



日照港裕廊股份有限公司
RIZHAO PORT JURONG CO., LTD.

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

Stock Code: 6117

2022 INTERIM REPORT



Contents

Corporate Information	2
Definitions	4
Management Discussion and Analysis	6
Other Information	17
Condensed Statement of Profit or Loss and Other Comprehensive Income	21
Condensed Statement of Financial Position	22
Condensed Statement of Changes in Equity	24
Condensed Statement of Cash Flows	25
Notes to the Condensed Interim Financial Statements	26



Corporate Information



COMPANY NAME (IN CHINESE)

日照港裕廊股份有限公司

COMPANY NAME (IN ENGLISH)

RIZHAO PORT JURONG CO., LTD.

LEGAL REPRESENTATIVE

Mr. Cui Liang

REGISTERED OFFICE AND HEADQUARTERS IN THE PRC

South End
Haibin 5th Road
Rizhao City, Shandong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

LISTING DATE

19 June 2019

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK ABBREVIATION (IN ENGLISH)

RIZHAO PORT JR

STOCK ABBREVIATION (IN CHINESE)

日照港裕廊

STOCK CODE

6117

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E-MAIL

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COMPANY'S WEBSITE

www.rzportjurong.com

BOARD OF DIRECTORS

Executive Director

Mr. Zhang Feng

Non-executive Directors

Mr. Cui Liang (*Chairman*)

Mr. Ooi Boon Hoe

Mr. Pay Cher Wee

Mr. Jiang Zidan

Mr. Chen Lei

Independent Non-executive Directors

Mr. Zhang Zixue

Mr. Lee Man Tai

Mr. Wu Xibin

SUPERVISORY COMMITTEE

Mr. Wang Wei (*Chairman*) (*resigned on 2 August 2022*)
Mr. Gao Zhiyuan (*Chairman*)
(*appointed as a Supervisor on 2 August 2022*
and appointed as the Chairman on 19 August 2022)
Mr. Li Weiqing
Mr. Tham Wai Kong

JOINT COMPANY SECRETARIES

Mr. Zheng Shiqiang
Ms. Lau Jeanie (*resigned on 2 August 2022*)
Ms. Ho Yin Kwan (*appointed on 2 August 2022*)

AUTHORISED REPRESENTATIVES

Mr. Zhang Feng
Ms. Lau Jeanie (*resigned on 2 August 2022*)
Ms. Ho Yin Kwan (*appointed on 2 August 2022*)

AUDIT COMMITTEE

Mr. Lee Man Tai (*Chairman*)
Mr. Zhang Zixue
Mr. Chen Lei

REMUNERATION COMMITTEE

Mr. Zhang Zixue (*Chairman*)
Mr. Wu Xibin
Mr. Jiang Zidan

NOMINATION COMMITTEE

Mr. Cui Liang (*Chairman*)
Mr. Lee Man Tai
Mr. Zhang Zixue
Mr. Wu Xibin
Mr. Pay Cher Wee

AUDITOR

Grant Thornton Hong Kong Limited

LEGAL ADVISERS

(1) As to Hong Kong laws:

Jun He Law Offices

(2) As to PRC laws:

JunHe LLP

H SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKER

Agricultural Bank of China
Rizhao Branch

Definitions



In this interim report, the following expressions have the following meanings unless otherwise specified:

“Asia Symbol”	Asia Symbol Shandong Co., Ltd. (亞太森博(山東)漿紙有限公司)
“Audit Committee”	the audit committee of the Company
“Board”	board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“China” or “PRC”	the People's Republic of China
“Company”	Rizhao Port Jurong Co., Ltd. (日照港裕廊股份有限公司)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by the PRC natural persons or entities established under the PRC laws
“H Share(s)”	overseas listed shares in the share capital of the Company with a nominal value of RMB1.00 each in the share capital of the Company, listed on the Main Board of the Stock Exchange and traded in HK\$
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules



Definitions (Continued)

“Prospectus”	the prospectus of the Company dated 31 May 2019
“Reporting Period”	the six months ended 30 June 2022
“Rizhao Port”	Rizhao Port Co., Ltd. (日照港股份有限公司)
“Rizhao Port Group”	Shandong Port Rizhao Port Group Co., Ltd. (山東港口日照港集團有限公司)
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
“Shandong Port Group”	Shandong Port Group Co., Ltd. (山東省港口集團有限公司)
“Share(s)”	share(s) of RMB1.00 each in the share capital of the Company, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“%”	per cent

Management Discussion and Analysis



INTERNATIONAL AND DOMESTIC SITUATION

Overall Situation

In the first half of 2022, the global economic growth rate continued to slow down, the demand for bulk commodity transportation was under pressure, and the global energy and grain prices further increased due to various factors, such as global inflation, the continued outbreak of COVID-19, and the ongoing fallout from the war in Ukraine. Despite this, China's foreign trade maintained steady growth, with the total import and export in trades in goods amounted to RMB19.8 trillion, representing a year-on-year increase of 9.4%. Agricultural product imports amounted to RMB736.07 billion, with a year-on-year increase of 5%, of which, grain imports account for 37% of the total agricultural product imports which increased by 16.6% to RMB272.48 billion; and soybean imports account for 26% of the total agricultural product imports which increased by 17.3% to RMB193.27 billion (Source: General Administration of China Customs of the PRC).

However, according to the data released by General Administration of China Customs of the PRC, the general grain imports declined by 5.4% to 79.782 million tonnes in the first half of 2022 compared with 84.363 million tonnes imported in the same period in 2021, presenting an outcome that while overall import volume declined, spike in grain prices drove the growth in the total monetary value of imports. The import value of soybeans, wheat, maize and sorghum increased by 17.3%, 11.3%, 7.8% and 47.3%, respectively, as compared to the same period last year. (Source: General Administration of China Customs of the PRC)

Operation of the Port Industry

The quick spread due to the complete easing of pandemic prevention restrictions overseas led to shortage of labor force in ports and insufficient logistics capability. In the meantime, energy and raw material prices increase rapidly, which suppressed international procurement. The production growth rate in global ports was substantially narrowed, and some ports was even in the interval of negative growth. The global trade pattern change induced the structural change in shipping market demand. There were similarities and differences in the operation in each small sector as compared with last year. Dry bulk shipping market shows a large volatility trend similar to last year. In terms of region, China's shipping market is weaker than the international market.

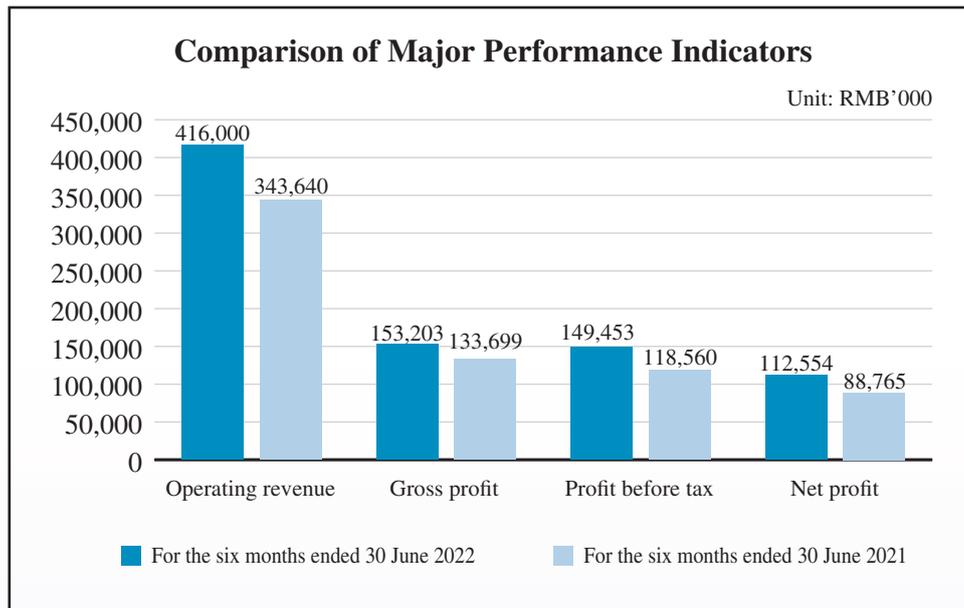
From January to June 2022, the cargo throughput of China's ports amounted to 7,580 million tonnes, representing a year-on-year decrease of 0.8%, of which, the cargo throughput for foreign trade amounted to 2,270 million tonnes, representing a year-on-year decrease of 3.7%. In the first half of 2022, the cargo throughput for the ports in the Shandong Province amounted to 940 million tonnes on a year-on-year growth of 5.5%, ranking first in all the coastal province. Shandong ports played a role in alignment to the national strategy of domestic and international "dual circulation" through the development of marine transportation and trade. The successful completion of the Shandong port consolidation serves as a good platform for the integration and optimal development of resource allocation aiding the development of a world class port infrastructure. (Source: Ministry of Transport of China, People's Government of Shandong Province, China water transport network).

BUSINESS AND FINANCIAL REVIEW

Overall Review

In the first half of 2022, the Company implemented strategies to maintain the demand for grains and other cargoes while continuing to play the role of a critical grain handling port in the country. In the midst of new prevailing pandemic-control environment, the Company has closely monitored market development, and adjusting its strategies to ensure quick service turnaround, efficient operational processes and control, with dedicated special management focus and the application of technology for an integrated port management service delivery in the market. The Company was awarded the “2022 Golden Bee Corporate Social Responsibility China ESG Competitiveness List”, which was given in recognition to Chinese enterprises that are competitive, customers-focused and are committed to the sustainable port aligned to serve the greater good of social and economic development for the country.

During the Reporting Period, the Company achieved cargo throughput of 15.31 million tonnes, representing an increase of 1.4% as compared with the same period in 2021. In terms of different cargo types, the throughput of grain recorded greater increment as compared with the same period in 2021 while the throughput of woodchips and berth leasing decreased as compared with the same period last year. The increase in throughput of grain cargoes offset the impact of decline in woodchips and other cargoes throughput on the revenue and profit of the Company. The Company’s major performance indicators remained stable as follows:



Management Discussion and Analysis (Continued)

During the Reporting Period, the Company achieved an operating revenue of RMB416.000 million, increased by RMB72.360 million or 21.1% as compared with the same period of 2021.

During the Reporting Period, the Company achieved a gross profit of RMB153.203 million, increased by RMB19.504 million or 14.6% as compared with the same period of 2021.

During the Reporting Period, the Company achieved a profit before income tax of RMB149.453 million, increased by RMB30.893 million or 26.1% as compared with the same period of 2021.

During the Reporting Period, the Company achieved a net profit of RMB112.554 million, increased by RMB23.789 million or 26.8% as compared with the same period of 2021.

Financial Review

Revenue

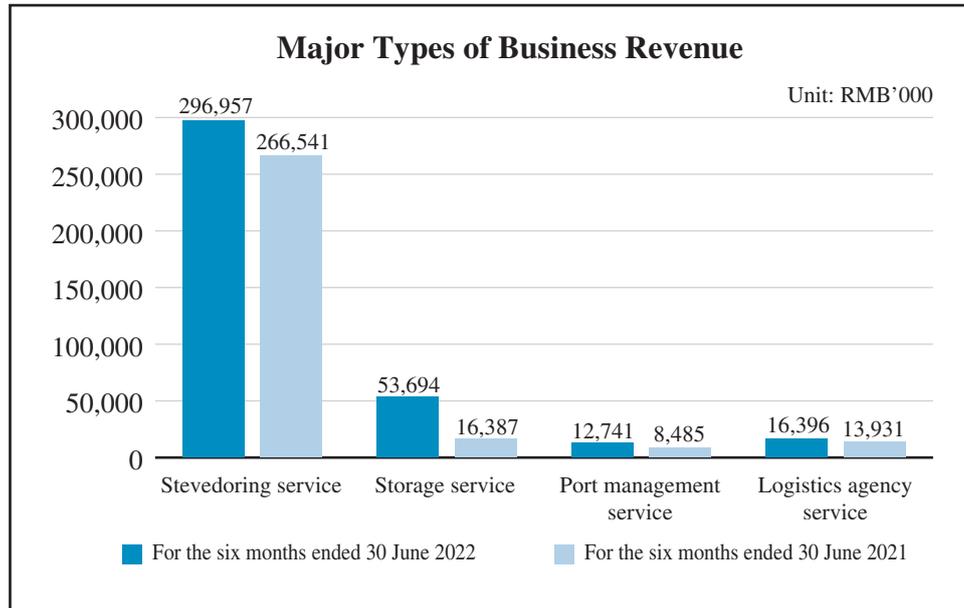
During the Reporting Period, the Company's total revenue increased by RMB72.360 million or 21.1% as compared with the same period of last year, mainly attributable to an increase of RMB74.444 million in revenue from contracts with customers, which offset for a decrease of RMB2.084 million in revenue from property lease.

(1) *Total Revenue*

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Revenue from contracts		
with customers – Provision of services	379,788	305,344
Revenue from other sources – Rental income from investment properties	36,212	38,296
Total Revenue	416,000	343,640

Management Discussion and Analysis (Continued)

(2) Revenue from contracts with customers by service type



During the Reporting Period, for stevedoring service, the increase in business volume of imports of grains offset the decrease in woodchips and dried tapioca, along with the increase of port tariff for grain goods, resulting in a 11.4% year-on-year increase in revenue.

During the Reporting Period, the increase in revenue from storage service was mainly attributable to the increase in the import volume of grain cargoes and improvement of the storage tariff structure designed to expedite the turnover of cargo discharge and to shorten the unloading period for goods.

During the Reporting Period, the revenue from port management service increased as compared with the same period of last year, mainly attributable to the increase in business volume and the adjustment of accounting items, resulting in an increase in revenue.

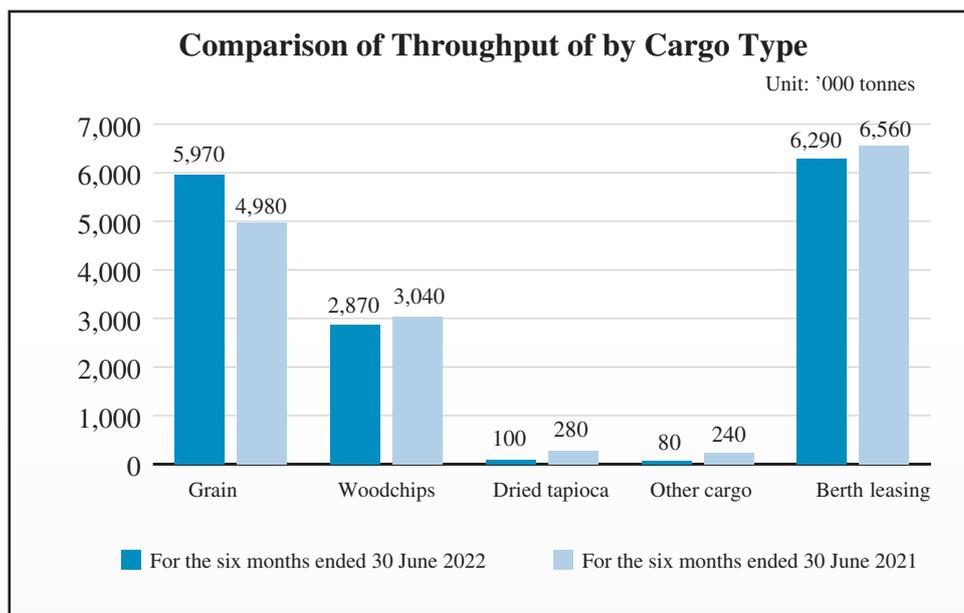
During the Reporting Period, the revenue from logistics agency service increased as compared with the same period of last year, mainly attributable to the expansion in logistics business volume for certain customers.

Management Discussion and Analysis (Continued)

Throughput segment

Unit: '000 tonnes, except percentage

Cargo type	For the six months ended 30 June				
	2022		2021		Change
	Throughput	Proportion	Throughput	Proportion	
Grain (Note i)	5,970	39.0%	4,980	33.0%	19.9%
Woodchips	2,870	18.7%	3,040	20.1%	-5.6%
Dried tapioca	100	0.7%	280	1.9%	-64.3%
Other cargo (Note ii)	80	0.5%	240	1.6%	-66.7%
Berth leasing (Asia Symbol)	6,290	41.1%	6,560	43.4%	-4.1%
Total	15,310	100.0%	15,100	100.0%	1.4%



Note i: Grain consists of soybeans, maize and others, with a throughput of 5,020 thousand tonnes of soybeans (3,680 thousand tonnes as of 30 June 2021) and 950 thousand tonnes of maize (1,300 thousand tonnes as of 30 June 2021).

Note ii: Other cargo does not contain maize.

Grain

In the first half of 2022, China accumulated grain imports amounted to 79.782 million tonnes, representing a year-on-year decrease of 5.4% (Source: General Administration of China Customs of the PRC), of which, soybeans imports amounted 46.284 million tonnes, representing a year-on-year decrease of 5.4%. The Company has benefit from the advantage of being in an immediate port vicinity for grain and edible oil industry and excellent connectivity with efficient and convenient railway and road network, which enables the grains business to record a growth against the general backdrop of economic decline. The grain throughput amounted 5.97 million tonnes, representing a year-on-year increase of 19.9%, and the proportion of the sector in throughput increased by 6%.

In terms of the mix of grain types, the Company's soybean throughput amounted to 5.02 million tonnes, representing a year-on-year increase of 36.66%, accounting for 10.8% of the PRC's soybean imports, which represented an increase of 3.3% as compared with the same period last year. The Company's throughput of maize and other grains amounted to 0.95 million tonnes, representing a decrease of 0.35 million tonnes as compared with the same period last year. In general, the total grains throughput presented a steady growing trend, and was the main factor of the revenue increase of the Company.

From the analysis of port logistics, the Company actively met the needs of the processing enterprises of grains, edible oil and animal feed from hinterland, and helped coordinate with the customers from upstream and downstream in a timely manner. The Company deepened the "door to door" logistics service, with the railway delivering 1.39 million tonnes of grains, representing a year-on-year increase of 69%, which helped the development of multi-modal transportation, consolidating bulk shipments and converting from road to rail transportation.

Woodchips

The woodchips procured by amount of core customers continued to be high and stable. The Company handled 2.87 million tonnes of woodchips in the first half of 2022. The imports decreased as compared to the same period of last year due to the cycle of procurement transportation, but the number of vessels handled was higher than the same period of last year. The Company integrated berth resources designated for woodchips, extended the rail connectivity, increased turnaround for yard efficiency, and resolved operational issues timely. The proportion of rail transportation increased to 73.1%. The railway shipments hit 278 wagons per day in the strive for a highly efficient integrated woodchips operation.

Dried tapioca

The Company's dried tapioca business was affected by the berth resources and operation restrictions. Under the premise of securing productive resources for the increment of grain handling, the Company adjusted its cargo mix, resulting in a decrease in the volume handled for dried tapioca as compared with the same period of last year.



Management Discussion and Analysis (Continued)

Other cargo

In the first half of 2022, the Company prioritised the handling of grains over other cargo. A total of 80,000 tonnes for other cargo were handled with a minor impact on the Company's revenue and profitability.

Berth leasing

The Company has a long-term lease agreement to lease the West-4 berth, Wood-2 berth and Wood-3 berth owned by the Company to Asia Symbol, an independent third party engaged in wood pulp production. The business volume of berth leasing was mainly from the import and transfer of woodchips throughput of Asia Symbol. Asia Symbol pays the Company a fixed rent each year, and is responsible for the maintenance of the leased berth and related berthing equipment.

Cost of Sales

During the Reporting Period, the cost of sales of the Company amounted to RMB262.797 million, representing an increase of RMB52.856 million or 25.2% as compared with RMB209.941 million for the same period of 2021, mainly attributable to (1) the increase in staff remuneration as a result of the growth in business volume of the Company; and (2) the increase in external expenses.

Gross Profit

During the Reporting Period, the Company achieved the gross profit of RMB153.203 million, representing an increase of RMB19.504 million or 14.6% as compared with RMB133.699 million for the same period of 2021, mainly attribute to the revenue from contracts with customers.

Administrative Expenses

During the Reporting Period, the total administrative expenses of the Company amounted to RMB8.293 million, representing an increase of RMB1.624 million or 24.4% as compared with RMB6.669 million for the same period of 2021, mainly attributable to the increase in remuneration costs of management personnel.

Other Income

During the Reporting Period, other income of the Company amounted to RMB16.940 million, representing an increase of RMB12.805 million or 309.7% as compared with RMB4.135 million for the same period of 2021, mainly attributable to the impact of national tax policy, and the input value-added tax surplus deduction of RMB11.680 million.

Finance Cost

During the Reporting Period, finance cost of the Company amounted to RMB10.914 million, representing an increase of RMB0.780 million, or 7.7% as compared with RMB10.134 million for the same period of 2021, mainly attributable to the year-on-year increase in the interest of lease liabilities.

Income Tax Expense

During the Reporting Period, the income tax expense of the Company amounted to RMB36.899 million, representing an increase of RMB7.104 million or 23.8% as compared with RMB29.795 million for the same period of 2021, mainly attributable to the increase in the profit before income tax of the Company.

Total Comprehensive Income for the Period

As a result of the foregoing, during the Reporting Period, the total comprehensive income of the Company amounted to RMB112.554 million, representing an increase of RMB23.789 million or 26.8% as compared with RMB88.765 million for the same period of 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Company adopts a prudent treasury management policy to maintain a solid and healthy financial position. The Company monitors the cash flows and cash balance on a regular basis and strives to maintain an optimum liquidity that can meet its working capital needs.

The Company funds its operations principally from cash flow generated from operating activities. The Company's primary uses of cash are for working capital and to satisfy the capital expenditure needs of the Company.

As at 30 June 2022, the Company had cash and cash equivalents of RMB804.092 million (31 December 2021: RMB592.669 million).

As at 30 June 2022, the Company's total bank borrowings amounted to Nil (31 December 2021: Nil).

The Company's current ratio (being the ratio of total current assets to total current liabilities) was 8.45 times as at 30 June 2022 (31 December 2021: 7.51 times).

Management Discussion and Analysis (Continued)

As at 30 June 2022, the Company's gearing ratio (being the ratio of total interest-bearing borrowings to total equity) was 9.62% (31 December 2021: 10.28%).

During the Reporting Period, the Company's net cash from operating activities amounted to RMB214.465 million (the corresponding period of 2021: RMB225.542 million). The Company's net cash from investing activities during the Reporting Period amounted to RMB2.521 million (the corresponding period of 2021: RMB0.542 million). The Company's net cash used in financing activities during the Reporting Period amounted to RMB5.563 million (the corresponding period of 2021: RMB24.125 million).

PLEDGE OF ASSETS

As at 30 June 2022, the Company did not have any pledge of assets (31 December 2021: Nil).

CONTINGENT LIABILITIES

As at 30 June 2022, the Company did not have any contingent liabilities (31 December 2021: Nil).

CAPITAL EXPENDITURE

The Company's capital expenditure comprised mainly additions to property, plant and equipment. The Company's capital expenditure for the Reporting Period amounted to RMB3.5 million (the corresponding period of 2021: RMB3.2 million).

SIGNIFICANT INVESTMENTS

During the Reporting Period, no significant investment was held by the Company.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Company had no material acquisitions and disposal of subsidiaries or associated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

To consolidate and enhance the Company's position as a grain transshipment and distribution hub port in China, the Company plans for the construction of a Grain Base Project comprising West-6 berth development, conveyor belt transportation and storage silos, with an investment amount of approximately RMB1.44 billion and it is expected to be completed and ready for use by June 2024.

Save as disclosed above, the Company had no other future plans for material investments or additions of capital assets as at the date of this interim report.

EVENTS AFTER THE REPORTING PERIOD

Continuing Connected Transaction - Shandong Port Finance Holding Framework Agreement

On 29 August 2022, the Company entered into the port-related service (sale) framework agreement with Shandong Port Finance Holding Co., Ltd.* (山東港口金融控股有限公司) (“**Shandong Port Finance Holding Group**”), pursuant to which the Company agreed to provide stevedoring and cargo supervision services to Shandong Port Finance Holding Group and other port-related services that the Company may provide to Shandong Port Finance Holding Group from time to time, for a term commencing on 29 August 2022 and ending on 31 December 2024. For details, please refer to the announcement of the Company dated 29 August 2022.

Save as disclosed above, there are no other material events undertaken by the Company after the Reporting Period to the date of this interim report.

FOREIGN EXCHANGE RISK MANAGEMENT

The operations of the Company are mainly located in the PRC, and substantially all of business assets, liabilities, operating revenue and expenses of the Company are denominated in or settled in RMB, while liabilities denominated in foreign currencies are mainly used to pay overseas agency fees. As such, the Company considers there is no material foreign exchange exposure.

As at 30 June 2022, the Company did not enter into any derivative contracts to hedge the foreign exchange exposure.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Company had a total of 327 full-time employees, all of whom are based in the PRC (31 December 2021: 328 employees). During the Reporting Period, the employees costs of the Company amounted to RMB38.967 million (the corresponding period of 2021: RMB30.709 million).

The remuneration policy of the Company links the remunerations of employees with performance, according to their positions, qualifications, work performance and the Company's production and operation results. For the senior management of the Company, the Company implements a basic salary and a performance-based salary policy. The employees' remunerations are reviewed and adjusted by the Company annually. The Company also provides employees with various benefits in accordance with the relevant national, municipal and city-level laws and regulations in the PRC.

In addition, to actively establish a learning enterprise and cultivate employees with active learning, the Company offers internal trainings on safety and security, business operations and technical skills to the employees for their improvement of skills related to their positions.

Management Discussion and Analysis (Continued)

FUTURE PROSPECTS

In the second half of 2022, the macro environment will be challenging. The conflict between Russia and Ukraine will continue to have impact on energy and food supply, and the risk of stagflation will lead to the further constraint in the monetary policy in Europe and the U.S. and will be an obstacle to the global economic growth. Due to the impact mentioned above, the global shipping market will be pressured in the terminal demand, the energy and food supply will be tightened, and the pattern of trade may be impacted. Affected by such factors, the shipping demand may weaken, likewise, throughput for ports may slow.

Currently, the global grain supply and demand continue to be unevenly balanced for both production and consumption with relative shortage. China's demand for imported grains from its domestic industries, such as grains, edible oil and animal feed, have shown a steady growing trend. International food prices remain at high level and the cost of comprehensive logistics for the hinterland company customers has climbed. As an important coastal port for imported grains, the Company will coordinate safe operation as well as pandemic prevention and control, by adhering to "individual protection, physical protection, and technical protection", provide port service through "fast access to berth, fast unloading and fast delivery and turnaround", with good planning, seamless operations, enhanced handling brand "Jurong efficiency", to sustain the facilitation of smooth international logistics flow, and promote a healthy development and growth for the Company.

Therefore, the Company will focus on the following work:

Marketing in a way of "seizing the supply and increasing the total volume"

The Company will keep an eye on the new opportunities from by the new production capacity in hinterland area, tracking their development of newly constructed plants and their raw material procurement plans, promote the strategic partnership with core customers, explore the new distribution channels for rail logistics, and in general, promote the development of the hinterland with service provision via the Company as the gateway port.

Production and organization in a way of "discovering the potential and increasing the efficiency"

The Company will strengthen its internal coordination to optimise production efficiency by integrated use of berth resources, improve vessels turnaround, complete various key upgrade projects timely, and enhance the efficiency of rail and truck deliveries so as to improve the turn of the silos and warehouses.

Control of the pandemic in a way of "strengthening the professional and keeping safe"

The Company will strengthen the prevention and control of the pandemic, ensure safe, stable and scientific prevention of the pandemic while increasing the overall well-being and sense of belongings for all stakeholders. The Company will continue to exercise diligence concerning pandemic prevention, and strive to minimise any impact to the grains and woodchips imports.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

The Company has complied with the relevant requirements of the applicable code provisions of the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct for the Directors and the Supervisors to conduct securities transactions. Having made specific enquiry of all the Directors and Supervisors, each of the Directors and the Supervisors has confirmed that he has complied with the required standard as set out in the Model Code during the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

REVIEW OF INTERIM RESULTS AND INTERIM REPORT BY AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and has also reviewed internal audit, internal control and financial reporting matters, including the review of the unaudited condensed interim results of the Company for the six months ended 30 June 2022 and this interim report.

Other Information (Continued)



CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of the Directors, the Supervisors and the chief executive of the Company since the publication of the annual report of the Company for the year ended 31 December 2021 are set out as follows:

Name	Changes
Mr. Wang Wei	<ul style="list-style-type: none">Resigned as an employee representative Supervisor and the chairman of the supervisory committee of the Company with effect from 2 August 2022
Mr. Gao Zhiyuan	<ul style="list-style-type: none">Appointed as an employee representative Supervisor with effect from 2 August 2022Appointed as the chairman of the supervisory committee of the Company with effect from 19 August 2022

Save as disclosed above, there was no change in the information of the Directors, the Supervisors and the chief executive of the Company required to be disclosed under Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

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

USE OF NET PROCEEDS FROM THE LISTING

The Company was listed on the Stock Exchange on 19 June 2019 by way of a global offering, under which a total of 460,000,000 H Shares (including H Shares issued upon full exercise of the over-allotment option) were issued at an offer price HK\$1.50 per Share, raising a total net proceeds of RMB546.414 million after deducting professional fees, underwriting commissions and other related listing expenses (the "IPO Proceeds").

Other Information (Continued)

As set out in the Prospectus, the Company had planned to use the IPO Proceeds. As at 30 June 2022, the Company had used approximately RMB382.490 million for the acquisition of West-6 berth; approximately RMB7.615 million for the procurement of equipment and machinery for West-6 berth and approximately RMB54.641 million for working capital and general corporate purposes.

	Utilised amount as at 31 December 2021 RMB million	Unutilised amount as at 31 December 2021 RMB million	Utilised amount during the Reporting Period RMB million	Unutilised amount as at 30 June 2022 RMB million	Expected timeline for utilising the remaining IPO Proceeds ^(Note)
Acquisition of West-6 berth	382.490	0	0	0	–
Procurement of equipment and machinery	7.615	101.667	0	101.667	Expected to be fully utilised on or before 31 December 2023
Working capital and general corporate use	54.641	0	0	0	–
Total	444.746	101.667	0	101.667	

Note: The Company will gradually carry out reconstruction project for the West-6 berth from 2022 and expects that the West-6 berth will be initially equipped with the function of stevedoring grains in 2022, subject to the actual COVID-19 pandemic situation and market development.

The Company does not have any intention to change the purposes of the IPO Proceeds as set out in the Prospectus, and will gradually utilise the residual amount of the IPO Proceeds in accordance with the intended purposes.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2022, to the best knowledge of the Directors, none of the Directors, the Supervisors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions), or required to be 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.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period was the Company, its parent company or any of its fellow subsidiaries, a party to any arrangement that would enable the Directors, the Supervisors and chief executive of the Company, or their respective spouse or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, the Supervisors and chief executive of the Company, or their respective spouse or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

Other Information (Continued)



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, to the best knowledge of the Directors, the following persons (not being a Director, Supervisor or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of shares interested	Class of shares	Long/short position	Percentage of shareholding to the relevant class of shares ⁽³⁾ (%)	Percentage to total issued share capital ⁽⁴⁾ (%)
Shandong Port Group ⁽¹⁾	Interest in controlled corporation	840,000,000	Domestic Shares	Long position	100	50.60
Rizhao Port Group ⁽¹⁾	Interest in controlled corporation	840,000,000	Domestic Shares	Long position	100	50.60
Rizhao Port ⁽¹⁾	Beneficial owner	840,000,000	Domestic Shares	Long position	100	50.60
Jurong Port Pte Ltd ("Jurong Port") ⁽²⁾	Interest in controlled corporation	360,000,000	H Shares	Long position	43.90	21.69
Jurong Port Rizhao Holding Pte Ltd ("Jurong Port Holding") ⁽²⁾	Beneficial owner	360,000,000	H Shares	Long position	43.90	21.69
Orient Fund Management Co., Ltd.	Trustee	58,520,000	H Shares	Long position	7.14	3.53

- (1) Shandong Port Group directly held 100% of the equity interests of Rizhao Port Group, which was in turn the controlling shareholder of Rizhao Port and directly held 43.6% of the equity interests of Rizhao Port, and indirectly held 0.88% of the equity interests of Rizhao Port through its wholly-owned subsidiary, Rizhao Port Group Lanshan Port Company Limited (日照港集團嵐山港務有限公司), as at 30 June 2022. Therefore, each of Shandong Port Group and Rizhao Port Group is deemed to be interested in the 840,000,000 Domestic Shares held by Rizhao Port.
- (2) Jurong Port directly held 100% of the equity interest of Jurong Port Holding as at 30 June 2022. Therefore, Jurong Port is deemed to be interested in the 360,000,000 H Shares held by Jurong Port Holding.
- (3) The calculation is based on the percentage of shareholding in the Domestic Shares or H Shares (as the case may be) as at 30 June 2022.
- (4) The calculation is based on the total number of 1,660,000,000 Shares in issue comprising 840,000,000 Domestic Shares and 820,000,000 H Shares as at 30 June 2022.

Save as disclosed above, as at 30 June 2022, the Directors were not aware of any persons (who were not Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

By Order of the Board
Rizhao Port Jurong Co., Ltd.
Cui Liang
Chairman

Rizhao, the PRC, 31 August 2022

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	4	416,000	343,640
Cost of sales		(262,797)	(209,941)
Gross profit		153,203	133,699
Other income	6	16,940	4,135
Impairment losses reversed	7	621	376
Selling and distribution expenses		(2,104)	(2,847)
Administrative expenses		(8,293)	(6,669)
Finance costs	8	(10,914)	(10,134)
Profit before income tax	9	149,453	118,560
Income tax expense	10	(36,899)	(29,795)
Profit and total comprehensive income attributable to the owners of the Company for the period		112,554	88,765
Earnings per share attributable to the owners of the Company for the period			
– Basic and diluted (<i>expressed in RMB cents</i>)	12	6.78	5.35

Condensed Statement of Financial Position

As at 30 June 2022

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	1,738,471	1,797,815
Deposits for purchase of property, plant and equipment		–	915
Investment properties	14	291,334	295,221
Intangible assets	15	2,659	2,806
Other non-current assets	16	2,823	1,107
		2,035,287	2,097,864
Current assets			
Inventories		2,587	3,350
Trade and other receivables	17	4,299	31,876
Bills receivables at fair value through other comprehensive income ("FVTOCI")	18	2,000	3,361
Contract assets		2,013	3,484
Cash and cash equivalents		804,092	592,669
		814,991	634,740
Current liabilities			
Trade and other payables	19	60,291	43,032
Contract liabilities	20	5,287	14,320
Lease liabilities	21	13,583	13,260
Advance payments from lease contract	22	2,375	2,375
Income tax payable		14,907	11,570
		96,443	84,557
Net current assets		718,548	550,183
Total assets less current liabilities		2,753,835	2,648,047

Condensed Statement of Financial Position (Continued)

As at 30 June 2022

	<i>Notes</i>	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities	21	227,542	232,920
Advance payments from lease contract	22	16,031	17,219
Deferred tax liabilities		4,100	4,300
		247,673	254,439
Net assets		2,506,162	2,393,608
CAPITAL AND RESERVES			
Share capital	23	1,660,000	1,660,000
Reserves		846,162	733,608
Total equity		2,506,162	2,393,608

Condensed Statement of Changes in Equity

For the six months ended 30 June 2022

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2022 (Audited)	1,660,000	105,245	159,077	63,466	405,820	2,393,608
Total comprehensive income for the period						
Profit and total comprehensive income for the period	-	-	-	-	112,554	112,554
Balance at 30 June 2022 (Unaudited)	1,660,000	105,245	159,077	63,466	518,374	2,506,162
Balance at 1 January 2021 (Audited)	1,660,000	105,245	159,077	46,608	254,382	2,225,312
Total comprehensive income for the period						
Profit and total comprehensive income for the period	-	-	-	-	88,765	88,765
Balance at 30 June 2021 (Unaudited)	1,660,000	105,245	159,077	46,608	343,147	2,314,077

Condensed Statement of Cash Flows

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Operating activities		
Cash from operations	248,227	250,404
PRC enterprise income tax paid	(33,762)	(24,862)
<i>Net cash from operating activities</i>	214,465	225,542
Investing activities		
Payments of and deposits placed for property, plant and equipment	(2,543)	(1,666)
Payments of intangible assets	(65)	(326)
Interest received	5,129	2,534
<i>Net cash from investing activities</i>	2,521	542
Financing activities		
Increase/(decrease) in amounts due to related parties	10,406	(13,761)
Interest paid	(10,914)	(10,134)
Payment of lease liabilities	(5,055)	(230)
<i>Net cash used in financing activities</i>	(5,563)	(24,125)
Net increase in cash and cash equivalents	211,423	201,959
Cash and cash equivalents at 1 January	592,669	280,280
Cash and cash equivalents as at 30 June, represented by bank balance and cash	804,092	482,239

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2022

1. CORPORATE INFORMATION

Rizhao Port Jurong Co., Ltd. (the “**Company**”) is a joint stock company incorporated in the People’s Republic of China (the “**PRC**”) with limited liability. The registered office and headquarters of the Company is at South End, Haibin 5th Road, Rizhao City, Shandong Province, the PRC.

The Company’s immediate holding company is Rizhao Port Co., Ltd. (“**Rizhao Port**”), a joint stock company with limited liability incorporated in the PRC and its shares are listed for trading on the Main Board of Shanghai Stock Exchange (Stock Code: 600017). The directors of the Company consider the ultimate holding company to be Shandong Port Group Co., Ltd. (山東省港口集團有限公司, “**Shandong Port Group**”), a company incorporated in the PRC with limited liability and a state-owned enterprise ultimately controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission.

The Company is primarily engaged in port operation in Rizhao City, Shandong Province of the PRC, providing comprehensive port-related services, including stevedoring, berth leasing, port management, storage, and logistics agency services, primarily covering grain, woodchips, dried tapioca and, to a lesser extent, other cargo including maize and wheat.

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”). The condensed interim financial statements also comply with the disclosure requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board of Directors**”) of the Company is pleased to present the unaudited condensed interim financial statements of the Company for the six months ended 30 June 2022 together with the unaudited comparative figures for the corresponding period in 2021 and the relevant explanatory notes as set out below. The condensed interim financial statements have not been audited but have been reviewed by the audit committee.

Unless otherwise stated, the condensed interim financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair values.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2021.

The accounting policies and calculations used in preparing the condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2021, except for the amended International Financial Reporting Standards (“**IFRSs**”) (collectively “**amended IFRSs**”) issued by IASB and become effective during the current accounting period. The adoption of the amended IFRSs has no material impact on the accounting policies in the Company’s condensed interim financial statements for the period.

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2021.

4. REVENUE

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue from contracts with customers – Provision of services	379,788	305,344
Revenue from other sources – Rental income from investment properties	36,212	38,296
	416,000	343,640

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Types of services		
Stevedoring service	296,957	266,541
Storage service	53,694	16,387
Port management service	12,741	8,485
Logistics agency service	16,396	13,931
Total	379,788	305,344
Timing of revenue recognition		
Over time	363,392	291,413
At a point in time	16,396	13,931
Total	379,788	305,344

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

5. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of performance focuses on revenue from rendering stevedoring and storage goods and ancillary services.

The management of the Company considers that the Company has one reportable operating segment. No operating segment information is presented other than the entity-wide disclosures.

Geographic information

The Company's revenue and profit are all derived from the PRC. All non-current assets are located in the PRC.

Information about major customers

The following table sets out the revenue from customers contributing over 10% of the total revenue of the Company during the reporting period.

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Customer A	(Note ii)	37,699
Customer B	64,882	(Note i)
Customer C	47,883	(Note i)

Note i: The Company had transactions with these customers but the amount of the transactions was less than 10% of revenue for the six months ended 30 June 2021.

Note ii: The Company had transactions with this customer but the amount of the transactions was less than 10% of revenue for the six months ended 30 June 2022.

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

6. OTHER INCOME

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest income	5,129	2,534
Government grants (note i)	–	1,210
Value-added tax credit (note ii)	11,680	141
Others	131	250
Total	16,940	4,135

Note i: Government subsidies mainly relate to the subsidies granted by the government in respect of operating and development activities and to provide financial support to the Company which are unconditional grants.

Note ii: From 1 October 2019 to 31 December 2022, Ministry of Finance and the State Taxation Administration announced additional value-added tax credit policy for the production and living service industry, a taxpayer in the production and living service industry is allowed to credit the amount of input tax deductible in the current period plus 10% thereof against the amount of taxes payable upon fulfillment of certain conditions.

7. IMPAIRMENT LOSSES REVERSED

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Impairment losses reversed on trade receivables	589	338
Impairment losses reversed on contract assets	32	38
	621	376

8. FINANCE COSTS

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest expenses		
– Interest on lease liabilities	10,914	10,134
	10,914	10,134

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

9. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting) the following:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Rental income from investment properties	36,212	38,296
Less: direct operating expenses incurred from investment properties	(3,887)	(4,813)
Net rental income from investment properties	32,325	33,483
Depreciation:		
– Property, plant and equipment	52,778	47,560
– Right-of-use assets	10,024	4,581
– Investment properties	3,887	3,887
Amortisation of intangible assets	212	212
Total depreciation and amortisation charged to profit or loss	66,901	56,240
Lease charges:		
– Short-term leases	–	303
– Variable lease payments	12,000	4,895
Staff costs:		
– Directors' and supervisors' emoluments	652	611
– Other staff costs (exclude directors' and supervisors' emoluments):		
– Salaries, allowances and other benefits	26,712	21,010
– Retirement benefit scheme contributions	11,603	9,088
Total staff costs	38,967	30,709

10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current tax – PRC enterprise income tax	37,099	29,954
Deferred tax	(200)	(159)
	36,899	29,795

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

11. DIVIDENDS

The Board of Directors does not recommend the payment of interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

12. EARNINGS PER SHARE

	For the six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company (RMB'000)	112,554	88,765
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,660,000,000	1,660,000,000
Basic earnings per share (RMB cents)	6.78	5.35

There were no dilutive potential ordinary shares in issue for the periods ended 30 June 2022 and 2021. Therefore, the diluted earnings per share are equals to the basic earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2022, the Company had additions of property, plant and equipment at a total cost of RMB3,458,000 (for the six months ended 30 June 2021: RMB2,864,000), mainly included additions in construction in progress of approximately RMB1,232,000, communication facilities of approximately RMB1,035,000 and building of approximately RMB1,015,000 (for the six months ended 30 June 2021: additions in construction in progress of approximately RMB1,860,000 and loading equipment of approximately RMB395,000).

For the six months ended 30 June 2022, none of the property, plant and equipment had been written-off by the Company (for the six months ended 30 June 2021: RMB149,000).

As at 30 June 2022, the carrying amount of right-of-use assets of the Company amounted to RMB245,025,000 (31 December 2021: RMB255,049,000).

For the six months ended 30 June 2022, depreciation of right-of-use assets and other property, plant and equipment during the period was RMB62,802,000 (for the six months ended 30 June 2021: RMB52,141,000).

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

14. INVESTMENT PROPERTIES

	Terminal facilities RMB'000 (Audited)
As at 1 January 2021	
Cost	399,318
Accumulated depreciation	(96,322)
Net book amount	302,996
Year ended 31 December 2021	
Opening net book amount	302,996
Depreciation	(7,775)
Closing net book amount	295,221
As at 31 December 2021 and 1 January 2022	
Cost	399,318
Accumulated depreciation	(104,097)
Net book amount	295,221
	RMB'000 (Unaudited)
Period ended 30 June 2022	
Opening net book amount	295,221
Depreciation	(3,887)
Closing net book amount	291,334
As at 30 June 2022	
Cost	399,318
Accumulated depreciation	(107,984)
Net book amount	291,334

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

15. INTANGIBLE ASSETS

	Software RMB'000 (Audited)	Rights to use sea area RMB'000 (Audited)	Total RMB'000 (Audited)
As at 1 January 2021			
Cost	4,025	18	4,043
Accumulated amortisation	(1,131)	(2)	(1,133)
Net book amount	2,894	16	2,910
Year ended 31 December 2021			
Opening net book amount	2,894	16	2,910
Additions	327	–	327
Amortisation	(430)	(1)	(431)
Closing net book amount	2,791	15	2,806
As at 31 December 2021 and 1 January 2022			
Cost	4,352	18	4,370
Accumulated amortisation	(1,561)	(3)	(1,564)
Net book amount	2,791	15	2,806
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Period ended 30 June 2022			
Opening net book amount	2,791	15	2,806
Additions	65	–	65
Amortisation	(212)	–	(212)
Closing net book amount	2,644	15	2,659
As at 30 June 2022			
Cost	4,417	18	4,435
Accumulated amortisation	(1,773)	(3)	(1,776)
Net book amount	2,644	15	2,659

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

16. OTHER NON-CURRENT ASSETS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Taxes prepaid for rental income from properties under operating lease arrangement	2,823	1,107

17. TRADE AND OTHER RECEIVABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade receivables		
– Due from related parties	1,888	16,200
– Due from third parties	2,025	15,658
	3,913	31,858
Less: expected credit loss (“ECL”) allowance of trade receivables	(83)	(672)
	3,830	31,186
Other receivables	3	–
Prepayments	466	690
Total trade and other receivables	4,299	31,876

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an ageing analysis of trade receivables, net of ECL allowance, presented based on the invoice dates:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
0 – 30 days	2,786	26,997
31 – 60 days	1,044	259
61 – 90 days	–	2,158
Over 90 days	–	1,772
	3,830	31,186

18. BILLS RECEIVABLES AT FVTOCI

The following is an ageing analysis of bills receivables based on the maturity dates:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Within 3 months	–	2,261
Over 3 months but within 6 months	2,000	1,100
	2,000	3,361

The fair values of bills receivables of the Company as at 30 June 2022 and 31 December 2021 includes discounted cash flow at a discount rate that reflects the current borrowing rate at the end of the reporting period.

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

19. TRADE AND OTHER PAYABLES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade payables		
– Due to related parties	11,647	7,906
– Due to third parties	89	10,430
	11,736	18,336
Other payables		
– Amounts due to related parties	1,079	2,320
– Other tax payables	1,080	880
– Payroll payable	7,194	4,885
– Retention payable due within one year	6,331	6,362
– Other payables	32,871	10,249
	48,555	24,696
Total trade and other payables	60,291	43,032

The following is an ageing analysis of trade payables of the Company pursuant to invoice dates:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
0 – 30 days	10,347	15,975
31 – 60 days	–	2,272
61 – 90 days	1,260	–
Over 90 days	129	89
	11,736	18,336

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

20. CONTRACT LIABILITIES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Amounts received in advance		
– Provision of services	5,287	14,320

Contract liabilities represent the deposits received from the customers in advance of rendering services to customers.

There was no revenue recognised in the reporting period that related to performance obligation that were satisfied in prior year.

21. LEASE LIABILITIES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Total minimum lease payments (include renewal option that are reasonable certain to be exercised):		
Due within 1 year	34,954	34,954
Due within 1 to 2 years	30,653	36,259
Due within 2 to 5 years	74,729	93,427
Due more than 5 years	691,093	579,832
	831,429	744,472
Less: future lease liabilities finance charges	(590,304)	(498,292)
Present value of lease liabilities	241,125	246,180

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

21. LEASE LIABILITIES (CONTINUED)

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Present value of minimum lease payments:		
Due within 1 year	13,583	13,260
Due within 1 to 2 years	9,928	15,218
Due within 2 to 5 years	10,724	13,621
Due more than 5 years	206,890	204,081
	241,125	246,180
Less: payment due within 1 year (presented under current liabilities)	(13,583)	(13,260)
Payment due after 1 year	227,542	232,920

Note: Included in the above balance, the present value of RMB221,855,000 (31 December 2021: RMB221,822,000), RMB2,835,000 (31 December 2021: RMB2,770,000) and RMB16,213,000 (31 December 2021: RMB21,371,000) with total minimum lease payments of RMB811,174,000 (31 December 2021: RMB718,612,000), RMB3,212,000 (31 December 2021: RMB3,212,000) and RMB16,817,000 (31 December 2021: RMB22,422,000) represent lease liabilities payable to Rizhao Port Group, Rizhao Port Handling and Rizhao Port, respectively.

22. ADVANCE PAYMENTS FROM LEASE CONTRACT

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Lease payments received in advance	18,406	19,594
Less: Classified as current liabilities – Advance payments from lease contract	(2,375)	(2,375)
Non-current portion of lease payments	16,031	17,219

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

23. SHARE CAPITAL

	Domestic shares	H shares	Number of shares	RMB'000 (Unaudited)
Issued and fully paid-up ordinary shares with par value of RMB1 each				
As at 1 January 2021, 1 January 2022 and 30 June 2022	840,000,000	820,000,000	1,660,000,000	1,660,000

24. CAPITAL COMMITMENTS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Capital expenditure contracted but not provided for acquisition of property, plant and equipment	77,571	74,754

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

25. CONNECTED AND RELATED PARTY TRANSACTIONS

Saved as transactions/information disclosed elsewhere in the condensed interim financial statements, the Company had material transactions with connected persons during the period as follows:

(a) During the period, the connected and related parties that had transactions with the Company were as follows:

Name of related parties	Relationship with the Company
Rizhao Port Group	Intermediate holding company
Rizhao Port	Immediate holding company
Rizhao Port Information Technology Co., Ltd. [#] (日照口岸信息技術有限公司) (“ Rizhao Port Information ”)	Fellow subsidiary of the Company
Rizhao Port Power Engineering Co., Ltd. [#] (日照港動力工程有限公司) (“ Rizhao Port Power ”)	Fellow subsidiary of the Company
Shandong Gangwan Construction Group Co., Ltd. [#] (山東港灣建設集團有限公司) (“ Shandong Gangwan ”)	Fellow subsidiary of the Company
Rizhao Port Construction and Supervision Co., Ltd. [#] (日照港建設監理有限公司) (“ Rizhao Port Supervision ”)	Fellow subsidiary of the Company
Rizhao Port Machinery Engineering Co., Ltd. [#] (日照港機工程有限公司) (“ Rizhao Port Machinery ”)	Fellow subsidiary of the Company
Shandong Port Technologies Group Rizhao Co., Ltd. [#] (山東港口科技集團日照有限公司) (“ Shandong Technologies ”)	Fellow subsidiary of the Company
Rizhao Port Handling Co., Ltd. [#] (日照海港裝卸有限公司) (“ Rizhao Port Handling ”)	Fellow subsidiary of the Company
Rizhao Zhongran Marine Fuel Supply Co., Ltd. [#] (日照中燃船舶燃料供應有限公司) (“ Rizhao Zhongran Marine Fuel ”)	Fellow subsidiary of the Company
Rizhao Port Container Development Co., Ltd. [#] (日照港集裝箱發展有限公司) (“ Rizhao Port Container ”)	Fellow subsidiary of the Company
Rizhao Port Group Finance Co., Ltd. (日照港集團財務有限公司) (“ RPG Finance ”)	Fellow subsidiary of the Company
Shandong Lanxiang Construction Engineering Co. Ltd. (山東藍象建築工程有限公司) (“ Shandong Lanxiang ”)	Fellow subsidiary of the Company
Rizhao Port Lanshan Port Services Co., Ltd. [#] (日照港股份有限公司嵐山港務有限公司) (“ Rizhao Port Lanshan ”)	Fellow subsidiary of the Company
Shandong Port International Trade Group Rizhao Co., Ltd. [#] (山東港口國際貿易集團日照有限公司) (“ Shandong Port International Trade Rizhao Company ”)	Fellow subsidiary of the Company

[#] The English translation of the name of the company established in the PRC is for reference only. The official name of this company is in Chinese.

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(b) During the period, the material transactions with related parties of the Company were as follows:

Name of related parties	Nature of transactions	For six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Rizhao Port Group	Interest paid on lease liabilities	10,397	10,134
Rizhao Port Group	Procurement of logistics service	–	5,449
Rizhao Port Group	Berth leasing income	–	1,796
Rizhao Port Group	Procurement of port related services	2,842	1,079
Rizhao Port Group	Procurement of utility services	337	709
Rizhao Port Group	Stevedoring service income	17,456	2,589
Rizhao Port Group	Procurement of fixed assets	1,015	–
Rizhao Port Power	Procurement of utility services	12,550	11,145
Shandong Port International Trade Rizhao Company	Stevedoring service income	12,276	–
Rizhao Port Handling	Procurement of port related services	15,883	23,886
Rizhao Port Handling	Interest paid on lease liabilities	65	–
Rizhao Port	Procurement of utility services and berth leasing expense	12,000	9,540
Rizhao Port	Interest paid on lease liabilities	447	–
Rizhao Port Container	Berth leasing income	992	1,661
Rizhao Port Container	Procurement of utility services and berth leasing expense	2,085	2,085
RPG Finance	Interest income	324	590
Rizhao Zhongran Marine Fuel	Procurement of utility services	3,643	2,871
Rizhao Port Lanshan	Procurement of port related services	10,206	5,212
Rizhao Port Machinery	Procurement of construction and maintenance services	2,357	350

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances

Amounts due to related parties (non-trade nature)

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Rizhao Port Machinery	84	84
Shandong Technologies	20	17
Rizhao Port Supervision	18	18
Shandong Gangwan	876	2,120
Rizhao Port Information	40	40
Rizhao Port Group	10	10
Shandong Lanxiang	25	25
Rizhao Port Handling	6	6
Total	1,079	2,320

Amounts due from related parties (trade nature)

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Rizhao Port	1,350	–
Rizhao Port Group	538	–
Rizhao Port Container	–	16,200
Total	1,888	16,200

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances (Continued)

Amounts due to related parties (trade nature)

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Rizhao Port Handling	141	3,362
Rizhao Port Container	2,272	4,544
Rizhao Port	934	–
Rizhao Port Lanshan	7,000	–
Rizhao Port Group	1,260	–
Shandong Gangwan	40	–
Total	11,647	7,906

Prepayments to related parties for procurement on utility services

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Rizhao Zhongran Marine Fuel	120	120
Rizhao Port Group	–	65
Total	120	185

Lease liabilities payables

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Rizhao Port	16,213	21,371
Rizhao Port Handling	2,835	2,770
Rizhao Port Group	221,855	221,822
Total	240,903	245,963

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2022

25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances (Continued)

Right-of-use assets – Prepaid lease payments

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Rizhao Port Group	2,407	2,625

(d) Cash and cash equivalents balances placed with related company

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
RPG Finance	175,859	176,400

(e) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	For six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Basic salaries	696	588
Bonus	1,228	590
Retirement benefit scheme contributions	381	300
	2,305	1,478