agency Co., Ltd. (營口中遠海運船務代理有限公司)	Joint venture of the parent
Yingkou Ocean Shipping Agency Co., Ltd.	Joint venture of the parent
Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	Associate of the parent
Panjin Port Runbang International Logistics Co., Ltd. (盤錦港潤邦國際物流有限公司)	Associate of the parent
Yingkou Port Vessel Fuel Supply Co., Ltd. (營口港船舶燃料供應有限責任公司)	Associate of the parent
Yingkou Gangjun Logistics Co., Ltd. (營口港駿物流有限公司)	Associate of the parent
Yingkou Haihui Shipping Agency Co., Ltd. (營口海德船務代理有限公司) (Note 4)	Associate of the parent
Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	Associate of the parent
Yingkou Xintonghe Logistics Co., Ltd. (營口新通合物流有限公司)	Associate of the parent
Yingkou Yinlong Port Co., Ltd. (營口銀龍港務股份有限公司)	Associate of the parent
Yingkou Zhonglian Tally Co., Ltd. (營口中聯理貨有限公司)	Associate of the parent
Yingkou Wanying Logistics Co., Ltd.	Associate of the parent
CSC Cargo Co., Ltd. (長航貨運有限公司)	Controlled by the same ultimate party
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Controlled by the same ultimate party
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd.	Controlled by the same ultimate party
Dalian Port Security Services Co., Ltd.	Controlled by the same ultimate party
Dalian Port North Shore Container Terminal Co., Ltd.	Controlled by the same ultimate party
Dalian Port North Shore Automobile Terminal Co., Ltd.	Controlled by the same ultimate party
Dalian Port North Shore Investment and Development Co., Ltd.	Controlled by the same ultimate party
Dalian Port City Comprehensive Development Co., Ltd. (大連港城綜合開發有限公司)	Controlled by the same ultimate party
Dalian Port Real Estate Group Co., Ltd.	Controlled by the same ultimate party
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	Controlled by the same ultimate party
Dalian Portsoft Technology Co., Ltd.	Controlled by the same ultimate party
Dalian Portsoft Network Co., Ltd.	Controlled by the same ultimate party
Dalian Port Petroleum & Chemical Co., Ltd.	Controlled by the same ultimate party
Dalian Port Investment and Financing Holding Group Co., Ltd.	Controlled by the same ultimate party
Dalian Port Wantong Logistics Co., Ltd.	Controlled by the same ultimate party

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without controlling relationship: (continued)

Name of related parties	Relationships with related parties
Dalian Port Hospital	Controlled by the same ultimate party
Dalian Port Real Estate Co., Ltd.	Controlled by the same ultimate party
Dalian International Shipping Center Building Co., Ltd. (大連國際航運中心大廈有限公司)	Controlled by the same ultimate party
Dalian Harbour Building Co., Ltd.	Controlled by the same ultimate party
Dalian Hongyu Building Co., Ltd.	Controlled by the same ultimate party
Dalian United King Port Auto Trade Co., Ltd.	Controlled by the same ultimate party
Dalian Port Logistics Technology Co., Ltd.	Controlled by the same ultimate party
Dalian Port Logistics Network Co., Ltd.	Controlled by the same ultimate party
Dalian Taiping Bay Port Company Limited	Controlled by the same ultimate party
Dalian Taiping Bay Investment & Development Co., Ltd.	Controlled by the same ultimate party
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Controlled by the same ultimate party
Dalian Taiping Bay New Energy Industrial Park Construction & Development Co., Ltd. (大連太平洋灣新能源產業園建設開發 有限公司)	Controlled by the same ultimate party
Dalian Wanfeng Properties Co., Ltd.	Controlled by the same ultimate party
Dalian Wantong Ronghai Shipping Co., Ltd.	Controlled by the same ultimate party
Dalian Yongde Property Management Co., Ltd. (大連永德物業管理有限公司)	Controlled by the same ultimate party
Dalian Yongdeyi Housing Development Co., Ltd. (大連永德義房屋開發有限公司)	Controlled by the same ultimate party
Dalian Sinotrans International Logistics Co., Ltd. (大連中外運集運國際物流有限公司)	Controlled by the same ultimate party
Dalian Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate party
Dandong Port Group Co., Ltd.	Controlled by the same ultimate party
Hoi Tung (Shanghai) Company Limited	Controlled by the same ultimate party
Jinzhou Dagang Real Estate Co., Ltd. (錦州大港地產有限公司)	Controlled by the same ultimate party
Jinzhou Liaoxi PDA Properties Co., Ltd.	Controlled by the same ultimate party
Dalian Wanfeng Properties Co., Ltd.	Controlled by the same ultimate party
China Marine Shipping Agency Liaoning Co., Ltd.	Controlled by the same ultimate party
Ocean Harvest Container Co., Ltd.	Controlled by the same ultimate party
Shantou China Merchants Port Group Co., Ltd.	Controlled by the same ultimate party
Shenzhen Haiqin Engineering Supervision & Management Company Limited	Controlled by the same ultimate party
Shenzhen China Merchants Daojiahui Technology Co., Ltd.	Controlled by the same ultimate party
Shenzhen Merchants Ro-Ro Transportation Co., Ltd.	Controlled by the same ultimate party

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without controlling relationship: (continued)

Name of related parties	Relationships with related parties
Shenyang Sinotrans & CSC Logistics Development Co., Ltd.	Controlled by the same ultimate party
Yingkou Gangxin Technology Co., Ltd.	Controlled by the same ultimate party
Yingkou Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate party
China Merchants Group Finance Co., Ltd.	Controlled by the same ultimate party
China Merchants Food (China) Co., Limited	Controlled by the same ultimate party
China Merchants Taiping Bay Development Investment Co., Ltd. (招商局太平灣開發投資有限公司)	Controlled by the same ultimate party
China Merchants Investment Development Co., Ltd. (招商局投資發展有限公司)	Controlled by the same ultimate party
China Merchants Logistics Group (Tianjin) Co., Ltd. (招商局物流集團(天津)有限公司)	Controlled by the same ultimate party
China Merchants Property Management Co., Ltd.	Controlled by the same ultimate party
China Merchants Chongqing Highway Engineering Testing Center Co., Ltd.	Controlled by the same ultimate party
AVIC Property Management Co., Ltd. (中航物業管理有限公司)	Controlled by the same ultimate party
China Communications Import & Export Co., Ltd.	Controlled by the same ultimate party
Sinotrans Northeastern Co., Ltd.	Controlled by the same ultimate party
Sinotrans Liaoning Company Limited (中國外運遼寧有限公司)	Controlled by the same ultimate party
Sinotrans Changjiang Co., Ltd. (中國外運長江有限公司)	Controlled by the same ultimate party
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate party
Sinotrans (Tangshan) Logistics Co., Ltd. (中外運(唐山)物流有限公司)	Controlled by the same ultimate party
Dalian Creative Industry Project Development Co., Ltd.	Joint venture of the company controlled by the same ultimate party
Dalian Port Machinery Co., Ltd.	Joint venture of the company controlled by the same ultimate party
Dalian Jingda International Freight Forwarding Co., Ltd.	Joint venture of the company controlled by the same ultimate party
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Joint venture of the company controlled by the same ultimate party
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	Joint venture of the company controlled by the same ultimate party
Quanzhou Ansheng Shipping Co., Ltd. (泉州安盛船務有限公司)	Joint venture of the company controlled by the same ultimate party
Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	Joint venture of the company controlled by the same ultimate party

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without controlling relationship: (continued)

Name of related parties	Relationships with related parties
Dalian Beiyin Qiche Logistics Information Consulting Co., Ltd. (大連北銀汽車物流信息諮詢有限公司)	Associate of the company controlled by the same ultimate party
Dalian Port Machinery and Electric Co., Ltd.	Associate of the company controlled by the same ultimate party
Dalian Port Design and Research Institute Co., Ltd.	Associate of the company controlled by the same ultimate party
Dalian Gangming Port Automobile Inspection Co., Ltd.	Associate of the company controlled by the same ultimate party
Dalian Port Rixing Boiler Installation Co., Ltd. (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Port Landscape Engineering Co., Ltd. (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Port Industrial Co., Ltd. (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Port Industrial Co., Ltd. (Xingang Gas Station) (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Port Tongda Media Co., Ltd. (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Harbour Engineering Co., Ltd. (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Port Property Management Co., Ltd. (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Gangxin Construction Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party
Dalian Port Xingang Construction Engineering Co., Ltd. (Note 4)	Associate of the company controlled by the same ultimate party
Dalian Wanpeng Foundation Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party
Dalian Zhonghai Harbour Investment Co., Ltd. (大連中海海港投資有限公司) (Notes 5)	Associate of the company controlled by the same ultimate party
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Associate of the company controlled by the same ultimate party
Dalian Equipment Finance Lease Co., Ltd.	Associate of the company controlled by the same ultimate party

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without controlling relationship: (continued)

<u>Name of related parties</u>	<u>Relationships with related parties</u>
Ganghe (Shanghai) Economic and Trade Co., Ltd.	Associate of the company controlled by the same ultimate party
Jinzhou Port Co., Ltd.	Associate of the company controlled by the same ultimate party
Liaoning Sinotrans Constant Transportation Service Co., Ltd.	Associate of the company controlled by the same ultimate party
Xingyun Digital Clustering (Beijing) Technology Co., Ltd.	Associate of the company controlled by the same ultimate party
China Merchants Bank Co., Ltd.	Associate of the company controlled by the same ultimate party
COFCO Merchants (Shenzhen) Grain Electronic Trading Center Co., Ltd.	Associate of the company controlled by the same ultimate party

Note 1: Liaoning Ganghang Modern Supply Chain Co., Ltd. (遼寧港航現代供應鏈有限公司) and Yingkou Gangfeng Hotel Co., Ltd. (營口港豐大酒店有限公司) completed the deregistration procedures in December 2022. Yingkou Port Engineering Design and Research Institute Co., Ltd. completed the deregistration procedures in March 2023.

Note 2: In January 2023, Liaoning Gangwan Financial Holding Group Co., Ltd. (遼寧港灣金融控股集團有限公司) was renamed as Liaoning Gangwan Industry and Finance Investment Group Co., Ltd. (遼寧港灣產融投資集團有限公司).

Note 3: In January 2023, Yingkou Port Group transferred all its equity interests in Yingkou Port Jixing Logistics Co., Ltd. (營口港吉星物流有限公司) to a third party. As of 30 June 2023, Yingkou Port Jixing Logistics Co., Ltd. (營口港吉星物流有限公司) was not affiliated with the Group.

Note 4: In 2022, Yingkou Port Group transferred its equity interests in Yingkou Haihui Shipping Agency Co., Ltd. to a third party. PDA Group transferred its equity interests in Dalian Port Industrial Co., Ltd. and Dalian Harbour Engineering Co., Ltd. to a third party in 2022. As of 30 June 2023, Dalian Port Industrial Co., Ltd. and its subsidiaries (Dalian Port Rixing Boiler Installation Co., Ltd., Dalian Port Landscape Engineering Co., Ltd., Dalian Port Industrial Co., Ltd. (Xingang Gas Station), Dalian Port Tongda Media Co., Ltd., Dalian Port Property Management Co., Ltd. and Dalian Port Xingang Construction Engineering Co., Ltd.), Dalian Harbour Engineering Co., Ltd. and Yingkou Haihui Shipping Agency Co., Ltd. were not affiliated with the Group.

Note 5: In May 2023, Dalian CITIC Harbour Investment Co., Ltd. was renamed as Dalian Zhonghai Harbour Investment Co., Ltd. (大連中海海港投資有限公司).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows:

(1) Revenue and Expenses

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the	For the
					six months ended 30 June 2023 (Unaudited)	six months ended 30 June 2022 (Unaudited)
Yingkou Port Group	Parent company	Revenue	Comprehensive services	Agreement	2,548,685.37	2,321,477.91
PDA Group	Indirect controlling shareholder	Revenue	Comprehensive services	Agreement	5,379,216.93	2,742,860.17
Liaoning Port Group	Indirect controlling shareholder	Revenue	Comprehensive services	Agreement	2,020,724.29	806,058.31
Yingkou Port Fairy Island Pier Co., Ltd. (營口港仙人島碼頭有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	10,836,825.12	9,769,072.17
Yingkou Port Group Bonded Goods Storage and Transportation Co., Ltd. (營口港務集團保稅貨物儲運有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	581,538.40	658,498.73
Suizhong Port Group Co., Ltd. (綏中港集團有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	556,964.34	1,832,841.93
Panjin Port Group Co., Ltd. (盤錦港集團有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	352,566.37	253,008.85
Yingkou Port Tank Cleaning Co., Ltd. (營口港清洗艙有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	129,329.81	54,073.08
Yingkou Gangtong E-Commerce Co., Ltd. (營口港通電子商務有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	69,256.32	230,842.29
Yingkou Ocean Shipping Tally Co., Ltd.	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	67,270.44	143,771.14
Yingkou Port Shipping Agency Co., Ltd. (營口港船貨代理有限責任公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	64,452.45	61,793.99
Liaoning Harbour Engineering Technology Co., Ltd. (遼寧港灣船務工程技術有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	59,419.25	150,116.24
Yingkou Hongyun Port Container Development Co., Ltd. (營口紅運港口集裝箱發展有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	56,776.08	94,420.86

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
China Merchants Gangrong	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	30,836.75	52,248.59
Yingkou Port Hospital	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	30,209.45	27,515.28
Yingkou Port Foreign Economic Cooperation Development Co., Ltd. (營口港對外經濟合作發展有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	21,916.21	20,710.74
Yingkou Port Real Estate Development Co., Ltd. (營口港房地產開發有限責任公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	8,924.51	13,798.20
Liaoning Gangwan Industry and Finance Investment Group Co., Ltd. (遼寧港灣產融投資集團有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	4,198.11	2,490.57
Yingkou Port Engineering Supervision Consulting Co., Ltd.	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	3,969.27	1,467.31
Yingkou Gangfeng Hotel Co., Ltd. (營口港豐大酒店有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	-	235,728.17
Liaoning Ganghang Modern Supply Chain Co., Ltd. (遼寧港航現代供應鏈有限公司)	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	-	90.57
China Oil Dock Management (Dalian) Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	23,233,570.28	23,506,423.39
Dalian Port Yidu Cold Chain Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	22,684,326.26	17,551,847.33
Dalian United International Shipping Agency Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	8,258,174.30	7,992,603.42

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Changxing Island Port Investment and Development Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	7,898,359.51	1,077,830.21
VTTI Terminals Dalian Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	3,860,074.11	4,590,655.78
Dalian Changxing Island Port Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	3,328,012.82	3,488,301.98
Yingkou Container Terminals Company Limited	Joint venture	Revenue	Comprehensive services	Agreement	2,613,475.91	2,842,927.93
China United International Rail Containers (Dalian) Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	1,705,454.43	808,408.50
Dalian Vanguard International Logistics Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	890,516.20	865,616.47
Sinograin Yingkou Storage and Transportation Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	727,171.94	1,771,947.14
China United Tally (Dalian) Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	405,387.82	447,384.85
China Shipping Gang Lian Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	396,777.36	228,344.80
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	339,255.02	691,100.68
Weifang Weida Container Service Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	321,039.39	584,465.07
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	288,927.79	154,785.60
Dalian Port PetroChina International Terminal Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	52,177.25	54,699.77
Ha'ou International Logistics Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	47,169.81	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Port Xiangyu Grain Logistics Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	1,705.51	1,766.06
Dalian Jilong Logistics Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	-	90,596.16
Dalian Port Tongli Shipping Agency Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	-	47,338.61
Dalian Automobile Terminal Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	15,343,019.82	25,946,259.08
Angang Yingkou Port Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	7,768,615.11	4,260,000.00
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	2,948,158.78	5,094,270.53
Taichang Xinggang Tug Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	1,739,528.30	7,057,358.52
Dalian Puji Storage Facility Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	1,197,182.96	1,076,883.38
Dalian North Oil Petroleum Logistics Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	1,045,109.71	1,020,429.96
Dalian Singamas International Container Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	848,544.01	760,819.76
National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連液化天然氣有限公司)	Associate	Revenue	Comprehensive services	Agreement	388,244.09	394,458.22
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	20,024.22	20,027.05
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	-	435,774.60
Beidahuang Logistics Co., Ltd. (北大荒物流股份有限公司)	Joint venture of the parent	Revenue	Comprehensive services	Agreement	6,095,044.07	3,075,495.93

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Yingkou Ocean Shipping Agency Co., Ltd.	Joint venture of the parent	Revenue	Comprehensive services	Agreement	69,655.11	77,500.95
Yingkou Gangyue Sugar Storage Co., Ltd. (營口港悅食糖儲備有限公司)	Joint venture of the parent	Revenue	Comprehensive services	Agreement	68,361.11	77,589.34
Yingkou Port Gaizhou Logistics Co., Ltd.	Joint venture of the parent	Revenue	Comprehensive services	Agreement	20,000.00	20,000.00
Yingkou COSCO Shipping Agency Co., Ltd. (營口中遠海運船務代理有限公司)	Joint venture of the parent	Revenue	Comprehensive services	Agreement	9,727.00	13,979.53
Huaneng Yingkou Port Co., Ltd. (華能營口港務有限責任公司)	Joint venture of the parent	Revenue	Comprehensive services	Agreement	4,326.86	6,460.50
Yingkou Duty Free Foreign Supply Port Service Company Limited (營口中免對外供應港口服務有限責任公司)	Joint venture of the parent	Revenue	Comprehensive services	Agreement	476.87	978.96
Yingkou Port Jixing Logistics Co., Ltd. (營口港吉星物流有限公司)	Joint venture of the parent	Revenue	Comprehensive services	Agreement	249.56	3,517.42
Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	Associate of the parent	Revenue	Comprehensive services	Agreement	403,694.32	923,702.43
Yingkou Port Vessel Fuel Supply Co., Ltd. (營口港船舶燃料供應有限責任公司)	Associate of the parent	Revenue	Comprehensive services	Agreement	138,347.65	200,804.66
Yingkou Hui Feng Logistics Co., Ltd. (營口匯豐物流有限公司)	Associate of the parent	Revenue	Comprehensive services	Agreement	125,972.42	65,514.07
Yingkou Wanying Logistics Co., Ltd. (營口萬贏物流有限公司)	Associate of the parent	Revenue	Comprehensive services	Agreement	77,153.92	195,206.93
Yingkou Zhonglian Tally Co., Ltd. (營口中聯理貨有限公司)	Associate of the parent	Revenue	Comprehensive services	Agreement	7,383.91	8,871.66
Yingkou Haihui Shipping Agency Co., Ltd. (營口海德船務代理有限公司)	Associate of the parent	Revenue	Comprehensive services	Agreement	-	273,239.08
China Marine Shipping Agency Liaoning Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	27,862,049.90	21,720,915.30

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	17,344,839.98	18,059,183.17
Dalian Port Wantong Logistics Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	13,822,689.62	20,669,627.15
China Merchants Logistics Group (Tianjin) Co., Ltd. (招商局物流集團(天津)有限公司)	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	6,995,252.27	-
Dalian Port Petroleum & Chemical Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	1,717,061.39	528,882.77
Dalian Hongyu Building Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	1,143,459.38	557,638.76
Dandong Port Group Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	1,090,124.52	212,402.82
Dalian Port Hospital	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	962,032.43	1,013,726.04
Shenzhen Merchants Ro-Ro Transportation Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	789,595.10	1,057,346.97
Dalian Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	622,837.20	496,405.72
Yingkou Gangxin Technology Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	592,952.80	599,286.65
China Merchants Taiping Bay Development Investment Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	544,514.16	31,698.12
Sinotrans Changjiang Co., Ltd. (中國外運長江有限公司)	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	528,135.04	-
Dalian Port Logistics Technology Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	442,545.70	351,077.91
Dalian Harbour Building Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	400,235.00	391,603.65

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Port City Comprehensive Development Co., Ltd. (大連港城綜合開發有限公司)	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	307,915.93	245,061.96
Dalian Taiping Bay New Energy Industrial Park Construction & Development Co., Ltd. (大連太平灣新能源產業園建設開發有限公司)	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	240,385.85	-
Dalian Portsoft Technology Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	180,493.58	197,371.89
GSC Cargo Co., Ltd. (長航貨運有限公司)	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	164,032.10	-
Dalian Port Logistics Network Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	71,307.40	71,716.56
China Communications Import & Export Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	65,817.62	65,736.88
Dalian Portsoft Network Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	48,584.98	48,050.56
Dalian Wanfeng Properties Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	44,243.26	401,213.38
Dalian Port North Shore Investment and Development Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	38,178.02	40,358.39
Dalian Port Security Services Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	22,490.67	33,136.54
Dalian Wantong Ronghai Shipping Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	19,148.83	19,148.84
Dalian Port North Shore Container Terminal Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	16,981.14	16,981.14
Dalian Port Real Estate Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	15,770.10	19,213.46
Dalian United King Port Auto Trade Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	13,883.47	9,547.16

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
China Merchants Group Finance Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	12,766.98	15,246.78
Dalian Port North Shore Automobile Terminal Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	11,320.74	12,741.61
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	11,150.27	11,110.81
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	10,316.20	10,316.21
Dalian International Shipping Center Building Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	8,998.28	2,127.54
Dalian Port Investment and Financing Holding Group Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	8,783.49	8,903.67
Dalian Port Real Estate Group Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	5,660.38	-
Dalian Yongdeyi Housing Development Co., Ltd. (大連永德義房屋開發有限公司)	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	5,660.38	-
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	264.21	283.49
Jinzhou Liaoxi PDA Properties Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	1,200,500.00
Dalian Taiping Bay Port Company Limited	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	499,056.60
Dalian Taiping Bay Investment & Development Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	27,924.52
Yingkou Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	2,495.63
China Merchants Chongqing Highway Engineering Testing Center Co., Ltd.	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	1,879.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Sinotrans (Tangshan) Logistics Co., Ltd. (中外運(唐山)物流有限公司)	Controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	1,733.54
Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	Joint venture of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	79,548,066.58	59,074,325.47
Dalian Port Machinery Co., Ltd.	Joint venture of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	246,938.95	692,661.15
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Joint venture of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	81,189.37	89,130.73
Dalian Jingda International Freight Forwarding Co., Ltd.	Joint venture of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	17,075.70	-
Quanzhou Ansheng Shipping Co., Ltd. (泉州安盛船務有限公司)	Joint venture of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	1,808.74	-
Dalian Zhonghai Harbour Investment Co., Ltd. (大連中海海港投資有限公司)	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	700,356.28	-
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	122,360.58	310,898.15
Dalian Port Design and Research Institute Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	95,004.10	112,922.48
Dalian Port Machinery and Electric Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	7,198.12	13,570.76

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Gangxin Construction Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	1,882.87	6,950.46
Dalian Gangming Port Automobile Inspection Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	1,482.56	1,504.59
Dalian Port Industrial Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	936,655.58
Dalian Harbour Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	305,199.35
Dalian Port Property Management Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	61,871.28
Dalian Port Rixing Boiler Installation Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	32,567.22
Dalian Port Landscape Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	24,022.25
Dalian Port Xingang Construction Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	14,860.08
Dalian Port Tongda Media Co., Ltd.	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	445.87
Dalian Port Industrial Co., Ltd. (Xingang Gas Station)	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	445.86

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Beiyin Qiche Logistics Information Consulting Co., Ltd. (大連北銀汽車物流信息諮詢有限公司)	Associate of the company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	-	305.50
Total					295,199,317.20	267,609,059.38
PDA Group	Indirect controlling shareholder	Expenses	Comprehensive services	Agreement	16,707,016.50	15,140,189.98
Yingkou Port Group	Parent company	Expenses	Comprehensive services	Agreement	45,473,118.78	43,180,664.25
Yingkou Gangtong E-Commerce Co., Ltd. (營口港通電子商務有限公司)	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	6,344,046.13	7,279,576.15
Yingkou Hongyun Port Container Development Co., Ltd. (營口紅運港口集裝箱發展有限公司)	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	4,397,696.86	3,430,169.86
Liaoning Huiyuan Photovoltaic Co., Ltd. (遼寧薈源光伏有限公司)	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	2,988,527.43	3,054,347.34
Yingkou Port Shipping Agency Co., Ltd. (營口港船貨代理有限責任公司)	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	2,113,539.67	1,787,848.79
Panjin Port Group Co., Ltd. (盤錦港集團有限公司)	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	445,900.65	107,090.36
Faku Yinggang Logistics Co., Ltd. (法庫營港物流有限公司)	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	186,730.19	286,269.80
Yingkou Port Hospital	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	137,664.00	-
Yingkou Port Engineering Supervision Consulting Co., Ltd.	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	96,899.99	187,703.77
Liaoning Harbour Engineering Technology Co., Ltd. (遼寧港灣船務工程技術有限公司)	Subsidiary of the parent	Expenses	Comprehensive services	Agreement	-	352,627.42

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Changxing Island Port Investment and Development Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	94,768,867.64	95,711,320.39
China United International Rail Containers (Dalian) Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	15,365,413.88	10,292,091.77
Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運有限責任公司)	Joint venture	Expenses	Comprehensive services	Agreement	7,083,237.29	6,429,192.07
Weifang Weida Container Service Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	2,488,891.84	3,295,405.20
China United Tally (Dalian) Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	1,118,618.04	1,075,749.05
Dalian United International Shipping Agency Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	6,800.00	-
China Oil Dock Management (Dalian) Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	-	4,536,332.03
Dalian Port Tongli Shipping Agency Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	-	213,237.25
Dalian Automobile Terminal Co., Ltd.	Associate	Expenses	Comprehensive services	Agreement	501,751.89	393,831.14
Dalian Singamas International Container Co., Ltd.	Associate	Expenses	Comprehensive services	Agreement	324,816.51	87,064.22
Yingkou Ocean Shipping Agency Co., Ltd.	Joint venture of the parent	Expenses	Comprehensive services	Agreement	570,592.20	1,090,232.55
Yingkou Port Gaizhou Logistics Co., Ltd.	Joint venture of the parent	Expenses	Comprehensive services	Agreement	560,320.77	-
Beidahuang Logistics Co., Ltd. (北大荒物流股份有限公司)	Joint venture of the parent	Expenses	Comprehensive services	Agreement	48,722.25	487,875.09
Yingkou Port Jixing Logistics Co., Ltd. (營口港吉星物流有限公司)	Joint venture of the parent	Expenses	Comprehensive services	Agreement	6,916.75	4,963,238.95

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Yingkou Gangyue Sugar Storage Co., Ltd. (營口港悅食糖儲備有限公司)	Joint venture of the parent	Expenses	Comprehensive services	Agreement	-	2,155,397.13
Yingkou Port Vessel Fuel Supply Co., Ltd. (營口港船舶燃料供應有限責任公司)	Associate of the parent	Expenses	Comprehensive services	Agreement	55,695,319.48	57,935,200.05
Yingkou Hui Feng Logistics Co., Ltd. (營口匯豐物流有限公司)	Associate of the parent	Expenses	Comprehensive services	Agreement	18,601,567.08	21,849,165.79
Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	Associate of the parent	Expenses	Comprehensive services	Agreement	9,053,369.63	12,575,523.50
Yingkou Gangxin Technology Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	14,426,439.84	15,713,615.87
Dalian Harbour Logistics Network Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	8,169,000.30	7,495,383.82
Shenzhen China Merchants Daojiahui Technology Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	6,760,577.64	6,436,338.23
Dalian Port Logistics Technology Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	5,275,686.72	7,354,482.00
Dalian Port Security Services Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	4,128,577.08	4,629,363.55
Dalian Portsoft Network Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	3,365,869.50	705,526.56
Dalian Hongyu Building Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	2,752,526.12	1,980,551.96
China Merchants Property Management Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	1,301,526.99	726,675.81
Dandong Port Group Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	975,736.00	537,204.69
Dalian Harbour Building Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	961,334.16	953,442.24

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Port Hospital	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	547,641.38	1,442,901.84
Dalian Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	504,193.40	37,736.79
Shenzhen Haiqin Engineering Supervision & Management Company Limited	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	174,760.39	358,936.03
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	171,977.40	178,563.25
Hoi Tung (Shanghai) Company Limited	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	92,903.54	426,443.37
China Communications Import & Export Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	69,028.91	7,598.76
China Marine Shipping Agency Liaoning Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	57,379.00	5,225.00
Dalian Sinotrans International Logistics Co., Ltd. (大連中外運集運國際物流有限公司)	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	17,837.74	-
China Merchants Food (China) Co., Limited	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	14,569.46	-
Dalian Port North Shore Investment and Development Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	11,320.75	11,009.17
Dalian Port City Comprehensive Development Co., Ltd. (大連港城綜合開發有限公司)	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	825.68	825.68
Dalian Portsoft Technology Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	2,849,945.24
Shenyang Sinotrans & CSC Logistics Development Co., Ltd.	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	2,291,477.42
AVIC Property Management Co., Ltd. (中航物業管理有限公司)	Controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	377,358.49

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Joint venture of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	37,025,989.14	40,685,112.82
Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	Joint venture of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	2,726,806.41	1,605,311.91
Dalian Port Machinery Co., Ltd.	Joint venture of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	899,379.20	3,684,332.76
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	19,746,109.93	20,582,469.00
Jinzhou Port Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	217,924.53	-
Dalian Port Design and Research Institute Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	139,621.70	14,150.94
Xingyun Digital Clustering (Beijing) Technology Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	2,150.50	-
Dalian Port Industrial Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	14,099,291.12
Dalian Port Landscape Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	976,230.35

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of related transactions	Pricing method and decision-making procedure of related transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Port Property Management Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	469,774.60
Dalian Port Xingang Construction Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	71,619.27
Dalian Harbour Engineering Co., Ltd.	Associate of the company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	-	46,180.48
Total					395,624,038.86	434,652,422.92

Note 1: Comprehensive services include loading and discharging, storage, agency, tallying, information, containers ancillary services, equipment and technology maintenance, water and electricity supply and other services.

Note 2: On 28 April 2021, the Group convened the third meeting of the sixth session of the Board in 2021, at which the Proposal on Consideration of the Caps for the Ordinary Continuing Related Transactions for 2021-2023 and Signing of the Framework Agreements on Continuing Related Transactions was considered and passed, and the Group was approved to enter into various framework agreements on continuing related transactions and set the annual caps for the related transactions under each of the framework agreements with Liaoning Port Group (including China Merchant Group and related subsidiaries) and other related parties. The approved caps for related transactions on purchase of goods and receipt of services, and caps for related transactions on provision of construction supervision and supervision services between the Group and Liaoning Port Group (including China Merchant Group and related subsidiaries) in 2023 were RMB1,340,000,000.00 (2022: RMB1,320,000,000.00) and RMB24,000,000.00 (2022: RMB26,000,000.00) respectively, and none of the related transactions between the Group and such companies exceeded the caps for the related transactions during the Period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Interest receivable	Dalian Changxing Island Port Co., Ltd.	4,046,152.52	3,292,702.31
Interest receivable	Dalian Vanguard International Logistics Co., Ltd.	27,791.73	30,570.88
Total		4,073,944.25	3,323,273.19
Contract liabilities	Yingkou Ocean Shipping Agency Co., Ltd.	10,890,667.44	2,908,129.79
Contract liabilities	Yingkou Port Shipping Agency Co., Ltd. (營口港船貨代理有限公司)	2,969,435.57	1,306,597.03
Contract liabilities	Dalian United International Shipping Agency Co., Ltd.	1,583,224.68	109,089.10
Contract liabilities	Dalian Port Design and Research Institute Co., Ltd.	1,237,680.00	–
Contract liabilities	Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	1,182,507.68	1,575,387.29
Contract liabilities	Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	829,505.92	–
Contract liabilities	Sinotrans Liaoning Company Limited (中國外運遼寧有限公司)	601,186.00	318.00
Contract liabilities	Dalian Port Bulk Cargo Logistics Center Co., Ltd.	412,650.65	–
Contract liabilities	Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	180,566.90	469,152.04
Contract liabilities	Dalian Port Wantong Logistics Co., Ltd.	58,546.36	58,546.36
Contract liabilities	China United International Rail Containers (Dalian) Co., Ltd.	54,640.00	51,547.17
Contract liabilities	COFCO Merchants (Shenzhen) Grain Electronic Trading Center Co., Ltd.	45,500.00	0.01
Contract liabilities	Ha'ou International Logistics Co., Ltd.	41,700.00	–
Contract liabilities	Ganghe (Shanghai) Economic and Trade Co., Ltd.	25,178.30	25,178.30
Contract liabilities	Sinotrans Northeastern Co., Ltd.	16,942.00	–

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Contract liabilities	Yingkou Zhonglian Tally Co., Ltd. (營口中聯理貨有限公司)	705.02	2,000.00
Contract liabilities	Beidahuang Logistics Co., Ltd. (北大荒物流股份有限公司)	422.70	2.7
Contract liabilities	Dalian Singamas International Container Co., Ltd.	250.00	50,868.24
Contract liabilities	Yingkou Xintonghe Logistics Co., Ltd. (營口新通合物流有限公司)	24.00	1,519.36
Contract liabilities	Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	-	1,677,564.08
Contract liabilities	Sinotrans Northeastern Co., Ltd.	-	1,060,190.71
Contract liabilities	Yingkou Port Group Bonded Goods Storage and Transportation Co., Ltd. (營口港務集團保稅貨物儲運有限公司)	-	447,238.67
Contract liabilities	National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連液化天然氣有限公司)	-	357,904.49
Contract liabilities	PDA Group	-	190,550.46
Contract liabilities	Dalian Sinotrans Logistics Co., Ltd.	-	131,939.61
Contract liabilities	Panjin Port Runbang International Logistics Co., Ltd. (盤錦港潤邦國際物流有限公司)	-	66,461.32
Contract liabilities	China Marine Shipping Agency Liaoning Co., Ltd.	-	50,000.00
Contract liabilities	Dalian Wanpeng Port Engineering Testing Co., Ltd.	-	19,611.36
Contract liabilities	Dalian Puji Storage Facility Co., Ltd.	-	5,417.17
Contract liabilities	VTTI Terminals Dalian Co., Ltd.	-	2,809.91
Contract liabilities	Yingkou Port Group	-	2,683.20
Contract liabilities	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	-	2,161.47
Total		20,131,333.22	10,572,867.84

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Prepayments	China United International Rail Containers (Dalian) Co., Ltd.	3,104,917.85	278,819.93
Prepayments	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	1,206,424.82	1,316,000.00
Prepayments	Dalian Port Machinery and Electric Co., Ltd.	1,143,767.70	–
Prepayments	Dalian Portsoft Network Co., Ltd.	730,991.40	–
Prepayments	Yingkou Gangxin Technology Co., Ltd.	48,603.77	30,643.00
Prepayments	Dalian Port Machinery Co., Ltd.	36,669.00	36,669.00
Prepayments	Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	18,787.71	75,150.93
Prepayments	Dandong Port Group Co., Ltd.	10,000.00	–
Prepayments	Dalian Port Logistics Network Co., Ltd.	9,939.00	10,037.00
Prepayments	Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	8,100.00	8,100.00
Prepayments	China Marine Shipping Agency Liaoning Co., Ltd.	5,084.00	70,469.00
Prepayments	Dalian Vanguard International Logistics Co., Ltd.	3,404.81	–
Prepayments	Ha'ou International Logistics Co., Ltd.	–	670.00
Total		6,326,690.06	1,826,558.86
Accounts receivable	Dalian Automobile Terminal Co., Ltd.	37,656,647.20	45,682,164.44
Accounts receivable	Huaneng Yingkou Port Co., Ltd.	34,699,421.99	31,501,089.83
Accounts receivable	Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	25,306,654.70	15,931,524.64
Accounts receivable	Dalian Port Yidu Cold Chain Co., Ltd.	16,280,342.97	25,246,223.33

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Accounts receivable	Dalian Changxing Island Port Co., Ltd.	15,294,062.07	12,842,571.67
Accounts receivable	Dalian Port Bulk Cargo Logistics Center Co., Ltd.	11,003,994.16	19,217,391.50
Accounts receivable	China Merchants Gangrong	10,380,844.00	1,641,816.90
Accounts receivable	China Oil Dock Management (Dalian) Co., Ltd.	6,689,836.35	1,719,016.00
Accounts receivable	Dalian Port Design and Research Institute Co., Ltd.	5,896,057.10	5,891,801.09
Accounts receivable	Dalian Creative Industry Project Development Co., Ltd.	5,336,904.90	5,336,904.90
Accounts receivable	China Merchants Logistics Group (Tianjin) Co., Ltd. (招商局物流集團(天津)有限公司)	3,554,523.66	–
Accounts receivable	Dalian Port Wantong Logistics Co., Ltd.	3,119,761.00	755,617.00
Accounts receivable	Dalian Vanguard International Logistics Co., Ltd.	2,908,225.37	2,240,000.00
Accounts receivable	Sinotrans Container Lines Co., Ltd.	2,341,462.00	1,537,442.00
Accounts receivable	Dalian Shunde Jifa Supply Chain Management Co., Ltd.	2,138,812.21	2,138,812.21
Accounts receivable	China Marine Shipping Agency Liaoning Co., Ltd.	2,061,233.30	2,765,997.95
Accounts receivable	Yingkou Port Fairy Island Pier Co., Ltd. (營口港仙人島碼頭有限公司)	1,644,390.66	1,250,760.76
Accounts receivable	Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	1,531,563.62	670.01
Accounts receivable	Dalian United International Shipping Agency Co., Ltd.	935,563.54	770,030.20

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Accounts receivable	Liaoning Harbour Engineering Technology	901,500.00	452,480.94
Accounts receivable	Dalian Puji Storage Facility Co., Ltd.	744,239.61	–
Accounts receivable	Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	690,828.75	14,378.45
Accounts receivable	Angang Yingkou Port Co., Ltd.	470,000.00	–
Accounts receivable	Yingkou Container Terminals Company Limited	450,562.64	721,291.62
Accounts receivable	Yingkou Ocean Shipping Agency Co., Ltd.	332,285.12	261,459.03
Accounts receivable	Dalian Jilong Logistics Co., Ltd.	272,115.23	272,115.23
Accounts receivable	Dalian Zhonghai Harbour Investment Co., Ltd. (大連中海海港投資有限公司)	254,124.94	–
Accounts receivable	Weifang Weida Container Service Co., Ltd.	230,598.00	5,250.00
Accounts receivable	Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運有限責任公司)	228,767.66	–
Accounts receivable	PDA Group	183,359.34	254,710.66
Accounts receivable	VTTI Terminals Dalian Co., Ltd.	179,148.41	387,804.72
Accounts receivable	Sinotrans Changjiang Co., Ltd. (中國外運長江有限公司)	146,208.88	–
Accounts receivable	Dalian North Oil Petroleum Logistics Co., Ltd.	93,170.00	–
Accounts receivable	Sinotrans Northeastern Co., Ltd.	84,650.00	808,829.16

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Accounts receivable	Yingkou COSCO Shipping Agency Co., Ltd. (營口中遠海運船務代理有限公司)	76,355.45	–
Accounts receivable	Shenzhen Merchants Ro-Ro Transportation Co., Ltd.	71,488.00	195,285.00
Accounts receivable	Dalian Dagang China Shipping Container Terminal Co., Ltd.	41,893.80	–
Accounts receivable	Yingkou Port Vessel Fuel Supply Co., Ltd. (營口港船舶燃料供應有限責任公司)	19,998.10	39,100.65
Accounts receivable	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	16,080.00	–
Accounts receivable	Dalian Singamas International Container Co., Ltd.	14,859.00	104,011.00
Accounts receivable	Yingkou Gangyue Sugar Storage Co., Ltd. (營口港悅食糖儲備有限公司)	13,043.39	–
Accounts receivable	Dalian Port Machinery Co., Ltd.	10,596.18	–
Accounts receivable	China United International Rail Containers (Dalian) Co., Ltd.	7,957.00	50,000.00
Accounts receivable	Dalian PetroChina International Warehousing and Transportation Co., Ltd.	3,922.00	137,100.00
Accounts receivable	Yingkou Port Tank Cleaning Co., Ltd. (營口港清洗艙有限公司)	3,492.06	3,373.69
Accounts receivable	Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	1,884.00	–
Accounts receivable	Yingkou Duty Free Foreign Supply Port Service Company Limited (營口中免對外供應港口服務有限責任公司)	161.23	–
Accounts receivable	Dalian Wanpeng Port Engineering Testing Co., Ltd.	75.00	–
Accounts receivable	Yingkou Zhonglian Tally Co., Ltd. (營口中聯理貨有限公司)	61.11	–

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Accounts receivable	Yingkou Gangjun Logistics Co., Ltd. (營口港駿物流有限公司)	-	2,800,000.00
Accounts receivable	Yingkou Port Group	-	410,748.20
Accounts receivable	Dalian Port City Comprehensive Development Co., Ltd.	-	66,086.79
Accounts receivable	Beidahuang Logistics Co., Ltd. (北大荒物流股份有限公司)	-	28,837.62
Accounts receivable	Yingkou Port Group Bonded Goods Storage and Transportation Co., Ltd. (營口港務集團保稅貨物儲運有限公司)	-	15,989.04
Accounts receivable	Yingkou Gangtong E-Commerce Co., Ltd. (營口港通電子商務有限公司)	-	12,188.30
Accounts receivable	Yingkou Ocean Shipping Tally Co., Ltd.	-	5,977.29
Accounts receivable	Yingkou Port Shipping Agency Co., Ltd. (營口港船貨代理有限公司)	-	5,101.33
Accounts receivable	Yingkou Port Hospital	-	3,846.12
Accounts receivable	Yingkou Port Foreign Economic Cooperation Development Co., Ltd. (營口港對外經濟合作發展有限公司)	-	2,751.98
Accounts receivable	Dalian Gangxin Construction Engineering Co., Ltd.	-	1,770.75
Accounts receivable	Yingkou Port Real Estate Development Co., Ltd. (營口港房地產開發有限責任公司)	-	1,352.36
Accounts receivable	Yingkou Hongyun Port Container Development Co., Ltd.	-	9.70
Total		194,323,725.70	183,531,684.06
Other receivables	Dalian Changxing Island Port Investment and Development Co., Ltd.	89,777,344.77	82,471,892.27

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Other receivables	China Merchants Gangrong	59,018,333.75	25,639,033.71
Other receivables	Dalian Vanguard International Logistics Co., Ltd.	23,000,000.00	23,000,000.00
Other receivables	Dalian Changxing Island Port Co., Ltd.	17,958,819.49	16,888,469.49
Other receivables	Dalian Port Yidu Cold Chain Co., Ltd.	3,123,438.29	1,135,688.58
Other receivables	China United International Rail Containers (Dalian) Co., Ltd.	2,550,000.00	–
Other receivables	Dalian Port Petroleum & Chemical Co., Ltd.	2,338,004.20	22,421.00
Other receivables	Dalian Port Machinery Co., Ltd.	2,020,232.85	1,908,542.85
Other receivables	China Marine Shipping Agency Liaoning Co., Ltd.	1,557,495.00	1,331,711.40
Other receivables	Jinzhou Liaoxi PDA Properties Co., Ltd.	1,272,530.00	1,272,530.00
Other receivables	Dalian Automobile Terminal Co., Ltd.	1,269,973.99	951,378.99
Other receivables	Dalian Port Design and Research Institute Co., Ltd.	1,232,742.95	2,202,885.69
Other receivables	Dalian Port Machinery and Electric Co., Ltd.	801,586.75	801,586.75
Other receivables	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	540,000.00	233,201.68
Other receivables	Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	483,204.00	489,421.20
Other receivables	PDA Group	478,562.12	4,348,201.03
Other receivables	Dalian Sinotrans Logistics Co., Ltd.	421,666.68	80,000.00
Other receivables	China United Tally (Dalian) Co., Ltd.	375,000.00	–
Other receivables	Dalian United International Shipping Agency Co., Ltd.	297,478.00	492,767.20
Other receivables	Dandong Port Group Co., Ltd.	209,723.94	707,172.94
Other receivables	Dalian Port Bulk Cargo Logistics Center Co., Ltd.	160,000.00	320,000.00
Other receivables	Dalian Port North Shore Automobile Terminal Co., Ltd.	139,322.00	165,563.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Other receivables	Dalian Port Logistics Technology Co., Ltd.	65,320.31	65,320.31
Other receivables	Sinotrans Container Lines Co., Ltd.	63,172.00	46,235.40
Other receivables	VTTI Terminals Dalian Co., Ltd.	47,846.37	283,852.61
Other receivables	Weifang Weida Container Service Co., Ltd.	42,630.00	–
Other receivables	Dalian Yongde Property Management Co., Ltd. (大連永德物業管理有限公司)	42,228.69	4,146.69
Other receivables	Dalian Port North Shore Investment and Development Co., Ltd.	39,863.55	39,863.55
Other receivables	Dalian North Oil Petroleum Logistics Co., Ltd.	28,800.00	28,800.00
Other receivables	Liaoning Port Group	27,797.90	4,013,021.20
Other receivables	Dalian Jilong Logistics Co., Ltd.	20,000.00	20,000.00
Other receivables	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	20,000.00	20,000.00
Other receivables	China Merchants Taiping Bay Development Investment Co., Ltd. (招商局太平灣開發投資有限公司)	16,967.00	1,346.00
Other receivables	Dalian Taiping Bay Port Company Limited	8,783.65	8,783.65
Other receivables	Dalian Yongdeyi Housing Development Co., Ltd. (大連永德義房屋開發有限公司)	6,000.00	–
Other receivables	Jinzhou Dagang Real Estate Co., Ltd. (錦州大港地產有限公司)	6,000.00	–
Other receivables	Dalian Port City Comprehensive Development Co., Ltd. (大連港城綜合開發有限公司)	5,794.67	14,997.57
Other receivables	Dalian Port PetroChina International Terminal Co., Ltd.	4,031.84	8,236.08
Other receivables	Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	2,728.00	16,187.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Other receivables	Dalian Gangxin Construction Engineering Co., Ltd.	2,111.70	340.95
Other receivables	China Communications Import & Export Co., Ltd.	–	180,000.00
Other receivables	Shantou China Merchants Port Group Co., Ltd.	–	5,000.00
Other receivables	Dalian Zhonghai Harbour Investment Co., Ltd. (大連中海海港投資有限公司)	–	4,424.40
Total		209,475,534.46	169,223,023.19
Non-current assets due within one year	Dalian Changxing Island Port Co., Ltd.	26,500,000.00	26,500,000.00
Total		26,500,000.00	26,500,000.00
Advances from customers	China Merchants Investment Development Co., Ltd. (招商局投資發展有限公司)	1,093,615.75	1,093,615.75
Total		1,093,615.75	1,093,615.75
Accounts payable	Quanzhou Antong Logistics Co., Ltd. (泉州安通物流有限公司)	6,447,959.10	6,488,145.77
Accounts payable	Dalian Port Wantong Logistics Co., Ltd.	1,636,000.00	833,000.00
Accounts payable	Weifang Weida Container Service Co., Ltd.	1,598,159.74	1,386,375.88
Accounts payable	China United International Rail Containers (Dalian) Co., Ltd.	1,520,265.50	–
Accounts payable	Yingkou Port Vessel Fuel Supply Co., Ltd. (營口港船舶燃料供應有限責任公司)	1,340,370.00	190,030.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Accounts payable	Dalian Port Logistics Technology Co., Ltd.	1,210,000.00	2,040,697.00
Accounts payable	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	1,093,960.62	449,191.26
Accounts payable	Yingkou Gangtong E-Commerce Co., Ltd. (營口港通電子商務有限公司)	885,000.00	–
Accounts payable	Dandong Port Group Co., Ltd.	847,516.96	48,419.12
Accounts payable	Liaoning Huiyuan Photovoltaic Co., Ltd. (遼寧蒼源光伏有限公司)	846,972.00	330,000.00
Accounts payable	Sinograin Yingkou Storage and Transportation Co., Ltd. (中儲糧營口儲運有限責任公司)	712,590.56	–
Accounts payable	Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	623,218.76	9,173,148.21
Accounts payable	Yingkou Gangxin Technology Co., Ltd.	553,998.00	118,388.00
Accounts payable	Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	528,000.00	–
Accounts payable	Dalian Singamas International Container Co., Ltd.	376,961.92	292,000.00
Accounts payable	Dalian Automobile Terminal Co., Ltd.	354,805.00	–
Accounts payable	Liaoning Harbour Engineering Technology Co., Ltd.	295,949.70	570,809.70
Accounts payable	Dalian Port Logistics Network Co., Ltd.	285,000.00	570,530.42
Accounts payable	Panjin Port Group Co., Ltd. (盤錦港集團有限公司)	255,338.04	15,401.32
Accounts payable	Dalian Portsoft Network Co., Ltd.	244,300.00	3,600.00
Accounts payable	Dalian Port Machinery Co., Ltd.	235,000.00	990,470.00
Accounts payable	Yingkou Port Gaizhou Logistics Co., Ltd.	227,395.00	516,436.91
Accounts payable	Yingkou Ocean Shipping Agency Co., Ltd.	203,595.91	112,287.75
Accounts payable	PDA Group	136,662.79	117,133.79
Accounts payable	Jinzhou Port Co., Ltd.	126,000.00	4,200.00
Accounts payable	Dalian Portsoft Technology Co., Ltd.	42,500.00	42,500.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Accounts payable	Shenzhen China Merchants Daojiahui Technology Co., Ltd.	25,621.71	–
Accounts payable	Dalian Jilong Logistics Co., Ltd.	7,375.47	7,375.47
Accounts payable	China United Tally (Dalian) Co., Ltd.	–	529,128.55
Accounts payable	Shenyang Sinotrans & CSC Logistics Development Co., Ltd.	–	287,555.98
Accounts payable	China Oil Dock Management (Dalian) Co., Ltd.	–	160,801.34
Accounts payable	Xingyun Digital Clustering (Beijing) Technology Co., Ltd.	–	16,838.82
Accounts payable	Beidahuang Logistics Co., Ltd. (北大荒物流股份有限公司)	–	11,880.00
Accounts payable	Yingkou Port Jixing Logistics Co., Ltd. (營口港吉星物流有限公司)	–	8,948.73
Accounts payable	Yingkou Port Tank Cleaning Co., Ltd. (營口港清洗艙有限公司)	–	7,650.00
Total		22,660,516.78	25,322,944.02
Other payables	Ocean Harvest Container Co., Ltd.	49,644,085.82	49,022,558.11
Other payables	PDA Group	17,706,544.50	1,043,494.50
Other payables	Dalian Port Machinery and Electric Co., Ltd.	17,453,922.05	19,092,666.29
Other payables	Dalian Port Logistics Network Co., Ltd.	5,477,584.00	2,267,860.57
Other payables	Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	4,311,200.00	2,151,200.00
Other payables	Dalian United International Shipping Agency Co., Ltd.	2,580,308.62	777,063.66
Other payables	Dalian Port Machinery Co., Ltd.	2,205,457.71	4,269,665.81

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Other payables	China Merchants International Technology Company Limited (招商局國際科技有限公司)	1,888,040.00	1,888,040.00
Other payables	Quanzhou Antong Logistics Co., Ltd.	1,600,000.00	800,000.00
Other payables	Dalian Port Logistics Technology Co., Ltd.	1,163,379.50	2,274,933.00
Other payables	Hoi Tung (Shanghai) Company Limited	1,162,300.00	1,162,300.00
Other payables	Dalian Hongyu Building Co., Ltd.	1,139,278.52	–
Other payables	Dalian Port Yidu Cold Chain Co., Ltd.	1,119,480.00	1,109,480.00
Other payables	Dandong Port Group Co., Ltd.	789,709.00	431,603.80
Other payables	Yingkou Gangxin Technology Co., Ltd.	703,931.20	2,212,658.75
Other payables	Shenzhen Haiqin Engineering Supervision & Management Company Limited	700,000.00	600,000.00
Other payables	Weifang Weida Container Service Co., Ltd.	548,190.00	–
Other payables	Dalian Portsoft Technology Co., Ltd.	481,475.40	925,555.40
Other payables	Dalian Portsoft Network Co., Ltd.	322,712.49	456,305.15
Other payables	China United International Rail Containers (Dalian) Co., Ltd.	225,754.15	1,353,000.75
Other payables	Dalian Port Design and Research Institute Co., Ltd.	213,728.40	107,178.40
Other payables	Dalian Sinotrans Logistics Co., Ltd.	163,000.00	158,000.00
Other payables	Yingkou Port Group	142,648.68	210,206,371.31
Other payables	Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	115,000.00	100,000.00
Other payables	Dalian Zhonghai Harbour Investment Co., Ltd. (大連中海海港投資有限公司)	100,000.00	100,000.00
Other payables	China Oil Dock Management (Dalian) Co., Ltd.	82,383.75	–
Other payables	Liaoning Foreign Transport Everlasting Transport Service Co., Ltd.	67,573.00	281,481.00
Other payables	Liaoning Harbour Engineering Technology Co., Ltd.	63,423.30	115,319.70

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Other payables	Yingkou Port Vessel Fuel Supply Co., Ltd.	53,000.00	3,000.00
Other payables	Dalian Singamas International Container Co., Ltd.	45,929.00	53,157.92
Other payables	Yingkou COSCO Shipping Agency Co., Ltd.	40,000.00	20,000.00
Other payables	China Marine Shipping Agency Liaoning Co., Ltd.	38,000.00	37,000.00
Other payables	Dalian Changxing Island Port Co., Ltd.	35,000.00	35,000.00
Other payables	Yingkou Port Tank Cleaning Co., Ltd.	29,000.00	20,000.00
Other payables	Yingkou Port Gaizhou Logistics Co., Ltd.	20,000.00	20,000.00
Other payables	Yingkou Ocean Shipping Agency Co., Ltd.	20,000.00	10,000.00
Other payables	Yingkou Yinlong Port Co., Ltd.	17,400.01	17,400.01
Other payables	Yingkou Ocean Shipping Tally Co., Ltd.	15,000.00	–
Other payables	Yingkou Gangyue Sugar Storage Co., Ltd. (營口港悅食糖儲備有限公司)	10,000.00	10,000.00
Other payables	Xingyun Digital Clustering (Beijing) Technology Co., Ltd.	6,451.50	36,315.05
Other payables	China United Tally (Dalian) Co., Ltd.	6,400.00	207,172.64
Other payables	Dalian Jingda International Freight Forwarding Co., Ltd.	5,000.00	5,000.00
Other payables	Dalian Creative Industry Project Development Co., Ltd.	5,000.00	5,000.00
Other payables	Yingkou Duty Free Foreign Supply Port Service Company Limited	1,000.00	1,000.00
Other payables	Huaneng Yingkou Port Co., Ltd.	1,000.00	1,000.00
Other payables	China Merchants Bank Co., Ltd.	20.00	20.00
Other payables	Yingkou Port Jixing Logistics Co., Ltd.	–	522,000.00
Other payables	Yingkou Port Engineering Design and Research Institute Co., Ltd.	–	142,648.68

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Other payables	Dalian Wanpeng Foundation Engineering Co., Ltd.	-	30,000.03
Other payables	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	-	21,200.00
Other payables	Sinotrans Northeastern Co., Ltd.	-	20,000.00
Other payables	Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	-	16,200.00
Other payables	Dalian Port Hospital	-	810.00
Total		112,519,310.60	304,140,660.53
Long-term borrowings	China Merchants Group Finance Co., Ltd.	641,000,000.00	716,000,000.00
Total		641,000,000.00	716,000,000.00
Lease liabilities	Yingkou Port Group	2,351,548,561.76	2,412,284,624.45
Lease liabilities	Dalian Port PetroChina International Terminal Co., Ltd.	1,391,334,092.99	1,399,005,520.11
Lease liabilities	PDA Group	1,183,676,461.66	1,194,268,218.79
Lease liabilities	Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	50,923,205.22	33,153,770.73
Lease liabilities	Dalian Harbour Building Co., Ltd.	17,451,438.86	17,951,267.51
Lease liabilities	Dalian Automobile Terminal Co., Ltd.	851,646.00	861,595.12
Total		4,995,785,406.49	5,057,524,996.71
Long-term payables due within one year	China Merchants Group Finance Co., Ltd.	75,616,555.56	85,787,200.00
Total		75,616,555.56	85,787,200.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2023 (Unaudited)	31 December 2022
Lease liabilities due within one year	Yingkou Port Group	96,151,028.97	95,058,001.63
Lease liabilities due within one year	PDA Group	21,121,423.60	21,037,431.12
Lease liabilities due within one year	Dalian Port PetroChina International Terminal Co., Ltd.	15,231,343.29	14,806,968.19
Lease liabilities due within one year	Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	1,291,387.39	1,373,279.35
Lease liabilities due within one year	Dalian Harbour Building Co., Ltd.	970,564.92	948,724.75
Lease liabilities due within one year	Dalian Changxing Island Port Co., Ltd.	23,445.05	22,911.67
Lease liabilities due within one year	Dalian Automobile Terminal Co., Ltd.	19,452.91	19,119.91
Total		134,808,646.13	133,266,436.62

Except for long-term borrowings, lease liabilities, related party borrowings in long-term payables, non-current assets due within one year, other amounts due to and due from related parties were interest free, unsecured and with no fixed maturity date.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(3) Leasing with related parties

The Group as the lessor

Name of lessee	Type of the leased assets	Pricing method and decision-making procedure of related transactions	Leasing income recognised for the six months ended 30 June 2023 (Unaudited)	Leasing income recognised for the six months ended 30 June 2022 (Unaudited)
Yingkou Container Terminals Company Limited	Berth and stock yard/Buildings/Machinery and equipment	Agreement	37,915,484.45	35,544,290.33
China Oil Dock Management (Dalian) Co., Ltd.	Berth and stock yard	Agreement	7,080,000.00	7,080,000.00
China United International Rail Containers (Dalian) Co., Ltd.	Warehouse/Machinery and equipment	Agreement	2,393,239.96	2,176,097.10
Dalian Port Petroleum & Chemical Co., Ltd.	Berth/Storage	Agreement	2,144,957.98	2,144,957.98
Dalian Port Yidu Cold Chain Co., Ltd.	Field bridge/Stock yard	Agreement	1,919,921.96	2,032,579.26
Dalian Sinotrans Logistics Co., Ltd.	Stock yard/Buildings	Agreement	928,571.43	904,761.91
Yingkou Port Group	Machinery and equipment/Buildings	Agreement	758,094.38	721,613.50
Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	Stock yard	Agreement	650,436.19	247,787.61
Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧濱哈紅運物流有限公司)	Machinery and equipment	Agreement	447,957.71	447,957.71
Liaoning Harbour Engineering Technology Co., Ltd. (遼寧港灣船務工程技術有限公司)	Vessels	Agreement	429,047.62	357,539.69

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(3) Leasing with related parties (continued)

The Group as the lessor (continued)

Name of lessee	Type of the leased assets	Pricing method and decision-making procedure of related transactions	Leasing income recognised for the six months ended 30 June 2023 (Unaudited)	Leasing income recognised for the six months ended 30 June 2022 (Unaudited)
Yingkou Port Vessel Fuel Supply Co., Ltd.	Port and terminal facilities	Agreement	301,200.00	301,200.00
Yingkou Hongyun Port Container Development Co., Ltd.	Shipping	Agreement	262,224.77	–
Dalian North Oil Petroleum Logistics Co., Ltd.	Oil pipe and tank	Agreement	211,904.76	211,904.76
China United Tally (Dalian) Co., Ltd.	Buildings/Automobile	Agreement	126,440.24	25,145.63
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Machinery and equipment	Agreement	116,504.88	116,504.88
Dalian Wantong Ronghai Shipping Co., Ltd.	Buildings	Agreement	63,302.75	65,714.29
PDA Group	Buildings	Agreement	5,714.29	5,714.29
Dalian Port Industrial Co., Ltd.	Buildings/Automobile	Agreement	–	365,469.30
Dalian Port Logistics Technology Co., Ltd.	Automobile	Agreement	–	82,800.00
China Marine Shipping Agency Liaoning Co., Ltd.	Shipping	Agreement	–	4,976.19
Total			55,755,003.37	52,837,014.43

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(3) Leasing with related parties (continued)

The Group as the lessee

For the six months ended 30 June 2023 (Unaudited)

Name of lessor	Type of the leased assets	Rental charges for short-term leases and leases of low-value assets for simplified processing	Variable lease payments not included in the measurement of lease liabilities	Rentals paid	Assume interest expenses on lease liabilities	Increased right-of-use assets
Dalian Port Wantong Logistics Co., Ltd.	Vessels	4,343,362.86	-	4,343,362.86	-	-
Huaneng Yingkou Port Co., Ltd.	Equipment	2,876,106.19	-	2,876,106.19	-	-
Shenyang Sinotrans & CSC Logistics Development Co., Ltd.	Buildings	2,638,069.20	-	2,638,069.20	-	-
Quanzhou Antong Logistics Co., Ltd.	Terminal facilities	1,907,362.83	-	1,907,362.83	-	-
Yingkou Port Group	Stock yard/ Automobile/Land/ Terminal facilities	415,922.09	-	71,613,073.28	62,691,372.96	-
Dalian Hongyu Building Co., Ltd.	Buildings	350,789.16	-	350,789.16	-	-
PDA Group	Buildings/Land/ Berth	130,397.62	-	22,509,691.19	30,696,054.46	-
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	Buildings/Parking lot	44,914.10	-	1,240,711.60	1,046,813.74	18,705,931.02
Dalian Harbour Building Co., Ltd.	Buildings	22,775.52	-	981,351.48	480,587.48	-
Dalian Vanguard International Logistics Co., Ltd.	Buildings	17,024.03	-	17,024.03	-	-
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Buildings	15,428.57	-	15,428.57	-	-
Dalian Port PetroChina International Terminal Co., Ltd.	Berth	-	-	43,095,238.09	35,848,186.07	-
Dalian Automobile Terminal Co., Ltd.	Buildings	-	-	30,118.56	20,502.44	-
Dalian Changxing Island Port Co., Ltd.	Buildings	-	-	-	533.38	-
Total		12,762,152.17	-	151,618,327.04	130,784,050.53	18,705,931.02

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(3) Leasing with related parties (continued)

The Group as the lessee (continued)

For the six months ended 30 June 2022 (Unaudited)

Name of lessor	Type of the leased assets	Rental charges for short-term leases and leases of low-value assets for simplified processing	Variable lease payments not included in the measurement of lease liabilities	Rentals paid	Assume interest expenses on lease liabilities	Increased right-of-use assets
Dalian Port Wantong Logistics Co., Ltd.	Vessels	4,423,008.84	–	4,423,008.84	–	–
Huaneng Yingkou Port Co., Ltd.	Equipment	2,876,106.19	–	2,876,106.19	–	–
Dalian Port Industrial Co., Ltd.	Automobile	1,715,945.11	–	1,715,945.11	–	–
PDA Group	Buildings/Land/ Berth	1,008,063.58	–	4,026,019.08	31,205,870.09	274,508.47
Yingkou Gangtong E-Commerce Co., Ltd. (營口港通電子商務有限公司)	Stock yard	550,457.34	–	550,457.34	–	–
Yingkou Port Group	Stock yard/ Automobile/Land/ Terminal facilities	364,216.80	–	110,570,443.37	65,263,525.31	1,051,851,226.21
Dalian Hongyu Building Co., Ltd.	Buildings	313,564.86	–	313,564.86	–	–
Dalian Harbour Building Co., Ltd.	Buildings	22,775.52	–	1,022,184.42	503,793.39	–
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Buildings	15,428.57	–	15,428.57	–	–
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Buildings/Parking lot	12,008.52	–	407,054.94	1,076,932.39	–
Dalian Port PetroChina International Terminal Co., Ltd.	Terminal facilities	–	–	45,250,000.00	36,210,368.00	–
Dalian Equipment Finance Leasing Co., Ltd.	Storage rack	–	–	784,900.00	13,326.49	–
Dalian Automobile Terminal Co., Ltd.	Buildings	–	–	31,624.50	20,927.34	178,176.13
Dalian Changxing Island Port Co., Ltd.	Buildings	–	–	25,200.00	1,042.56	–
Total		11,301,575.33	–	172,011,937.22	134,295,785.57	1,052,303,910.81

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(4) Guarantees from related parties

Guarantees from related parties

Guarantor	Guaranteed amount	Commencement date	Termination date	Fully performed or not
For the six months ended 30 June 2023 (Unaudited)	-	-	-	-
For the six months ended 30 June 2022 (Unaudited)	-	-	-	-

(5) Borrowings with lending from/to related parties

Borrowings from related parties

For the six months ended 30 June 2023 (Unaudited)

There was no borrowings from related parties by the Group during the period.

For the six months ended 30 June 2022 (Unaudited)

There was no borrowings from related parties by the Group during the period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(5) Borrowings with lending from/to related parties (continued)

Repayment of borrowings from related parties

Related party	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
China Merchants Group Finance Co., Ltd.	85,000,000.00	–
Total	85,000,000.00	–

Interest expenses of borrowings from related parties

Related party	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
China Merchants Group Finance Co., Ltd.	12,281,891.67	–
Total	12,281,891.67	–

Borrowings to related parties

For the six months ended 30 June 2023 (Unaudited)

There was no borrowings to related parties by the Group during the period.

For the six months ended 30 June 2022 (Unaudited)

There was no borrowings to related parties by the Group during the period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(5) Borrowings with lending from/to related parties (continued)

Recovery of funds

Related party	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Puji Storage Facility Co., Ltd.	-	4,700,000.00
Total	-	4,700,000.00

Interest income on borrowings to related parties

Related parties	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Changxing Island Port Co., Ltd.	710,802.07	710,802.07
Dalian Vanguard International Logistics Co., Ltd.	474,555.83	474,555.83
Dalian Puji Storage Facility Co., Ltd.	-	107,471.23
Total	1,185,357.90	1,292,829.13

The borrowings to related parties bear interest rates mutually agreed between the parties by reference to the interest rates of the same type of bank loans as stipulated by the People's Bank of China.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(6) Transfer of assets of related parties

Acquisition of assets

Related parties	Content of transactions	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Dalian Port Machinery and Electric Co., Ltd.	Engineering construction	2,554,591.44	4,060,958.86
Dalian Port Logistics Technology Co., Ltd.	Engineering construction	1,122,658.20	217,141.60
Shenzhen China Merchants Daojiahui Technology Co., Ltd.	Purchase of equipment	1,027,385.84	653,592.02
Dalian Portsoft Network Co., Ltd.	Engineering construction	442,351.86	150,442.48
Dalian Portsoft Technology Co., Ltd.	Engineering construction	346,415.09	2,471,698.05
Dalian Harbour Logistics Network Co., Ltd.	Engineering construction	133,018.90	53,773.58
Yingkou Gangxin Technology Co., Ltd.	Purchase of equipment/ Engineering construction	114,159.29	–
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Engineering construction	11,957.43	–
Yingkou Port Engineering Supervision Consulting Co., Ltd.	Engineering construction	9,775.47	3,867.92
China Merchants International Technology Company Limited (招商局國際科技有限公司)	Engineering construction	–	27,361,299.82
Total		5,762,313.52	34,972,774.33

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(7) Remuneration of key management

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Remuneration of key management	4,157,755.89	3,957,766.74

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(8) Commitment between the Group and related parties

The commitments in relation to related parties contracted for by the Group but not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

Leases

Related parties	30 June 2023 (Unaudited)	31 December 2022
As lessee		
Dalian Port Wantong Logistics Co., Ltd.	4,343,362.83	–
Huaneng Yingkou Port Limited Liability Company (華能營口港務有限責任公司)	2,876,106.19	5,619,469.00
Shenyang Sinotrans & CSC Logistics Development Co., Ltd.	2,638,069.20	4,490,806.05
Yingkou Port Group	1,367,350.80	2,734,699.17
PDA Group	342,857.16	211,704.90
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	8,100.00	8,100.00
Total	11,575,846.18	13,064,779.12
As lessor		
Yingkou Container Terminals Company Limited	25,101,232.02	–
Dalian Port Yidu Cold Chain Co., Ltd.	2,759,314.16	1,003,104.58
China United International Rail Containers (Dalian) Co., Ltd.	2,500,000.00	–
Dalian Port Petroleum & Chemical Co., Ltd.	2,144,957.98	–
Yingkou Port Group	704,200.58	–
Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	447,957.71	–
Dalian Sinotrans Logistics Co., Ltd.	341,666.68	–
Yingkou Port Vessel Fuel Supply Co., Ltd. (營口港船舶燃料供應有限責任公司)	301,200.00	–
Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	–	247,787.61
Total	34,300,529.13	1,250,892.19

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(8) Commitment between the Group and related parties (continued)

Capital commitments

Related parties	30 June 2023 (Unaudited)	31 December 2022
Acquisition of assets		
China Merchants International Technology Company Limited (招商局國際科技有限公司)	42,688,588.85	42,688,588.85
Dalian Port Logistics Technology Co., Ltd.	–	141,000.00
Total	42,688,588.85	42,829,588.85

(9) Centralized fund management

Related parties	30 June 2023 (Unaudited)	31 December 2022
China Merchants Bank Co., Ltd.	479,968,075.71	447,037,352.09
China Merchants Group Finance Co., Ltd.	1,742,198,584.64	2,228,474,155.26
Total	2,222,166,660.35	2,675,511,507.35

The annual interest rate for the above deposits for the six months ended 30 June 2023 was 0.20%-2.85% (for the six months ended 30 June 2022: 0.35%-2.85%). The Group obtained deposit interest income of RMB22,919,405.89 (for the six months ended 30 June 2022: RMB22,926,567.52) from the related parties.

As at 30 June 2023, the cash on hand and at bank deposited with the related parties included accrued interest of RMB2,087,696.02 (31 December 2022: RMB17,234,033.35).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(10) Related party trusteeship

The Company's trusteeship is analysed as follows:

Name of entrusting party	Name of entrusted party	Type of entrustment	Commencement date of the trusteeship	Termination date of the trusteeship	Pricing basis for the income from trusteeship	Income from trusteeship recognised in the current period
Liaoning Port Group, PDA Group and Yingkou Port Group	Liaoning Port	Operation management	1 July 2022	31 December 2025	Fixed entrustment fee	-

Note: As reviewed and approved at the Board meeting held on 2 June 2022 by the Company, the Company has entered into the custodial service agreements with Liaoning Port Group, PDA Group and Yingkou Port Group, respectively. According to such agreements, Liaoning Port Group, PDA Group and Yingkou Port Group entrusted the operation management rights of some of their subsidiaries to the Company for a term commencing from the effective date of the respective agreement to 31 December 2025. Liaoning Port Group shall pay to the Company a fixed entrustment fee of RMB8,000,000.00 per annum in aggregate for all of the entrusted management services under the custodial service agreement, which includes all fees and corresponding taxes required by the Company to complete custodial matters under the custodial service agreements each year.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XI. Relationships and transactions with related parties (continued)

5. Significant related transactions between the Group and the above related parties during the period are as follows: (continued)

(11) Other connected transactions

Some related parties of the Group are engaged in port freight forwarding business, that is, the related parties are entrusted by the third-party freight companies to arrange cargo handling in the port area, including signing port operation contracts with the Group and settlement of port handling charges, etc. Such related parties are the agents of the third-party freight companies, so the Group didn't recognised the income arising from port handling in such businesses as the related transactions income with the related parties. Set out below are the amounts settled between related agencies (on behalf of non-related third parties) and the Group:

Related parties	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
China Merchants Gangrong	230,393,028.05	289,684,127.74
Yingkou Port Shipping Agency Co., Ltd. (營口港船貨代理有限公司)	80,765,329.39	–
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	46,474,788.22	17,330,423.17
Yingkou Ocean Shipping Agency Co., Ltd.	35,034,919.07	15,778,416.10
Liaoning Shenha Hongyun Logistics Co., Ltd. (遼寧瀋哈紅運物流有限公司)	33,215,509.05	33,690,538.73
Huaneng Yingkou Port Co., Ltd. (華能營口港務有限公司)	25,415,934.02	23,301,622.34
Yingkou Huifeng Logistics Co., Ltd. (營口滙豐物流有限公司)	16,309,114.36	21,695,926.51
Sinotrans Northeastern Co., Ltd.	14,278,535.65	1,694,853.42
Sinotrans Liaoning Company Limited (中國外運遼寧有限公司)	2,758,476.48	1,761,093.39
Yingkou COSCO Shipping Agency Co., Ltd. (營口中遠海運船務代理有限公司)	1,181,203.58	12,698,722.95
Total	485,826,837.87	417,635,724.35

Save for the above port freight forwarding business, the Group received business receivables through e-commerce platform for port and shipping industry of China Merchants Gangrong. The Group received business receivables totaling RMB889,367,179.19 through China Merchants Gangrong for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB828,721,037.02).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management

The major financial instruments of the Group include cash on hand and at bank, notes receivable, accounts receivable, receivables financing, other receivables, non-current assets due within one year, investments in other equity instruments, accounts payable, other payables, non-current liabilities due within one year, long-term borrowings, bonds payable, lease liabilities, long-term payables, etc. For detailed descriptions of various financial instruments, please refer to the notes to the abovementioned items. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are summarized as follows. The management of the Group manages and monitors these risk exposures to ensure that the above risks are controlled within a limited scope.

1. Classification of financial instruments

Financial assets

	Financial assets at fair value through current profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
30 June 2023 (Unaudited)				
Cash on hand and at bank	-	5,669,758,736.30	-	5,669,758,736.30
Notes receivable	-	229,126,073.56	-	229,126,073.56
Accounts receivable	-	3,372,327,664.58	-	3,372,327,664.58
Receivables financing	-	-	197,974,198.01	197,974,198.01
Other receivables	-	509,453,755.53	-	509,453,755.53
Non-current assets due within one year	-	13,250,000.00	-	13,250,000.00
Investments in other equity instruments	-	-	171,894,676.12	171,894,676.12
Total	-	9,793,916,229.97	369,868,874.13	10,163,785,104.10
31 December 2022				
Cash on hand and at bank	-	5,085,194,083.26	-	5,085,194,083.26
Notes receivable	-	369,445,570.06	-	369,445,570.06
Accounts receivable	-	2,892,038,334.72	-	2,892,038,334.72
Receivables financing	-	-	154,213,980.23	154,213,980.23
Other receivables	-	430,925,163.74	-	430,925,163.74
Non-current assets due within one year	-	13,250,000.00	-	13,250,000.00
Investments in other equity	-	-	156,869,646.60	156,869,646.60
Total	-	8,790,853,151.78	311,083,626.83	9,101,936,778.61

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

1. Classification of financial instruments (continued)

Financial liabilities

Item	30 June 2023 (Unaudited) Financial liabilities at amortised cost	31 December 2022 Financial liabilities at amortised cost
Accounts payable	244,165,199.44	303,332,013.22
Other payables	1,125,509,546.55	922,571,445.46
Non-current liabilities due within one year	4,851,666,263.56	4,477,639,949.68
Long-term borrowings	641,000,000.00	716,000,000.00
Bonds payable	1,996,174,901.12	2,495,906,235.36
Lease liabilities	5,043,368,843.19	5,117,114,432.76
Long-term payables	17,500,000.00	17,500,000.00
Total	13,919,384,753.86	14,050,064,076.48

2. Transfer of financial assets

Financial assets transferred but not fully derecognized

As at 30 June 2023, the Group endorsed suppliers a bank acceptance for settlement of other payables with carrying amount of RMB2,291,407.89 (31 December 2022: RMB500,000.00). The Group is of the opinion that the Group retains nearly all the risks and rewards, including default risk related to it. Therefore, such other payables and other related payables settled will continuously be recognized in full. Subsequent to the endorsement, the Group will no longer retain use rights, including the rights for selling, transferring or pledging such assets to other third parties. As at 30 June 2023, carrying amount of other payables settled by the Group totalled at RMB2,291,407.89 (31 December 2022: RMB500,000.00).

Financial assets transferred and derecognized fully but with continuous involvement

As at 30 June 2023, the Group endorsed suppliers a bank acceptance for settlement of accounts payable with carrying amount of RMB259,380,620.83 (31 December 2022: RMB183,732,182.67). As at 30 June 2023, the bank acceptance is due within 1 to 12 months. If acceptance banks dishonored the notes, endorsers shall have the right to turn to the Group for recourse ("Continuous Involvement") according to the Law of Bill. The Group considered that substantially all the risks and rewards of the notes have been transferred. Therefore, the Group has derecognised carrying amounts of the notes and the related accounts payable that have been settled. The maximum loss and the undiscounted cash flow of Continuous Involvement and repurchase are equal to the carrying amounts of the notes. The Group believes that the fair value of Continuous Involvement is insignificant.

For the six months ended 30 June 2023, the Group did not recognise gains or losses on the date of its transfer. The Group had no current or accumulated income or expense related to Continuous Involvement of financial assets which had been derecognised. Endorsement is recorded evenly during the period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management

The Group is exposed to risks from various financial instruments in day-to-day operation, mainly including market risk (including foreign exchange risk, interest rate risk and price risk of investment in equity instruments), credit risk and liquidity risk. The major financial instruments of the Group include cash on hand and at bank, equity investments, debt investments, borrowings, notes receivable, accounts receivable and accounts payable. Risks in connection with such financial instruments, and the risk management strategies adopted by the Group to mitigate such risks are summarized as follows.

The Board of Directors is responsible for planning and establishing the risk management structure for the Group, and developing risk management policies and the related guidelines across the Group, and supervising the performance of risk management measures. The Group has developed risk management policies to identify and analyze risks affecting the Group. These risk management policies have clear regulations over specific risks, covering various aspects of market risk, credit risk and liquidity risk. The Group will evaluate the market environment and changes of the Group's operating activities on a regular basis to decide whether it is needed to update the risk management policies and systems. Risk management of the Group is carried out by the Risk Management Committee based on the policies as approved by the Board of Directors. Risk Management Committee identifies, evaluates and mitigates related risks by working closely with other business divisions of the Group. Internal Audit Department of the Group will review the risk management control and process regularly, and submit the review results to Audit Committee of the Group.

The Group diversifies risks of financial instruments through appropriate diversified investment and business portfolio, and mitigates concentration risk in any single sector, specific region or certain counterparties by formulating corresponding risk management policies.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk

1) Foreign exchange risk

The Group is exposed to trading exchange risk. Such risk arises from operating units carrying out sales or purchases with currency other than their functional currency. Approximately 3% (2022: 4%) of sales of the Group are denominated in currency other than the functional currency of operating units, while around 3% (2022: 4%) of cost is denominated in currency other than the functional currency of operating units.

The table below is a sensitivity analysis of exchange rate risk. It reflects the impact on net profit or loss and other comprehensive income net of tax when a reasonably possible change in exchange rate of foreign currency occurs, with all other variables held constant.

Item	Change in exchange rate	30 June 2023 (Unaudited)		31 December 2022	
		Impact on profit	Impact on shareholders' equity	Impact on profit	Impact on shareholders' equity
RMB	Strengthens by 1% against USD	-40,067.53	-40,067.53	-292,110.94	-292,110.94
RMB	Weakens by 1% against USD	40,067.53	40,067.53	292,110.94	292,110.94
RMB	Strengthens by 1% against JPY	-5,330.75	-5,330.75	-270.16	-270.16
RMB	Weakens by 1% against JPY	5,330.75	5,330.75	270.16	270.16
RMB	Strengthens by 1% against KRW	-5,333.01	-5,333.01	-955.35	-955.35
RMB	Weakens by 1% against KRW	5,333.01	5,333.01	955.35	955.35

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk (continued)

2) Risk of change in interest rate

Risk of changes in market interest rate exposed to the Group is primarily related to its liabilities at variable interest rate.

In terms of management of interest rate risks, the Group's policy is to manage its interest cost using a mix of fixed and variable rate debts to avoid interest rate risks.

The table below is a sensitivity analysis of interest rate risk. It reflects the impact on net profit or loss (through the impact on floating rate borrowings) and shareholders' equity when a reasonably possible change in interest rates occurs, with all other variables held constant.

Item	Increase of basis points	For the six months ended 30 June 2023 (Unaudited)		2022	
		Increase of net profit or loss	Increase of shareholders' equity	Increase of net profit or loss	Increase of shareholders' equity
RMB	50	-2,685,000.00	-2,685,000.00	-3,453,750.00	-3,453,750.00
RMB	-50	2,685,000.00	2,685,000.00	3,453,750.00	3,453,750.00

3) Price risk of investment in equity instruments

Price risk of investment in equity instruments is the risk that fair value of equity securities is reduced due to change of stock index and value of individual stock. On 30 June 2023, the Group is exposed to price risk of investment in equity instruments arising from individual equity instrument investment classified as equity instrument investment at fair value through current profit or loss and equity instrument investment at fair value through other comprehensive income.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk (continued)

3) Price risk of investment in equity instruments (continued)

The following table demonstrates the sensitivity of net profit or loss and other comprehensive income net of tax to every 1% increase in the fair values (based on the carrying amount on the balance sheet date) of the equity instrument investments of the Group, with all other variables held constant.

	Carrying amount of equity instrument investments	Increase in net profit or loss	Increase in other comprehensive income net of tax	Total increase in shareholders' equity
30 June 2023 (Unaudited)				
Equity instrument investments				
Unlisted equity instrument investments at fair value – equity instrument investment at fair value through other comprehensive income	171,894,676.12	-	1,289,210.07	1,289,210.07
31 December 2022				
Equity instrument investments				
Unlisted equity instrument investments at fair value – equity instrument investment at fair value through other comprehensive income	156,869,646.60	-	1,176,522.35	1,176,522.35

The valuation of unlisted equity investment companies increased at the end of the period due to the recovery in the operating results of the investee companies, resulting in a corresponding increase in the carrying value of investments in other equity instruments.

4) Capital management

The Group's capital management mainly aims to ensure the Group's ability of operating as a going concern, and maintain healthy capital ratio to support business development and maximize shareholders' value.

The Group manages and adjusts the capital structure based on changes of economic situation and risk characteristics of related assets. To maintain or adjust the capital structure, the Group may adjust the profit distributed to shareholders, refund capital to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. For the six months ended 30 June 2023 and the year of 2022, the objective, policies or process of capital management are not changed.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk (continued)

4) Capital management (continued)

The Group manages its capital using the leverage ratio, which is calculated by dividing net liabilities by the sum of adjusted capital and net liabilities. The net liabilities represent non-current liabilities due within one year, long-term borrowings, bonds payable, long-term payables, lease liabilities and other non-current liabilities less cash on hand and at bank. The Group's leverage ratio on the balance sheet date is as follows:

Item	30 June 2023 (Unaudited)	31 December 2022
Non-current liabilities due within one year	4,851,666,263.56	4,477,639,949.68
Long-term borrowings	641,000,000.00	716,000,000.00
Bonds payable	1,996,174,901.12	2,495,906,235.36
Long-term payables	17,500,000.00	17,500,000.00
Lease liabilities	5,043,368,843.19	5,117,114,432.76
Other non-current liabilities	41,606,945.81	41,606,945.81
Less: Cash on hand and at bank	5,669,758,736.30	5,085,194,083.26
Net liabilities	6,921,558,217.38	7,780,573,480.35
Shareholders' equity	42,087,238,899.77	41,741,991,092.64
Capital and net liabilities	49,008,797,117.15	49,522,564,572.99
Leverage ratio	14.12%	15.71%

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk

The Group only has trade with recognized third party with good credit standing. Based on the Group's policies, customers who conduct credit transaction will be subject to credit review. In addition, the Group will continuously monitor balance of accounts receivable to ensure that the Group will not be exposed to significant risk of bad debts. In respect of the transactions not settled in the functional currency of related operating units, the Group will not offer credit transaction conditions unless otherwise approved by the credit control department of the Group.

Since counterparties of cash on hand and at bank and bank acceptance notes receivables are banks and related parties with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

Other financial assets of the Group comprise accounts receivable, receivables financing, other receivables and non-current assets due within one year. Credit risk from such financial assets is from default of counterparties, and its maximum risk exposure is equivalent to the carrying amount of such instruments.

The Group's maximum credit risk exposure at each balance sheet date is the total amount charged to customers less the amount of impairment allowances.

Since the Group only trades with recognized third parties with good credit standing, no guarantee is required. Credit risk concentration is managed based on customers. As of 30 June 2023, the Group is exposed to certain credit risk concentration, as 75% (31 December 2022: 78%) and 80% (31 December 2022: 83%) of accounts receivables are respectively from the customer with the largest balance of account receivable and top five customers. Save as the amount of RMB2,922,878,717.00 (31 December 2022: RMB2,623,568,742.00) due from Dalian Enaisikai International Trading Co., Ltd., the Group does not hold any security or other credit increment over balance of other receivables.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk (continued)

Criteria for determining significant increase in credit risk

The Group will evaluate whether credit risk in connection with financial instruments is increased significantly from initial recognition on each balance sheet date. When determining whether credit risk is increased significantly after initial recognition, the Group will consider obtaining reasonable information with supporting basis without paying extra cost or efforts, including qualitative and quantitative analysis over the historical data of the Group, external credit risk ratings and forward-looking information. Based on a single financial instrument or group of financial instruments with similar credit risk characteristics, the Group will determine estimated changes in default risks of financial instruments during the period of existence, by comparing the default risk of financial instruments on the balance sheet date and that upon initial recognition.

When one or more of the following quantitative and qualitative standards are triggered, the Group believes that credit risk in connection with financial instrument has increased significantly:

- (1) For quantitative standards, the probability of default in the remaining existence period after the reporting date has increased to a certain proportion as compared with that upon initial recognition;
- (2) For qualitative standards, there are significant adverse changes in operation or financial position of debtors and early-warning customer list.

Definition of assets with credit impairment

To determine whether there is credit impairment, the defining standards adopted by the Group are consistent with the objective of internal credit risk management for related financial instruments, by reference to the quantitative and qualitative indicators. When debtors are evaluated for credit impairment, the following factors will be taken into account:

- (1) significant financial difficulty of issuers or debtors;
- (2) breach of contract by debtors, such as default or overdue payment in interest or principal repayment;
- (3) a concession granted by the creditor to the debtor due to economic or contractual considerations related to the debtor's financial difficulty, which will not be granted under any other circumstances;
- (4) possible bankruptcy or other financial reorganization of the debtors;
- (5) disappearance of an active market for the financial asset due to financial difficulty of the issuer or the debtor;
- (6) purchase or creation of a financial asset at significant discount reflecting the fact of credit loss.

Credit impairment of financial assets may be a joint result of multiple events, rather than a single identifiable event.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk (continued)

Credit risk exposure

Risk exposure of accounts receivable classified based on internal rating of credit risk:

30 June 2023 (unaudited)

	Unsecured			Secured		
	Book balance	Credit loss provision	Carrying amount	Book balance	Credit loss provision	Carrying amount
Accounts receivable	952,430,605.09	77,140,479.15	875,290,125.94	2,922,878,717.00	425,841,178.36	2,497,037,538.64
Including: A	800,812,172.74	85,025.87	800,727,146.87	-	-	-
B	60,917,925.02	81,566.52	60,836,358.50	-	-	-
C	10,266,800.73	880,299.96	9,386,500.77	2,922,878,717.00	425,841,178.36	2,497,037,538.64
D	80,433,706.60	76,093,586.80	4,340,119.80	-	-	-
Other receivables	648,481,123.23	139,027,367.70	509,453,755.53	-	-	-
Including: A	362,940,649.85	1,096,538.02	361,844,111.83	-	-	-
B	135,349,946.22	8,114,765.48	127,235,180.74	-	-	-
C	32,780,171.91	14,568,733.45	18,211,438.46	-	-	-
D	117,410,355.25	115,247,330.75	2,163,024.50	-	-	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk (continued)

Credit risk exposure (continued)

31 December 2022

	Unsecured			Secured		
	Book balance	Credit loss provision	Carrying amount	Book balance	Credit loss provision	Carrying amount
Accounts receivable	722,575,728.15	73,053,668.41	649,522,059.74	2,623,568,742.00	381,052,467.02	2,242,516,274.98
Including: A	598,534,421.07	62,943.12	598,471,477.95	-	-	-
B	34,790,860.33	49,362.33	34,741,498.00	-	-	-
C	14,780,004.63	1,926,364.98	12,853,639.65	2,623,568,742.00	381,052,467.02	2,242,516,274.98
D	74,470,442.12	71,014,997.98	3,455,444.14	-	-	-
Other receivables	537,871,114.05	106,945,950.31	430,925,163.74	-	-	-
Including: A	269,640,565.48	1,472,051.41	268,168,514.07	-	-	-
B	119,555,448.25	7,723,149.55	111,832,298.70	-	-	-
C	93,440,101.04	44,328,369.71	49,111,731.33	-	-	-
D	55,234,999.28	53,422,379.64	1,812,619.64	-	-	-

Note: As at 30 June 2023, the book balance of the Group's secured accounts receivable amounted to RMB2,922,878,717.00 (31 December 2022: RMB2,623,568,742.00), which mainly represented the Group's warehousing costs due from Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司). According to the relevant agreement entered into by the Group and Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司), this company is prohibited from transferring its goods stored in the warehouses of the Group with the equivalent value of such accounts receivable until the outstanding amount is settled.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(3) Liquidity risk

When managing the liquidity risks, the management of the Group believes that sufficient cash and cash equivalents should be maintained and monitored to meet the operating needs of the Group and reduce the impact of cash flow fluctuations. The management of the Group monitors the use of bank borrowings and ensures compliance with loan agreements.

The maturity analysis of the Group's financial liabilities at undiscounted contractual cash flows is as follows:

30 June 2023 (unaudited)

Item	Carrying amount	Within 1 year	1-5 years	Over 5 years	Total
Non-derivative financial assets and liabilities					
Accounts payable	244,165,199.44	244,165,199.44	-	-	244,165,199.44
Other payables	1,125,509,546.55	1,125,509,546.55	-	-	1,125,509,546.55
Non-current liabilities due within one year	4,851,666,263.56	5,156,797,961.79	-	-	5,156,797,961.79
Long-term borrowings	641,000,000.00	19,606,811.11	657,948,097.22	27,286,836.11	704,841,744.44
Lease liabilities	5,043,368,843.19	-	1,610,554,951.22	7,592,403,047.47	9,202,957,998.69
Bonds payable	1,996,174,901.12	56,406,575.34	2,056,118,493.15	-	2,112,525,068.49
Long-term payables	17,500,000.00	-	-	17,500,000.00	17,500,000.00
Total	13,919,384,753.86	6,602,486,094.23	4,324,621,541.59	7,637,189,883.58	18,564,297,519.40

31 December 2022

Item	Carrying amount	Within 1 year	1-5 years	Over 5 years	Total
Non-derivative financial assets and liabilities					
Accounts payable	303,332,013.22	303,332,013.22	-	-	303,332,013.22
Other payables	922,571,445.46	922,571,445.46	-	-	922,571,445.46
Non-current liabilities due within one year	4,477,639,949.68	4,813,876,021.49	-	-	4,813,876,021.49
Long-term borrowings	716,000,000.00	23,253,866.67	716,112,444.44	57,209,600.00	796,575,911.11
Lease liabilities	5,117,114,432.76	-	1,613,851,989.72	7,769,399,773.63	9,383,251,763.35
Bonds payable	2,495,906,235.36	34,588,356.16	2,550,338,356.17	-	2,584,926,712.33
Long-term payables	17,500,000.00	-	-	17,500,000.00	17,500,000.00
Total	14,050,064,076.48	6,097,621,703.00	4,880,302,790.33	7,844,109,373.63	18,822,033,866.96

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

4. Fair value

(1) Assets and liabilities measured at fair value

30 June 2023 (unaudited)

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous fair value measurement				
Receivables financing	-	-	197,974,198.01	197,974,198.01
Investments in other equity instruments	-	-	171,894,676.12	171,894,676.12
Total	-	-	369,868,874.13	369,868,874.13

31 December 2022

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous fair value measurement				
Receivables financing	-	-	154,213,980.23	154,213,980.23
Investments in other equity instruments	-	-	156,869,646.60	156,869,646.60
Total	-	-	311,083,626.83	311,083,626.83

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

4. Fair value (continued)

(2) Assets and liabilities disclosed at fair value

30 June 2023 (unaudited)

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities				
Long-term borrowings	-	-	589,855,247.18	589,855,247.18
Bonds payable	-	-	1,984,361,417.48	1,984,361,417.48
Total	-	-	2,574,216,664.66	2,574,216,664.66

31 December 2022

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities				
Long-term borrowings	-	-	657,911,000.52	657,911,000.52
Bonds payable	-	-	2,537,662,397.82	2,537,662,397.82
Total	-	-	3,195,573,398.34	3,195,573,398.34

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

4. Fair value (continued)

(3) Fair value of financial instruments

The followings are the carrying amount and fair value of financial instruments of the Group, except for the financial instruments that the difference between the carrying amount and fair value is immaterial:

Item	Carrying amount		Fair value	
	30 June 2023 (Unaudited)	31 December 2022	30 June 2023 (Unaudited)	31 December 2022
Financial liabilities				
Long-term borrowings	641,000,000.00	716,000,000.00	589,855,247.18	657,911,000.52
Bonds payable	1,996,174,901.12	2,495,906,235.36	1,984,361,417.48	2,537,662,397.82

Management has assessed the cash on hand and at bank, notes receivable, accounts receivable, other receivables, accounts payable, other payables, together with non-current liabilities due within one year, etc. Their fair values approximate to their carrying amounts as the residual maturities of these instruments are not long.

The financial department of the Group is led by the financial manager and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial director and the Audit Committee. At each balance sheet date, the financial department analyses the movements in the fair value of the financial instrument and determines the major input applicable to the valuation. The valuation must be reviewed and approved by the financial manager. For the purposes of preparing interim and annual financial statements, the financial department discusses the valuation process and results with the Audit Committee twice a year.

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions were used in the estimate of fair value.

The fair value of long-term borrowings, is calculated by discounting the future cash flows using the market yield currently available for other financial instruments with similar contract terms, credit risk and residual term as the discount rate. As at 30 June 2023 and 31 December 2022, the Group's exposure to non-performance risk associated with the long-term borrowings is assessed as insignificant.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

4. Fair value (continued)

(3) Fair value of financial instruments (continued)

The fair value of unlisted equity instrument investments is estimated using the market approach based on unobservable market prices or interest rate assumptions. The Group is required to identify comparable listed companies based on industry, size, leverage and strategy, and calculate the appropriate market multiplier for each comparable listed company identified. Adjustments are made based on specific facts and circumstances, taking into account factors such as liquidity and size differences from comparable listed companies. The Group believes that the fair value estimated using valuation techniques and its change are reasonable, and is the most applicable value on the balance sheet date.

For the fair value of the unlisted equity instrument investments, the Group estimated the potential impact of adopting other reasonable and possible assumptions as input in the valuation model.

The following table summarises significant unobservable inputs for level 3 fair value measurement:

Item	Fair value at the end of the period/year	Valuation techniques	Unobservable inputs	Range (weighted average mean)
Receivables financing	30 June 2023:	Cash flows discount method	Prepayment rate	30 June 2023: 0%
	(Unaudited)	Cash flows discount method	Default probability	30 June 2023: 0%
	197,974,198.01	Cash flows discount method	Default loss rate	30 June 2023: 0%
	31 December 2022:	Cash flows discount method	Prepayment rate	31 December 2022: 0%
	154,213,980.23	Cash flows discount method	Default probability	31 December 2022: 0%
		Cash flows discount method	Default loss rate	31 December 2022: 0%
Equity instrument investments	30 June 2023:	Listed company comparison method	Liquidity discount	30 June 2023: 18-30%
	(Unaudited)			
	171,894,676.12			
	31 December 2022:	Listed company comparison method	Liquidity discount	31 December 2022: 17-30%
	156,869,646.60			

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XII. Financial instruments and risk management (continued)

4. Fair value (continued)

(3) Fair value of financial instruments (continued)

The reconciliation of continuous fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

	Total gain or loss for the period/year										Assets held at the end of period/year
	Opening balance	Transfer into Level 3	Transfer out of Level 3	Included in profit or loss	Included in other comprehensive income	Purchase	Issue	Sale	Settlement	Closing balance	Change in unrealised gain or loss at the end of the period/year included in profit or loss
30 June 2023 (Unaudited)											
Receivables financing	154,213,980.23	-	-	-	-	448,372,193.50	-	404,611,975.72	-	197,974,198.01	-
Equity instrument investments	156,869,646.60	-	-	-	15,025,029.52	-	-	-	-	171,894,676.12	-
31 December 2022											
Receivables financing	40,454,782.00	-	-	-	-	678,248,348.90	-	564,489,150.67	-	154,213,980.23	-
Equity instrument investments	179,291,854.27	-	-	-	-9,002,541.67	-	-	13,419,666.00	-	156,869,646.60	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XIII. Contingencies

1. As of 30 June 2023, the status of the Group's pending lawsuits and arbitrations

Pending litigation and arbitration concerning 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"), Fujian Rongjiang Import & Export Co., Ltd. (福建省榕江進出口有限公司) (hereinafter referred to as "Rongjiang"), and Qingdao Zhong Yan Trading Co., Ltd. (青島中亮貿易有限公司) (hereinafter referred to as "Qingdao Zhong Yan") and other companies (hereinafter referred to as "Import Agents" or "Warehousing Clients") by entering into Import Agent Agreement or Agent Procurement Contract with such Import Agents, 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.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XIII. Contingencies (continued)

1. As of 30 June 2023, the status of the Group's pending lawsuits and arbitrations (continued)

Pending litigation and arbitration concerning DCT Logistics, a subsidiary of the Group (continued)

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 19 October 2022, DCT Logistics filed an application for retrial with the Higher People's Court of Zhejiang Province. On 6 March 2023, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Shen No. 6364), rejecting the retrial application. On 12 October 2022, Dalian Jifa Port Logistics Co., Ltd. received the assistance execution notice ((2022) Zhe 72 Zhi No. 286) issued by the Ningbo Maritime Court, requiring to deposit the lease payment payable to DCT Logistics into the account designated by Ningbo Maritime Court. On 18 January and 19 April 2023, Dalian Jifa Port Logistics Co., Ltd. paid the lease payments of RMB4.14 million and RMB2.07 million to the account designated by Ningbo Maritime Court.

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 19 October 2022, DCT Logistics filed an application for retrial with the Higher People's Court of Zhejiang Province. On 6 March 2023, the Higher People's Court of Zhejiang Province issued a civil ruling ((2022) Zhe Min Shen No. 6365), rejecting the retrial application. On 25 May 2022, Ningbo Maritime Court has deducted RMB8.8393 million from the bank deposits of DCT Logistics according to the judgments and rulings in force.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XIII. Contingencies (continued)

1. As of 30 June 2023, the status of the Group's pending lawsuits and arbitrations (continued)

Pending litigation and arbitration concerning DCT Logistics, a subsidiary of the Group (continued)

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 these financial statements for issue, Dalian Maritime Court has not yet made the first instance 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 compensate Rongjiang for the loss of goods of RMB336.0810 million 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, and 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 these financial statements for issue, Dalian Maritime Court has not yet made the first instance judgment.

On 19 June 2023, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 808) regarding the lawsuit case of Qingdao Zhong Yan against DCT Logistics. The judgement ruled that DCT Logistics should compensate Qingdao Zhong Yan for the loss of goods of RMB169.2464 million and the interest, based on the amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 9 April 2021 up to the date of actual payment, and DCT Logistics should compensate Qingdao Zhong Yan for liability insurance fees of preservation of RMB134,700. Other litigation claims from Qingdao Zhong Yan were dismissed.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XIII. Contingencies (continued)

1. As of 30 June 2023, the status of the Group's pending lawsuits and arbitrations (continued)

Pending litigation and arbitration concerning DCT Logistics, a subsidiary of the Group (continued)

On 30 December 2022, Dalian Maritime Court issued a first instance judgement (Dalian Maritime Court (2022) Liao 72 Min Chu No. 1041) regarding the lawsuit case of 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) (hereinafter referred to as "Xinwen Mining") against DCT Logistics. The judgement ruled that DCT Logistics should pay RMB12.5291 million and RMB2.3585 million for the loss of goods and other losses respectively to Xinwen Mining, and the interest, based on RMB12.5291 million and RMB2.3585 million, to be calculated at prime rate as announced by the National Interbank Funding Center from 6 May 2021 and 7 June 2021 respectively up to the date of actual payments, and DCT Logistics should pay RMB45,000 to Xinwen Mining for liability insurance fees of preservation. Other litigation claims from Xinwen Mining were dismissed. On 18 January 2023, DCT Logistics appealed to the Higher People's Court of Liaoning Province against the first instance judgment regarding the case of Xinwen Mining. On 17 August 2023, the Higher People's Court of Liaoning Province issued a civil ruling ((2023) Liao Min Zhong No. 881) as follows: the civil judgment of Dalian Maritime Court (2022) Liao 72 Min Chu No. 1041 was changed to "rule that DCT Logistics should pay RMB11.8276 million and RMB2.3585 million for the loss of goods and other losses respectively to Xinwen Mining, and the interest, based on RMB11.8276 million and RMB2.3585 million, to be calculated at prime rate as announced by the National Interbank Funding Center from 6 May 2021 and 7 June 2021 respectively up to the date of actual payments", and the original judgment was upheld for other matters.

In May 2022, Chongqing Yu Feng Imp. & Exp. Co., Ltd. (重慶渝豐進出口有限公司) (hereinafter referred to as "Chongqing Yu Feng") filed a lawsuit with Wuhan Maritime Court against DCT Logistics, demanding DCT Logistics to compensate for a loss of RMB120.2513 million and the loss of interest on that capital amount. On 6 September 2022, Wuhan Maritime Court issued a first instance judgement (Wuhan Maritime Court (2021) E 72 Min Chu No. 820) regarding the lawsuit case of Chongqing Yu Feng against DCT Logistics. The judgement ruled that DCT Logistics should pay to Chongqing Yu Feng RMB120.2513 million and the loss of interest, based on that amount, to be calculated at prime rate as announced by the National Interbank Funding Center from 20 March 2021 up to the date of actual performance of the effective judgement. Other litigation claims from Chongqing Yu Feng were dismissed. On 16 September 2022, DCT Logistics appealed to Higher People's Court of Hubei Province against the first instance judgment regarding the case of Chongqing Yu Feng. On 16 May 2023, the Higher People's Court of Hubei Province issued a civil ruling ((2022) E Min Zhong No. 1361), rejecting all of the claims of DCT Logistics.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XIII. Contingencies (continued)

1. As of 30 June 2023, the status of the Group's pending lawsuits and arbitrations (continued)

Pending litigation and arbitration concerning DCT Logistics, a subsidiary of the Group (continued)

In respect of the lawsuits mentioned above, having considered 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 had filed corresponding appeals. As at the approval date of these 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 had made provisions for estimated liabilities of RMB180 million which was equivalent to 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 ordered by the court, the estimated liabilities for the current period decreased by RMB6.21 million (2022: RMB8.8393 million). As of 30 June 2023, the Group had made provisions for estimated liabilities of RMB164 million in respect of those lawsuits.

Save for the above contingencies, as at 30 June 2023, the Group did not have other major guarantees and other contingencies required to be specified.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XIV. Capital commitments

Item	30 June 2023 (Unaudited)	31 December 2022
Capital expenditure contracted but not yet recognized in the financial statements		
– Acquisition of assets	18,225,741.13	83,838,435.36
– Intangible assets	42,688,588.85	42,688,588.85
Approved by the Board but uncontracted		
– Acquisition of assets	49,018,000.00	32,399,054.94
– Intangible assets	1,400,000.00	500,000.00
Total	111,332,329.98	159,426,079.15

XV. Emoluments of directors, supervisors and senior management

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Director's fee	300,000.00	325,000.00
Other emoluments:		
Salaries and allowances	4,570,057.92	4,492,399.43
Pension plan contribution	193,021.92	169,899.84
Total	5,063,079.84	4,987,299.27

1. Independent non-executive directors

The fees paid to independent non-executive directors are as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Law Man Tat*	125,000.00	125,000.00
Liu Chunyan	100,000.00	100,000.00
Cheng Chaoying*	75,000.00	–
Chan Wai Hei*	–	–
Li Zhiwei*	–	100,000.00
Total	300,000.00	325,000.00

* Law Man Tat retired as an independent non-executive director of the Company in June 2023. Li Zhiwei retired as an independent non-executive director of the Company in December 2022. Cheng Chaoying has been an independent non-executive director of the Company since December 2022. Chan Wai Hei has been an independent non-executive director of the Company since June 2023.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XV. Emoluments of directors, supervisors and senior management (continued)

2. Executive directors, non-executive directors and supervisors

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Salaries and allowances:		
Executive directors:		
Wei Minghui	554,302.75	539,472.84
Wang Zhixian*	-	-
Zhang Yi**	-	-
Non-executive directors:		
Zhou Qinghong	-	-
Xu Song	-	-
Si Zheng	-	-
Yang Bing	-	-
XU Xin*	-	-
Supervisors:		
Zhang Hong	285,802.75	277,472.84
Gao Shicheng*	282,755.12	44,355.79
Ma Yingzi**	-	299,820.06
Wang Zhifeng**	-	50,000.00
Yuan Yi	-	-
Ding Kai*	-	-
Li Shichen	-	-
Total	1,122,860.62	1,211,121.53

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XV. Emoluments of directors, supervisors and senior management (continued)

2. Executive directors, non-executive directors and supervisors (continued)

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Pension plan contribution:		
Executive directors:		
Wei Minghui	18,383.04	16,441.92
Wang Zhixian*	-	-
Zhang Yi**	-	-
Non-executive directors:		
Zhou Qinghong	-	-
Xu Song	-	-
Si Zheng	-	-
Yang Bing	-	-
Xu Xin*	-	-
Supervisors:		
Zhang Hong	18,383.04	16,441.92
Gao Shicheng*	18,383.04	2,740.32
Ma Yingzi**	-	13,701.60
Wang Zhifeng**	-	-
Yuan Yi	-	-
Ding Kai*	-	-
Li Shichen	-	-
Total	55,149.12	49,325.76

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XV. Emoluments of directors, supervisors and senior management (continued)

2. Executive directors, non-executive directors and supervisors (continued)

* Wang Zhixian has been the chairman, an executive director of the Company since March 2022; Xu Xin has been a non-executive director of the Company since June 2023; Gao Shicheng has been an employee representative supervisor of the Company since June 2022; Ding Kai has been an independent supervisor of the Company since June 2023.

** Zhang Yi had been serving as the chairman, an executive director of the Company from November 2021 to February 2022; Wang Zhifeng retired as an independent supervisor of the Company in November 2022; Ma Yingzi had been serving as an employee representative supervisor of the Company from November 2021 to June 2022.

3. Senior management

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Salaries and allowances:		
Lee, Kin Yu Arthur	670,834.50	649,575.30
Wei Minghui	554,302.75	539,472.84
Cao Yingfeng	469,375.12	465,794.72
Guan Lihui*	366,282.62	59,536.17
Tai Jingang	358,702.75	364,972.84
Luo Dongxi	358,702.75	364,972.84
Yin Kaiyang	358,702.75	364,972.84
Wang Ping	358,702.75	309,472.84
Wang Huiying	322,752.75	277,472.84
Chen Liqing**	183,141.31	59,534.67
Zhang Tie**	-	364,972.84
Total	4,001,500.05	3,820,750.74

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XV. Emoluments of directors, supervisors and senior management (continued)

3. Senior management (continued)

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Pension plan contribution:		
Wei Minghui	18,383.04	16,441.92
Cao Yingfeng	18,383.04	16,441.92
Tai Jingang	18,383.04	16,441.92
Luo Dongxi	18,383.04	16,441.92
Yin Kaiyang	18,383.04	16,441.92
Wang Ping	18,383.04	16,441.92
Wang Huiying	18,383.04	16,441.92
Guan Lihui*	18,383.04	2,740.32
Chen Liqing**	9,191.52	2,740.32
Zhang Tie**	-	16,441.92
Lee, Kin Yu Arthur	-	-
Total	156,255.84	137,016.00

* Guan Lihui has been the chief safety officer and the deputy general manager of the Company since June 2022.

** Zhang Tie retired as the chief safety officer of the Company in June 2022; Chen Liqing had been serving as the deputy general manager of the Company from June 2022 to April 2023.

During the period, there was no agreement for a director, supervisor or senior management to waive or agree to waive the emoluments for the period (for the six months ended 30 June 2022: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XV. Emoluments of directors, supervisors and senior management (continued)

4. The top five highest paid individuals

The top five highest paid individuals of the Group for the six months ended 30 June 2023 included 1 director (the top five highest paid individuals of the Group for the six months ended 30 June 2022 included 1 director). The aggregate emoluments are as follows:

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Salaries and allowances	2,266,934.50	2,262,825.30
Social security	226,095.40	187,730.92
Total	2,493,029.90	2,450,556.22

Emolument bands

	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
RMB0 – RMB1,000,000	5 persons	5 persons
RMB1,000,000 – RMB1,500,000	–	–

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements

1. Accounts receivable

(1) General information on accounts receivable

Item	30 June 2023 (Unaudited)	31 December 2022
Accounts receivable	3,282,430,337.47	2,831,247,342.26
Less: Credit loss provision	457,916,017.46	405,318,731.77
Total	2,824,514,320.01	2,425,928,610.49

(2) Overall aging of accounts receivable

Item	30 June 2023 (Unaudited)			31 December 2022		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	945,595,291.75	28.81	97,995,660.44	791,555,266.93	27.96	96,269,703.21
1 to 2 years (including 2 years)	592,287,221.75	18.04	90,227,413.74	592,821,384.81	20.94	86,194,757.20
2 to 3 years (including 3 years)	614,817,789.12	18.73	92,683,485.15	635,527,575.67	22.45	92,538,366.40
Over 3 years	1,129,730,034.85	34.42	177,009,458.13	811,343,114.85	28.65	130,315,904.96
Total	3,282,430,337.47	100.00	457,916,017.46	2,831,247,342.26	100.00	405,318,731.77

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

	Opening balance	Provision for the period/year	Recovery or reversal during the period/year	Write-off during the period/year	Other changes	Closing balance
For the six months ended 30 June 2023 (Unaudited)	405,318,731.77	52,597,285.69	-	-	-	457,916,017.46
2022	274,542,128.72	154,096,054.93	-32,930,514.10	-156,320.92	9,767,383.14	405,318,731.77

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

1. Accounts receivable (continued)

(4) Accounts receivable with amounts of provision for the bad debts are as follow:

As at 30 June 2023, details of the Company's 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
A	299,247,321.75	0.00%-0.10%	30,394.29
B	24,303,693.97	0.10%-0.30%	26,493.69
C	2,922,878,717.00	0.30%-50.00%	425,841,178.36
D	36,000,604.75	50.00%-100.00%	32,017,951.12
Total	3,282,430,337.47		457,916,017.46

As at 31 December 2022, details of the Company's 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
A	169,428,289.51	0.00%-0.10%	16,966.36
B	3,779,056.00	0.10%-0.30%	3,779.06
C	2,632,193,365.67	0.30%-50.00%	382,248,622.94
D	25,846,631.08	50.00%-100.00%	23,049,363.41
Total	2,831,247,342.26		405,318,731.77

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

1. Accounts receivable (continued)

(5) Information on the top five entities by the amounts of accounts receivable (Unaudited)

Name of entity	Relationship with the Group	Amount	Aging	Provision for credit loss	Percentage of total accounts receivable (%)
Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司)	Client	2,922,878,717.00	Within 1 year, 1 to 2 years, 2 to 3 years, 3 to 4 years and 4 to 5 years	425,841,178.36	89.05
Huaneng Power International, Inc.	Client	45,973,517.91	Within 1 year	4,597.35	1.40
Rizhao Steel Yingkou Medium Plate Co., Ltd. (日鋼營口中板有限公司)	Client	39,207,109.41	Within 1 year	3,920.71	1.19
Benxi Beifang Iron Industry Co., Ltd. (本溪北方鐵業有限公司)	Client	20,322,720.00	Within 1 year	2,032.27	0.62
Vale International SA	Client	16,063,234.00	Within 1 year	1,606.32	0.49
Total		3,044,445,298.32		425,853,335.01	92.75

2. Other receivables

Item	30 June 2023 (Unaudited)	31 December 2022
Dividends receivable	2,642,044,967.43	3,019,042,396.43
Other receivables	54,017,250.30	73,219,051.37
Total	2,696,062,217.73	3,092,261,447.80

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(1) Dividends receivable

1) Presentation of dividends receivable

Investee	30 June 2023 (Unaudited)	31 December 2022
Dalian Port Container Development Co., Ltd.	1,245,837,217.79	1,245,837,217.79
Yingkou Ltd.	1,360,932,079.25	1,760,932,079.25
Dalian Petro China International Warehousing and Transportation Co., Ltd.	23,002,571.00	–
Dalian Automobile Terminal Co., Ltd.	11,200,000.00	11,200,000.00
China United Tally (Dalian) Co., Ltd.	1,112,267.52	1,112,267.52
Total	2,642,084,135.56	3,019,081,564.56
Less: Credit loss provision	39,168.13	39,168.13
Carrying amount	2,642,044,967.43	3,019,042,396.43

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(1) Dividends receivable (continued)

2) Material dividend receivables aged over 1 year

Investee	30 June 2023 (Unaudited)	31 December 2022	Reasons for unrecovery	Closing balance of credit loss provision
Dalian Port Container Development Co., Ltd.	1,081,001,061.39	1,081,001,061.39	Delay of payment	–
Yingkou Ltd.	635,880,554.13	1,035,880,554.13	Delay of payment	–
Total	1,716,881,615.52	2,116,881,615.52		–

3) Movements in provision for credit losses on dividends receivable

Provision for credit loss	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	39,168.13	–	–	39,168.13
Provision during the period	–	–	–	–
Closing balance	39,168.13	–	–	39,168.13

For the six months ended 30 June 2023, there was no bad debt provision (2022: RMB39,168.13), and no recovery or reversal of bad debt provision was recorded (2022: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables

1) Analysis by nature

Nature of amount	30 June 2023 (Unaudited)	31 December 2022
Receivables from income of entrusted management services	88,379,227.26	86,437,627.26
Others	43,651,657.76	32,436,688.95
Sub-total	132,030,885.02	118,874,316.21
Less: Credit loss provision	78,013,634.72	45,655,264.84
Total	54,017,250.30	73,219,051.37

2) Analysis by aging

Item	30 June 2023 (Unaudited)			31 December 2022		
	Book balance	Percentage (%)	Provision for credit loss	Book balance	Percentage (%)	Provision for credit loss
Within 1 year (including 1 year)	43,851,229.82	33.21	2,236,242.52	33,873,028.28	28.49	2,266,453.49
1 to 2 years (including 2 years)	12,880,663.73	9.76	3,159,526.93	11,075,568.66	9.32	2,060,668.46
2 to 3 years (including 3 years)	2,311,852.00	1.75	1,912,742.30	3,877,699.80	3.26	1,571,649.92
Over 3 years	72,987,139.47	55.28	70,705,122.97	70,048,019.47	58.93	39,756,492.97
Total	132,030,885.02	100.00	78,013,634.72	118,874,316.21	100.00	45,655,264.84

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

3) Details of the Company's other receivables of which provision for bad debts is made according to its credit risk rating portfolio are as follows:

30 June 2023 (Unaudited)

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss over the next 12 months	Expected credit loss for the entire duration
A	22,239,270.44	0.00%-0.10%	2,632.90	-
B	28,302,227.26	0.10%-0.30%	36,377.84	-
C	2,147,432.85	0.30%-50.00%	-	741,669.51
D	79,341,954.47	50.00%-100.00%	-	77,232,954.47
Total	132,030,885.02		39,010.74	77,974,623.98

31 December 2022

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss over the next 12 months	Expected credit loss for the entire duration
A	17,715,991.63	0.00%-0.10%	2,165.80	-
B	21,560,627.26	0.10%-0.30%	29,636.26	-
C	62,912,742.85	0.30%-50.00%	-	30,708,508.31
D	16,684,954.47	50.00%-100.00%	-	14,914,954.47
Total	118,874,316.21		31,802.06	45,623,462.78

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

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

30 June 2023 (Unaudited)

Credit loss provision	Stage I Expected credit loss over the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	31,802.06	30,708,508.31	14,914,954.47	45,655,264.84
Opening balance in the period:				
– Transfer to stage III	–	-30,118,500.00	30,118,500.00	–
Provision in the period	7,208.68	151,661.20	32,199,500.00	32,358,369.88
Recovery in the period	–	–	–	–
Closing balance	39,010.74	741,669.51	77,232,954.47	78,013,634.72

31 December 2022

Credit loss provision	Stage I Expected credit loss over the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	4,578.43	30,560,124.67	12,088,354.47	42,653,057.57
Opening balance in the current year:				
– Transfer into stage II	-18.00	18.00	–	–
Provision in the year	27,241.63	148,365.64	2,976,000.00	3,151,607.27
Reversal in the year	–	–	-255,256.00	-255,256.00
Other changes	–	–	126,525.44	126,525.44
Write-off during the year	–	–	-20,669.44	-20,669.44
Closing balance	31,802.06	30,708,508.31	14,914,954.47	45,655,264.84

For the six months ended 30 June 2023, the provision for bad debts amounted to RMB32,358,369.88 (2022: RMB3,151,607.27), there was no provision for bad debts recovered or reversed (2022: RMB255,256.00) and bad debts written off (2022: RMB20,669.44).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

5) Other receivables of the top five debtors by closing balances

30 June 2023 (Unaudited)

Name of entity	Relationship with the Company	Amount	Ageing	Proportion to total other receivables(%)	Credit loss provision	Nature or content
Dalian Changxing Island Port Investment and Development Co., Ltd.	Related party	89,759,227.26	Within 1 year, 1 to 2 years and over 5 years	67.98	61,070,377.84	Receivables from income of entrusted management service
Dalian Changxing Island Port Co., Ltd.	Related party	17,760,000.00	Within 1 year, 1 to 2 years, 2 to 3 years, 3 to 4 years, 4 to 5 years and over 5 years	13.45	16,074,000.00	Receivables from income of appointment of executives
Dalian Port Pilotage Station	Third party	10,100,888.22	Within 1 year	7.65	1,010.09	Public infrastructure maintenance expenses
Dalian Port Petroleum & Chemical Co., Ltd.	Related party	2,338,004.20	Within 1 year	1.77	233.80	Lease payment
Dalian Port Machinery Co., Ltd.	Related party	2,020,232.85	Within 1 year, 1 to 2 years, 2 to 3 years and 3 to 4 years	1.53	678,069.51	Heating fees
Total		121,978,352.53		92.38	77,823,691.24	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

5) Other receivables of the top five debtors by closing balances (continued)

31 December 2022

Name of entity	Relationship with the Company	Amount	Ageing	Proportion to total other receivables(%)	Credit loss provision	Nature or content
Dalian Changxing Island Port Investment and Development Co., Ltd.	Related party	82,437,627.26	Within 1 year, 1 to 2 years and 4 to 5 years	69.35	30,148,136.26	Receivables from income of entrusted management services
Dalian Changxing Island Port Co., Ltd.	Related party	16,560,000.00	Within 1 year, 1 to 2 years, 2 to 3 years, 3 to 4 years, 4 to 5 years and over 5 years	13.93	14,790,000.00	Receivables from income of appointment of executives
Dalian Port Pilotage Station	Third party	8,170,749.02	Within 1 year	6.87	817.07	Public infrastructure maintenance expenses
Liaoning Port Group	Related party	4,000,000.00	Within 1 year	3.36	400.00	Receivables from income of entrusted management services
Dalian Port Machinery Co., Ltd.	Related party	1,908,542.85	Within 1 year, 1 to 2 years, 2 to 3 years and 3 to 4 years	1.61	526,408.31	Heating fees
Total		113,076,919.13		95.12	45,465,761.64	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term receivables

Item	30 June 2023 (Unaudited)			31 December 2022		
	Book value	Credit loss provision	Carrying amount	Book value	Credit loss provision	Carrying amount
Loans due from subsidiaries	4,543,749,583.39	454,374.96	4,543,295,208.43	4,754,407,027.86	475,440.71	4,753,931,587.15
Less: Long-term receivables due within one year	3,202,450,000.00	320,245.00	3,202,129,755.00	1,641,629,833.26	164,162.99	1,641,465,670.27
Long-term receivables due after one year	1,341,299,583.39	134,129.96	1,341,165,453.43	3,112,777,194.60	311,277.72	3,112,465,916.88

4. Long-term equity investments

(1) Classification of long-term equity investments

Item	31 December 2022	Increase in the period	Decrease in the period	Other increase (decrease)	30 June 2023 (Unaudited)
Investment in subsidiaries	20,614,329,128.53	-	-	-	20,614,329,128.53
Investment in joint ventures	1,036,001,554.02	-	-	-79,037,935.56	956,963,618.46
Investment in associates	1,298,191,269.09	-	-	-25,052,512.86	1,273,138,756.23
Less: Provision for impairment of long-term equity investments	17,777,533.25	-	-	-	17,777,533.25
Total	22,930,744,418.39	-	-	-104,090,448.42	22,826,653,969.97

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued)

(2) Breakdown of long-term equity investments

For the six months ended 30 June 2023 (Unaudited)

Investee	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Change in the period				Closing balance	Closing balance of impairment provision
					Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit		
Subsidiaries										
Liaoning Port Holdings (Yingkou) Co., Ltd.	15,821,491,793.59	-	-	-	-	-	-	-	-	15,821,491,793.59
Dalian Port Container Development Co., Ltd.	3,201,948,622.38	-	-	-	-	-	-	-	-	3,201,948,622.38
Asa Pacific Ports (Dalian) Co., Ltd.	260,619,525.68	-	-	-	-	-	-	-	-	260,619,525.68
Asa Pacific Ports Company Limited	76,155,000.00	-	-	-	-	-	-100,000,000.00	-	-	76,155,000.00
Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd.	6,629,301.65	-	-	-	-	-	-	-	-	6,629,301.65
Dalian Jifa Shipping Management Co., Ltd.	419,011,554.73	-	-	-	-	-	-	-	-	419,011,554.73
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	-	-	-	-	-	-	-	-	14,259,172.03
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	-	-	-	-	-	-	-	-	18,278,125.97
Dalian Port Telecommunications Engineering Co., Ltd.	6,137,212.61	-	-	-	-	-	-	-	-	6,137,212.61
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	-	-	-	-	-	-	-	-	53,156,426.75
Dalian Port Lushun Harbour Service Co., Ltd.	217,580,000.00	-	-	-	-	-	-	-	-	217,580,000.00
Dalian Harbour ECL Logistics Co., Ltd.	31,931,668.81	-	-	-	-	-	-	-	-	31,931,668.81
Dalian Port Grain and Oil Trading Co., Ltd.	25,000,000.00	-	-	-	-	-	-	-	-	25,000,000.00
Dalian Gengrun Gas Co., Ltd.	5,100,000.00	-	-	-	-	-	-	-	-	5,100,000.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued)

(2) Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2023 (Unaudited) (continued)

Investee	Change in the period							Closing balance	Closing balance of impairment provision		
	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity			Declaration of distribution of cash dividend and profit	Provision for impairment
Dalian Haijia Automobile Terminal Co., Ltd.	200,000,000.00	-	-	-	-	-	-	-	-	200,000,000.00	-
Dalian Diangsiu Caravan Co., Ltd.	33,222,466.75	-	-	-	-	-	-	-	-	33,222,466.75	17,777,533.25
Dalian Zhonghe Gangying Investment Co., Ltd.	80,000,000.00	-	-	-	-	-	-	-	-	80,000,000.00	-
Dalian Port-Haifeng Ship Management Co., Ltd.	4,825,626.54	-	-	-	-	-	-	-	-	4,825,626.54	-
Dalian Port Power Supply Co., Ltd.	121,205,097.79	-	-	-	-	-	-	-	-	121,205,097.79	-
Sub-total	20,596,551,595.28	-	-	-	-	-	-	-100,000,000.00	-	20,596,551,595.28	17,777,533.25

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued)

(2) Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2023 (Unaudited) (continued)

Investee	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit	Provision for impairment	Closing balance	Closing balance of impairment provision	Change in the period	
Joint ventures													
VTTI Terminals Dalian Co., Ltd.	191,750,504.89	-	-	-	3,348,215.69	-	468,765.57	-25,000,000.00	-	170,557,486.15	-		
Dalian Port PetroChina International Terminal	225,756,336.65	-	-	-	12,564,368.26	-	-	-35,000,000.00	-	203,320,724.91	-		
China United Tally (Dalian) Co., Ltd.	1,979,575.68	-	-	-	357,615.85	-	-10,554.66	-	-	2,326,636.87	-		
China Oil Dock Management (Dalian) Co., Ltd.	21,150,046.87	-	-	-	9,271.89	-	-	-8,470,840.37	-	12,668,478.39	-		
Dalian Chengxing Island Port Co., Ltd.	117,828,681.03	-	-	-	-10,926,824.93	-	262,615.42	-	-	107,165,471.52	-		
Dalian Port Bulk Cargo Logistics Center	9,947,569.59	-	-	-	2,744,865.46	-	25,658.84	-	-	12,718,093.89	-		
Dalian Chengxing Island Port Investment	344,159,739.59	-	-	-	-13,341,744.51	-	784,857.63	-	-	331,602,852.71	-		
Coifell Chengxing Terminals (Dalian) Co., Ltd.	7,819,393.29	-	-	-	-41,290.35	-	-	-	-	7,778,102.94	-		
Dalian Port Xiangyu Grain Logistics Co., Ltd.	36,647,305.35	-	-	-	-995,464.76	-	-	-	-	35,651,840.59	-		
China Shipping Gang Lian Co., Ltd.	78,961,401.08	-	-	-	-5,817,470.59	-	-	-	-	73,143,930.49	-		
Sub-total	1,036,001,554.02	-	-	-	-12,098,437.99	-	1,531,342.80	-68,470,840.37	-	956,993,618.46	-		

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued)

(2) Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2023 (Unaudited) (continued)

Investee	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of dividend and profit	Provision for impairment	Closing balance	Closing balance of impairment provision	Change in the period		
												Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity
Associates														
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	59,422,161.59	-	-	-	12,815,746.78	-	274,701.72	-23,002,571.00	-	49,510,039.09	-			
Taizheng Xinggang Tug Co., Ltd.	8,512,089.32	-	-	-	1,700,900.78	-	10,956.75	-2,142,855.00	-	8,141,061.85	-			
National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (國家管網集團大連液化天然氣有限公司)	632,625,580.04	-	-	-	7,946,060.64	-	441,539.28	-31,642,716.53	-	609,370,463.43	-			
Dalian North Oil Petroleum Logistics Co., Ltd.	69,083,581.68	-	-	-	1,606,716.18	-	94,202.09	-	-	70,783,959.95	-			
Sino Rai Bohai Tian Ferry Co., Ltd.	218,167,105.14	-	-	-	-1,950,485.40	-	13,483.83	-	-	216,230,113.67	-			
CDC International Logistics Co., Ltd.	126,112,180.19	-	-	-	1,667,539.10	-	-	-	-	127,779,719.29	-			
Dalian Automobile Terminal Co., Ltd.	183,599,201.66	-	-	-	6,980,495.70	-	213,276.89	-	-	190,772,973.95	-			
Liaoning Electronic Port Co., Ltd.	669,399.47	-	-	-	-114,384.52	-	-	-4,899.95	-	550,425.00	-			
Sub-total	1,298,191,269.09	-	-	-	30,692,049.26	-	1,046,170.36	-56,792,732.48	-	1,273,138,756.23	-			
Total	22,930,744,418.39	-	-	-	18,589,611.27	-	2,579,513.16	-225,283,872.85	-	22,826,653,968.97	17,777,538.25			

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued) (2) Breakdown of long-term equity investments (continued)

2022

Investee	Opening balance	Change in the year							Closing balance	Closing balance of impairment provision	
		Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of cash dividend and profit			Provision for impairment
Subsidiaries											
Liaoning Port Holdings (Yingkou) Co., Ltd.	15,821,491,793.59	-	-	-	-	-	-725,051,525.12	-	-	15,821,491,793.59	-
Dalian Port Container Development Co., Ltd.	3,201,948,622.38	-	-	-	-	-	-164,836,156.40	-	-	3,201,948,622.38	-
Asia Pacific Ports (Dalian) Co., Ltd.	260,619,525.68	-	-	-	-	-	-	-	-	260,619,525.68	-
Asia Pacific Ports Company Limited	76,155,000.00	-	-	-	-	-	-	-	-	76,155,000.00	-
Dalian EIDZ Jin Xin Petro-chemistry Co., Ltd.	6,629,301.65	-	-	-	-	-	-3,251,816.51	-	-	6,629,301.65	-
Dalian Jifa Shipping Management Co., Ltd.	419,011,554.73	-	-	-	-	-	-	-	-	419,011,554.73	-
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	-	-	-	-	-	-	-	-	14,259,172.03	-
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	-	-	-	-	-	-	-	-	18,278,125.97	-
Dalian Port Telecommunications Engineering Co., Ltd.	6,137,212.61	-	-	-	-	-	-4,239,900.00	-	-	6,137,212.61	-
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	-	-	-	-	-	-	-	-	53,156,426.75	-
Dalian Port Lushun Harbour Service Co., Ltd.	217,580,000.00	-	-	-	-	-	-	-	-	217,580,000.00	-
Dalian Harbour ECL Logistics Co., Ltd.	31,931,668.81	-	-	-	-	-	-1,286,803.68	-	-	31,931,668.81	-
Dalian Port Grain and Oil Trading Co., Ltd.	25,000,000.00	-	-	-	-	-	-	-	-	25,000,000.00	-
Dalian Gangrun Gas Co., Ltd.	5,100,000.00	-	-	-	-	-	-	-	-	5,100,000.00	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued) (2) Breakdown of long-term equity investments (continued)

2022 (continued)

Investee	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of cash dividend and profit	Provision for impairment	Closing balance	Closing balance of impairment provision
Dalian Haijia Automobile Terminal Co., Ltd.	200,000,000.00	-	-	-	-	-	-	-	-	200,000,000.00	-
Dalian Diangshui Caravan Co., Ltd.	51,000,000.00	-	-	-	-	-	-	-	17,777,533.25	33,222,466.75	17,777,533.25
Dalian Zhuangtie Gangying Investment Co., Ltd.	80,000,000.00	-	-	-	-	-	-	-	-	80,000,000.00	-
Dalian Port Haiheng Ship Management Co., Ltd.	4,825,626.54	-	-	-	-	-	-	-801,927.52	-	4,825,626.54	-
Dalian Port Power Supply Co., Ltd.	121,205,097.79	-	-	-	-	-	-	-8,841,147.91	-	121,205,097.79	-
Sub-total	20,614,329,128.53	-	-	-	-	-	-	-908,309,277.14	17,777,533.25	20,596,551,595.28	17,777,533.25

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued)

(2) Breakdown of long-term equity investments (continued)

2022 (continued)

Investee	Opening balance	Impact of change in consolidation scope	Change in the year							Closing balance	
			Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of cash dividend and profit	Provision for impairment		Closing balance of impairment provision
Joint ventures											
Dalian Port Tongli Shipping Agency Co., Ltd.	1,271,654.19	-	-	-1,331,560.85	59,906.66	-	-	-	-	-	-
VTTI Terminals Dalian Co., Ltd.	184,193,475.87	-	-	-	17,557,029.02	-	-	-	-10,000,000.00	-	191,750,504.89
Dalian Port PetroChina International Terminal Co., Ltd.	236,277,638.10	-	-	-	-	24,476,698.55	-	-	-35,000,000.00	-	225,756,336.65
China United Tally (Dalian) Co., Ltd.	1,480,827.06	-	-	-	-	510,701.15	-	-	-11,952.53	-	1,979,575.68
China Oil Dock Management (Dalian) Co., Ltd.	23,381,453.02	-	-	-	-	8,477,000.00	-	-	-10,708,406.15	-	21,150,046.87
Dalian Changxing Island Port Co., Ltd.	135,699,325.76	-	-	-	-	-18,284,576.47	-	-	414,931.74	-	117,829,681.03
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	24,176,763.89	-	-	-	-	3,777,857.39	-	-	128,046.85	-	9,947,569.59
Dalian Changxing Island Port Investment and Development Co., Ltd.	358,302,444.62	-	-	-	-	-15,412,608.70	-	-	1,269,903.67	-	344,159,739.59
Oifell Changxing Terminals (Dalian) Co., Ltd.	7,902,231.45	-	-	-	-	-82,838.16	-	-	-	-	7,819,393.29
Dalian Port Xiangyu Grain Logistics Co., Ltd.	33,846,283.81	-	-	-	-	2,801,024.54	-	-	-	-	36,647,308.35
China Shipping Gang Lan Co., Ltd.	91,890,080.58	-	-	-	-	-12,966,679.50	-	-	-	-	78,923,401.08
Sub-total	1,098,464,178.35	-	-	-1,331,560.85	10,913,511.48	-	-	1,800,929.73	-73,845,504.69	-	1,026,001,554.02

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

4. Long-term equity investments (continued) (2) Breakdown of long-term equity investments (continued)

2022 (continued)

Investee	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of cash dividend and profit	Provision for impairment	Closing balance	Closing balance of impairment provision	
												Change in the year
Associates												
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	46,828,027.11	-	-	-	22,314,719.43	-	-	-9,720,584.95	-	59,422,161.59	-	
Taocang Xinggang Tug Co., Ltd.	11,300,772.42	-	-	-	3,290,991.16	-	50,401.14	-6,130,105.40	-	8,512,059.32	-	
National Pipe Network Group Dalian Liquefied Natural Gas Co., Ltd. (国家管网集团大连液化天然气有限公司)	688,113,647.84	-	-	-	35,414,388.42	-	742,679.95	-101,645,136.17	-	632,625,580.04	-	
Dalian North Oil Petroleum Logistics Co., Ltd.	75,261,880.21	-	-	-	3,441,910.88	-	-20,209.21	-9,600,000.00	-	69,083,561.68	-	
Sino Rail Botai Train Ferry Co., Ltd.	232,488,589.17	-	-	-	-14,321,484.03	-	-	-	-	218,167,105.14	-	
CDC International Logistics Co., Ltd.	124,563,359.86	-	-	-	1,548,820.33	-	-	-	-	126,112,180.19	-	
Dalian Automobile Terminal Co., Ltd.	180,379,539.87	-	-	-	14,341,214.57	-	78,447.22	-11,200,000.00	-	183,599,201.66	-	
Liaoning Electronic Port Co., Ltd.	645,899.47	-	-	-	23,500.00	-	-	-	-	669,399.47	-	
Sub-total	1,369,881,715.95	-	-	-	66,054,080.56	-	851,319.10	-138,235,826.52	-	1,298,191,289.09	-	
Total	23,082,375,022.83	-	-	-1,331,560.85	76,967,572.04	-	2,662,248.83	-1,120,450,688.35	17,777,533.25	22,930,744,418.39	17,777,533.25	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

5. Revenue and cost

Item	For the six months ended 30 June 2023 (Unaudited)		For the six months ended 30 June 2022 (Unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operations	1,477,644,852.69	1,090,851,561.66	1,657,281,062.34	1,181,442,694.80
Other operations	109,477,235.38	87,831,420.39	111,648,797.49	97,041,578.63
Total	1,587,122,088.07	1,178,682,982.05	1,768,929,859.83	1,278,484,273.43

6. Investment income

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Investment income from long-term equity investments under the cost method	100,000,000.00	–
Investment income from long-term equity investments under the equity method	18,593,611.27	53,079,431.27
Income from inter-company borrowings	66,377,895.67	38,604,219.13
Total	184,971,506.94	91,683,650.40

There are no material restrictions on the repatriation of investment income of the Company.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

XVI. Notes to key items in the parent company's financial statements (continued)

7. Supplementary information to the statement of cash flows of parent company

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	162,799,278.28	210,328,353.15
Add: Provision for credit impairment	84,934,589.82	26,170,508.96
Depreciation of fixed assets	295,852,258.45	304,439,166.68
Depreciation of right-of-use assets	39,705,444.90	39,455,864.36
Amortisation of intangible assets	10,651,527.17	10,596,863.82
Amortisation of long-term prepaid expenses	2,615,206.68	2,357,257.32
Losses on damage and obsolescence of non-current assets ("-" for gain)	170,348.08	-270,544.67
Financial expenses ("-" for gain)	181,642,025.32	165,635,279.98
Losses on investment ("-" for gain)	-184,971,506.94	-91,683,650.40
Decrease in deferred income tax assets ("-" for increase)	-34,741,923.64	-11,773,997.80
Amortisation of deferred income	-21,048,118.64	-17,711,542.91
Decrease in inventories ("-" for increase)	2,406,081.92	-9,630,976.02
Increase in special reserve ("-" for decrease)	9,268,590.08	7,090,814.06
Decrease in operating receivables ("-" for increase)	-354,315,623.86	-295,506,642.81
Increase in operating payables ("-" for decrease)	-56,261,268.18	-80,925,152.91
Net cash flows from operating activities	138,706,909.44	258,571,600.81
2. Net changes in cash and cash equivalents:		
Cash at the end of the period	3,149,592,933.47	2,244,737,156.14
Less: Cash at the beginning of the period	2,444,983,092.18	2,081,788,417.72
Net increase in cash and cash equivalents	704,609,841.29	162,948,738.42

XVII. Approval of financial statements

These financial statements were approved by the Board of Directors of the Company on 25 August 2023.

Supplementary Information to the Financial Statements

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

I. Statement of non-recurring profit or loss

In accordance with “Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit/Loss (2008)” issued by China Securities Regulatory Commission, the non-recurring profit or loss for the six months ended 30 June 2023 of the Group are set out as follows:

Item	For the six months ended 30 June 2023 (Unaudited)	For the six months ended 30 June 2022 (Unaudited)
Profit or loss on disposal of non-current assets	–	4,836,346.74
Government grants charged to profit or loss for the current period (other than government grants which are closely related to corporate business and granted based on a fixed amount or a fixed quantity unified by the state on an ongoing basis)	15,396,230.12	14,727,716.74
Except for the effective hedging activities related to the Company’s ordinary operation, profit or loss arising from changes in fair value of financial assets at fair value through current profit or loss and financial liabilities at fair value through current profit or loss, and investment income from disposal of financial assets at fair value through current profit or loss and financial liabilities at fair value through current profit or loss	–	–
Current net profit and loss of subsidiaries from the beginning of the period to the combination date arising from business combinations involving entities under common control	–	–
Capital occupation fee charged to non-financial enterprises included in current profits and losses	1,185,357.90	1,292,829.13
Non-operating income and expenses other than aforesaid items	6,379,524.73	35,963,247.55
Other profit or loss item under the definition of non-recurring profit or loss	–	–
Sub-total	22,961,112.75	56,820,140.16
Effect of income tax	5,101,426.35	12,728,000.67
Effect of minority interests (after tax)	553,495.52	427,884.95
Total	17,306,190.88	43,664,254.54

Supplementary Information to the Financial Statements (continued)

For the period from 1 January to 30 June 2023
(All amounts in RMB unless otherwise stated)

II. Return on net assets and earnings per share

The calculation form of the return on net assets and earnings per share is prepared in accordance with the relevant provisions of the Compilation Rules No. 9 for Information Disclosures by Companies Offering Securities to the Public – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (Revised in 2010) issued by the China Securities Regulatory Commission.

For the six months ended 30 June 2023 (Unaudited)

	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	1.62%	0.03
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	1.58%	0.03

For the six months ended 30 June 2022 (Unaudited)

	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	1.94%	0.03
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	1.82%	0.03

No dilutive potential ordinary shares have been issued by the Company.



辽宁港口股份有限公司
LIAONING PORT CO., LTD.

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)
(於中華人民共和國註冊成立之外商投資股份有限公司)

(Stock Code 股份代號 : 2880)

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