



山东港口  
SHANDONG PORT GROUP

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

# 2023 INTERIM REPORT



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# 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

## TELEPHONE

+86 0633 7381 569

## FACSIMILE

+86 0633 7381 530

## E-MAIL

rzgyl@rzportjurong.com

## COMPANY'S WEBSITE

www.rzportjurong.com

## BOARD OF DIRECTORS

### Executive Director

Mr. Zhang Feng (*resigned on 15 February 2023*)

Mr. Qin Yuning (*appointed on 15 February 2023*)

### Non-executive Directors

Mr. Cui Liang (*Chairman*)

Mr. Seow Kok Leong Terence

Mr. Nyan Ming Ren Francis

Mr. Fang Lei

Mr. Chen Lei

### Independent Non-executive Directors

Mr. Zhang Zixue

Mr. Lee Man Tai

Mr. Wu Xibin

### SUPERVISORY COMMITTEE

Mr. Gao Zhiyuan (*Chairman*)  
Mr. Li Weiqing  
Mr. Tham Wai Kong

### JOINT COMPANY SECRETARIES

Mr. Zheng Shiqiang  
Ms. Ho Yin Kwan

### AUTHORISED REPRESENTATIVES

Mr. Zhang Feng (*resigned on 15 February 2023*)  
Mr. Qin Yuning (*appointed on 15 February 2023*)  
Ms. Ho Yin Kwan

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

Mr. Zhang Zixue (*Chairman*)  
Mr. Wu Xibin  
Mr. Fang Lei

### NOMINATION COMMITTEE

Mr. Cui Liang (*Chairman*)  
Mr. Lee Man Tai  
Mr. Zhang Zixue  
Mr. Wu Xibin  
Mr. Seow Kok Leong Terence

### 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 2023
“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 2023, the resumption of normal economic activities positions the China's economy for a recovery. The foundation for sustained domestic economic recovery and growth remains fragile in the midst of complex conditions in the international political and economic development. During the first half of this year, China's GDP reached RMB59,303.4 billion, representing a year-on-year growth of 5.5%. The total import and export in goods amounted to RMB20,101.6 billion, representing a year-on-year increase of 2.1%.

According to the data released by General Administration of Customs, China's general grain imports increased by 4.5% to 83.40 million tonnes in the first half of this year, accounting for 57% of the total grain imports from the previous year; the cumulative import value reached RMB313.23 billion, representing a year-on-year growth of 15%, of which, soybeans imports amounted to 52.575 million tonnes, representing a year-on-year increase of 13.6%, while maize imports amounted to 12.03 million tonnes, representing a year-on-year decrease of 11.5%. With Brazil's bountiful soybean harvest, and the smooth progress in the planting of the new-season soybean in the United States, the global soybean supply was plentiful, pushing down the international wheat and soybean prices, resulting in favourable import prices for China. The favourable import prices brought about higher import volumes of soybeans, wheat, and barley resulting in notable import growth. (Source: National Bureau of Statistics, General Administration of Customs of the PRC)

### Operation of the Port Industry

Port operations and business benefited from the re-opening of China's economy since the beginning of this year. The total cargo throughput of China's ports has reached 8.19 billion tonnes, representing a year-on-year increase of 8%, of which, the cargo throughput for domestic trade increased by 7.6% year on year, while for foreign trade increased by 8.9% year on year. According to statistics from the China Ports & Harbours Association, major port enterprises across the country accumulated a grain throughput of 92.4909 million tonnes, representing a year-on-year decrease of 1.3%, of which, the foreign trade grain throughput reached 53.7620 million tonnes, representing a year-on-year increase of 3.2%. (Source: Ministry of Transport of the PRC)

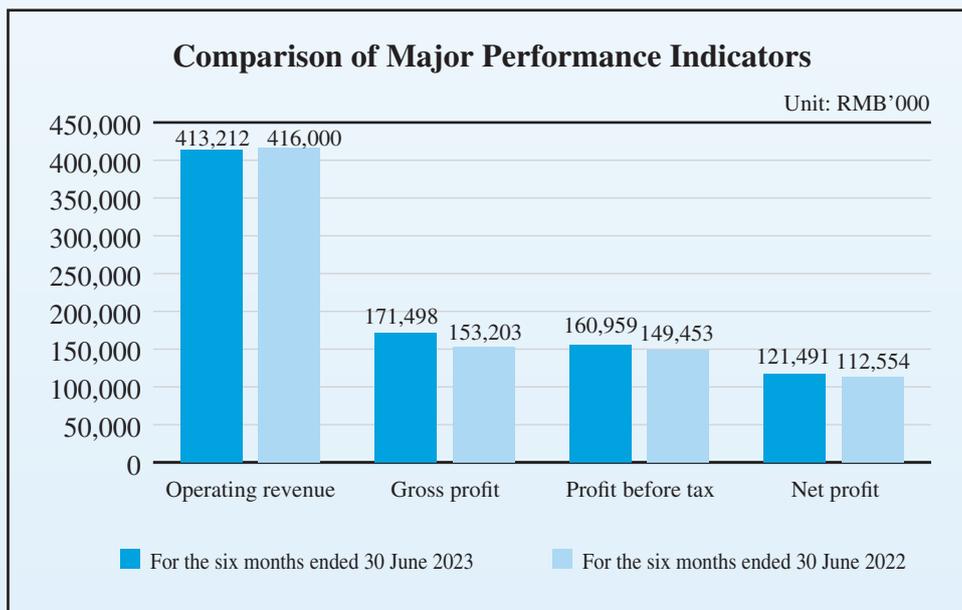
Ports are crucial components within the modern logistics supply chain and serve as powerful engines for propelling the development of hinterland economies. In line with the principles of "three more" and "three satisfaction", Shandong Port Group and its subsidiaries including the Company expanded its development pattern and field to better serve national strategies and promote high-quality regional economic growth. In the first half of this year, the cargo throughput increased by 7.7% year on year, while container throughput grew by 11.4% year on year. The positive trend continues, as Shandong Port Group exerts its efforts to promote high-quality development and advance towards becoming a world-class maritime port and enterprise. (Source: Shandong Port Group)

## BUSINESS AND FINANCIAL REVIEW

### Overall Review

In the first half of 2023, as integrated reforms continue to advance, the Company remains steadfast in its customer-centric approach. We emphasized the advantages of our high-quality cargo offerings of over ten million tonnes in two key areas. We deepened the “Spring Service” improvement campaign, strengthened the awareness of service for all staff, and enhanced both management efficiency and service quality to consistently elevate customer satisfaction levels. We gathered advantageous resources, and delved deep into the grain business to accelerate the development of port facilities, and create a developmental edge characterized by “large ports, big industry, and expansive hinterlands”. Our objective is to establish leading port logistics capabilities, enhance our overall customer service capacity, and collaboratively build an internationally top-tier, fully integrated, intelligent, and eco-friendly grain demonstration base throughout the entire process.

During the Reporting Period, the Company achieved cargo throughput of 14.59 million tonnes, representing a decrease of 4.7% as compared with the same period in 2022. In terms of different cargo types, the throughput of grain and other cargo recorded an increment as compared with the same period in 2022 while the throughput of woodchips and dried tapioca decreased as compared with the same period last year, and berth leasing remained the same as compared with the same period last year. The Company’s business revenue has remained stable compared to the same period last year, benefiting from the precise implementation of comprehensive budget management and cost reduction measures to enhance efficiency. The Company’s cost control efforts have yielded significant results, leading to steady growth in both profit before tax and net profit. 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 RMB413.212 million, decreased by RMB2.788 million or 0.67% as compared with the same period of 2022.

During the Reporting Period, the Company achieved a gross profit of RMB171.498 million, increased by RMB18.295 million or 11.94% as compared with the same period of 2022.

During the Reporting Period, the Company achieved a profit before income tax of RMB160.959 million, increased by RMB11.506 million or 7.7% as compared with the same period of 2022.

During the Reporting Period, the Company achieved a net profit of RMB121.491 million, increased by RMB8.937 million or 7.94% as compared with the same period of 2022.

### Financial Review

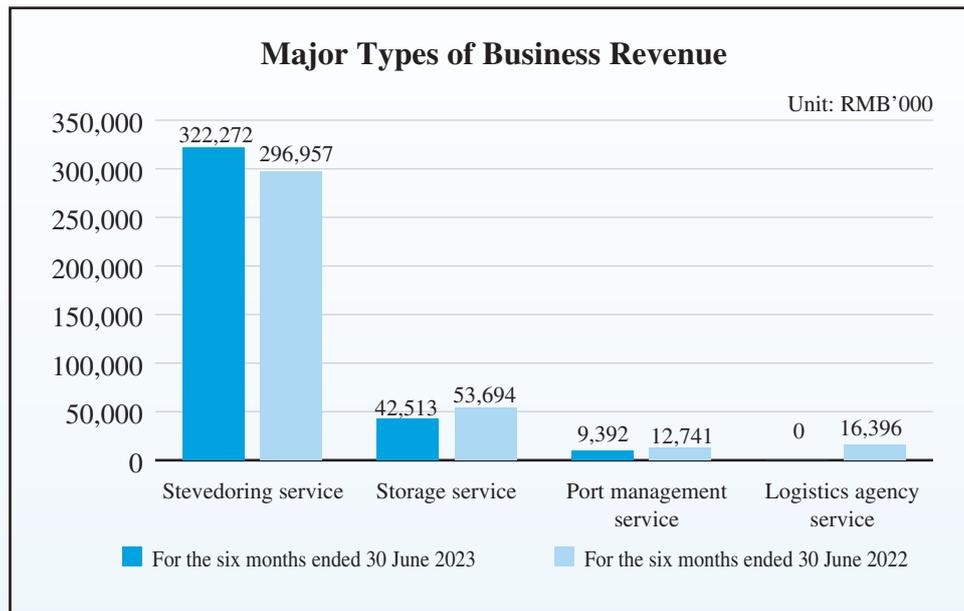
During the Reporting Period, the Company's total revenue decreased by RMB2.788 million or 0.67% as compared with the same period of last year, mainly attributable to a decrease of RMB5.611 million in revenue from contracts with customers and an increase of RMB2.823 million in revenue from property lease.

#### (1) Total Revenue

	For the six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Revenue from contracts		
with customers – Provision of services	374,177	379,788
Rental income from investment properties and certain ports	39,035	36,212
<b>Total Revenue</b>	<b>413,212</b>	416,000

## Management Discussion and Analysis (Continued)

### (2) Revenue from contracts with customers by service type



During the Reporting Period, the growth in stevedoring service was mainly attributable to an expansion in the scope of in-port stevedoring subcontracts, which propelled the increase in revenue from stevedoring services, and the greater growth in revenue from grain cargo offset the decreased revenue from woodchips and dried tapioca. Overall, stevedoring business grew 8.5% year-on-year.

During the Reporting Period, the decrease in revenue from storage service was mainly attributable to an increase in turnover of grain cargo and enhanced port efficiency, which reduced storage time of cargos at the port. During the Reporting Period, port management services decreased year on year, due mainly to the reclassification of certain port management revenue under stevedoring service. The overall revenue remained stable.

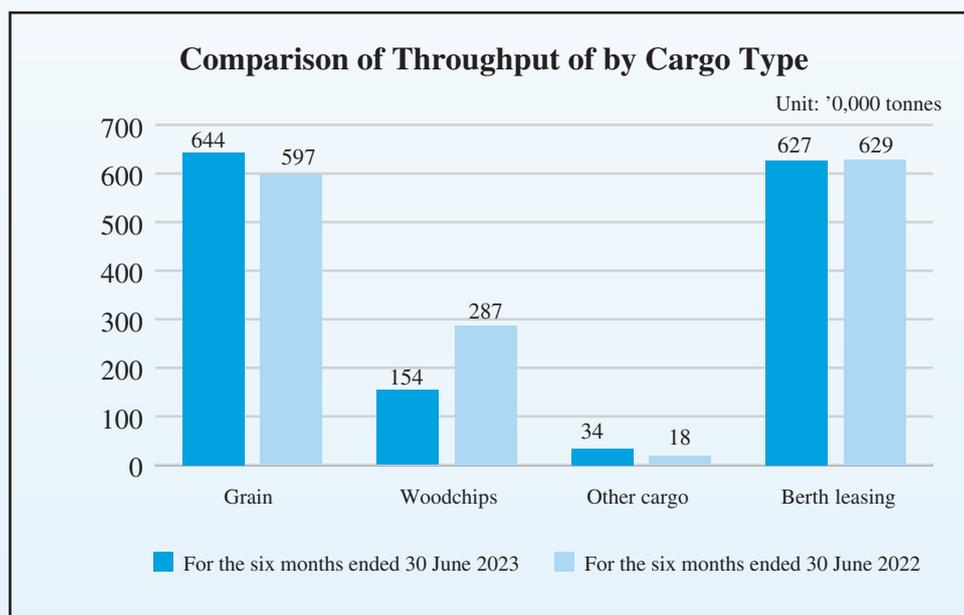
During the Reporting Period, the revenue from logistics agency service decreased as compared with the same period of last year, mainly attributable to the cancellation of logistics service by customers.

## Management Discussion and Analysis (Continued)

Throughput segment

Unit: '0,000 tonnes, except percentage

Cargo types	During six months ended 30 June				
	2023		2022		Change
	Throughput	Proportion	Throughput	Proportion	
Grain	644	44.1%	597	39.0%	7.9%
Woodchips	154	10.6%	287	18.7%	-46.3%
Other cargo	34	2.3%	18	1.2%	88.9%
Berth leasing (Asia Symbol)	627	43.0%	629	41.1%	-0.3%
<b>Total</b>	<b>1,459</b>	<b>100.0%</b>	<b>1,531</b>	<b>100.0%</b>	<b>-4.7%</b>



## Management Discussion and Analysis (Continued)

### *Grain*

In the first half of 2023, China accumulated grain imports amounting to 83.40 million tonnes, representing a year-on-year increase of 4.5% (Source: General Administration of Customs of the PRC), of which, soybeans imports amounted to 52.575 million tonnes, representing a year-on-year increase of 13.6%. The Company, with its excellent and efficient road and railway connectivity, benefited from the improved demand for grains and edible oil located in close proximity to the port. The grain throughput amounted to 6.44 million tonnes, representing a year-on-year increase of 7.9%.

In terms of the mix of grain types, the Company's soybean throughput amounted to 5.66 million tonnes, representing a year-on-year increase of 12.6%. The Company's throughput of maize and other grains amounted to 0.78 million tonnes, a decrease of 0.16 million tonnes as compared with the same period last year. Overall, the total grains throughput achieved a steady growth, and was the main factor of the revenue increase of the Company.

From the analysis of port logistics, the Company seized opportunities for development in both upstream and downstream industries, and enhanced the efficiency of ship stevedoring operations, to ensure accurate tracking of cargo flows and logistics vehicles, expedite the deliveries and the turnaround of silo cargo, enabling it to maintain its leading position in the industry as the primary port for imported grain in the domestic market.

### *Woodchips*

Due to fluctuations in the downstream product market, the core customers reduced their imports of raw materials. The Company handled 1.54 million tonnes in the first half of this year, representing a year-on-year decrease of 46.3%. The reduction in cargo volume led to a decline in the railway shipments of inventory in ports, thereby affecting the Company's stevedoring revenue to some extent.

### *Other cargo*

The Company prioritised the handling of grains over other cargo. A total of 0.34 million tonnes for other minor 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.

## Management Discussion and Analysis (Continued)

### Cost of Sales

During the Reporting Period, the cost of sales of the Company amounted to RMB241.714 million, representing a decrease of RMB21.083 million or 8.02% as compared with RMB262.797 million for the same period of 2022, mainly attributable to the reduction in external fees and labour costs as a result of the Company's cost reduction and efficiency enhancement measures.

### Gross Profit

During the Reporting Period, the Company achieved the gross profit of RMB171.498 million, representing an increase of RMB18.295 million or 11.94% as compared with RMB153.203 million for the same period of 2022, mainly attributable to increased gross profit resulted from cost reduction.

### Administrative Expenses

During the Reporting Period, the total administrative expenses of the Company amounted to RMB11.287 million, representing an increase of RMB2.994 million or 36.10% as compared with RMB8.293 million for the same period of 2022, mainly attributable to (1) the increase in remuneration costs of management personnel; (2) increase in amortisation of intangible assets due to acquisition of assets.

### Other Income

During the Reporting Period, other income of the Company amounted to RMB13.797 million, representing a decrease of RMB3.143 million or 18.55% as compared with RMB16.940 million for the same period of 2022, mainly attributable to the impact of VAT credit: (1) changes in domestic tax policy, which reduced the credit rate from 10 per cent to 5 per cent; (2) large construction-in-progress expenditures this year, which resulted in a higher amount of input tax and a lower payment of value-added tax; (3) gain recognised as a result of a reduction in leased area.

### Finance Cost

During the Reporting Period, finance cost of the Company amounted to RMB11.466 million, representing an increase of RMB0.552 million, or 5.06% as compared with RMB10.914 million for the same period of 2022, 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 RMB39.468 million, representing an increase of RMB2.569 million or 6.96% as compared with RMB36.899 million for the same period of 2022, mainly attributable to the increase in the profit before income tax of the Company.

## Management Discussion and Analysis (Continued)

### 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 RMB121.491 million, representing an increase of RMB8.937 million or 7.94% as compared with RMB112.554 million for the same period of 2022.

### 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 2023, the Company had cash and cash equivalents of RMB698.765 million (31 December 2022: RMB852.658 million) which were denominated in RMB.

As at 30 June 2023, the Company had no bank borrowings (31 December 2022: Nil).

The Company's current ratio (being the ratio of total current assets to total current liabilities) was 2.95 as at 30 June 2023 (31 December 2022: 7.66).

As at 30 June 2023, the Company's gearing ratio (being the ratio of total interest-bearing borrowings to total equity) was 14.23% (31 December 2022: 9.09%).

During the Reporting Period, the Company's net cash from operating activities amounted to RMB162.498 million (the corresponding period of 2022: RMB214.465 million). The Company's net cash used in investing activities during the Reporting Period amounted to RMB297.781 million (the corresponding period of 2022: net cash from investing activities amounted to: RMB2.521 million). The Company's net cash used in financing activities during the Reporting Period amounted to RMB18.610 million (the corresponding period of 2022: RMB5.563 million).

### PLEDGE OF ASSETS

As at 30 June 2023, the Company did not have any pledge of assets (31 December 2022: nil).

### CONTINGENT LIABILITIES

As at 30 June 2023, the Company did not have any contingent liabilities (31 December 2022: nil).

## Management Discussion and Analysis (Continued)

### CAPITAL EXPENDITURE

The Company's capital expenditure comprised mainly additions to property, plant and equipment. The Company's capital expenditure in the Reporting Period amounted to RMB389.1 million (the corresponding period of 2022: RMB3.5 million).

### SIGNIFICANT INVESTMENTS

In order to consolidate and enhance the Company's position in the transshipment and distribution of grain at coastal ports in the PRC, the Company has invested in the construction project of a grain base, which also covers the reconstruction of the West-6 berth, with an investment amount of approximately RMB1,440 million, and is expected to be completed and in use by June 2024.

Save as disclosed above, during the Reporting Period, no significant investment was made 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

The Company had no future plans for material investments or additions of capital assets authorised by the Board as at the date of this interim report.

### EVENTS AFTER THE REPORTING PERIOD

There are no 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 2023, the Company did not enter into any derivative contracts to hedge the foreign exchange exposure.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Company had a total of 326 full-time employees, all of whom are based in the PRC (31 December 2022: 335 employees). During the Reporting Period, the employees costs of the Company amounted to RMB37.430 million (the corresponding period of 2022: RMB38.967 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.

### FUTURE PROSPECTS

The current global grains supply and demand continue to be imbalanced for both production and consumption with relative shortage. China's demand for imported grains for its domestic industries, such as grains, edible oil and animal feed, continues its steady growth. International food prices remain elevated and the cost of total end-to-end logistics for the hinterland company customers has increased. As a key coastal port for imported grains, the Company will provide port service through "fast access to berth, fast unloading and fast delivery and turnaround", through good planning, seamless operations, enhanced handling brand "Jurong efficiency", to facilitate smooth international logistics, and promote a healthy development and growth for the Company.

Therefore, the Company will focus on the following work:

#### **Emphasizing "Spring Service" to enhance service quality and efficiency**

Centered on customer satisfaction, we will carry out "Spring Service" to comprehensively enhance the quality of cargo transportation management and customer satisfaction, enhancing the Company's brand recognition. Focusing on customer requirements, we will identify service-related issues in business processes, job roles, and internal communication for continuous service improvement. We will standardize service processes, refine customer service standards, and deploy comprehensive and customised service attributes for our customers.



## Management Discussion and Analysis (Continued)

### **Prioritizing efficiency and optimizing production organization**

We will strengthen communication and coordination with port units to coordinate berth resources, optimize vessel berthing, unloading, and relocation plans, to expedite vessel turnaround and efficiency. Adhering to rigorous planning and execution, we will obtain advanced knowledge of vessel and cargo flows and scientifically arrange unloading and relocation plans while conducting quota management for each operational step. We will focus on cost prevention at source by leveraging owned equipment for operations, increasing direct deliveries to optimise yard and storage capacity and resources.

### **Emphasizing technological innovation and accelerating digital transformation**

We will infuse technological innovation in the design and construction of Rizhao Port Grain Base to establish an integrated smart operation and control center covering all business processes and scenarios, for an upgraded approach to our grain storage and transportation handling. Continued effort will be poured into research and development in ten major innovation issues, including “one-click unmanned clearing of silos”, and an “intelligent grain storage control and transportation system” with the end goal of achieving full process and operations automation.

### **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the shareholders of the Company 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 2023 (for the six months ended 30 June 2022: 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 2023 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 2022 are set out as follows:

Name	Changes
Mr. Zhang Feng	<ul style="list-style-type: none"><li>resigned as the general manager of the Company with effect from 13 January 2023</li><li>resigned as an executive Director and the authorised representative of the Company under Rule 3.05 of the Listing Rules (the “<b>Authorised Representative</b>”) with effect from 15 February 2023</li></ul>
Mr. Qin Yuning	<ul style="list-style-type: none"><li>appointed as the deputy general manager of the Company with effect from 13 January 2023</li><li>appointed as an executive Director and the Authorised Representative with effect from 15 February 2023</li><li>redesignated from the deputy general manager of the Company to the general manager of the Company with effect from 18 May 2023</li></ul>
Mr. Li Weiqing	<ul style="list-style-type: none"><li>resigned as a shareholder representative supervisor of the Company on 31 August 2023 with effect from the date of the approval of the Shareholders on the appointment of a new shareholder representative supervisor at a general meeting of the Company</li></ul>

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 2023, the Company had used approximately RMB382.49 million for the acquisition of West-6 berth; approximately RMB15.209 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 2022 <i>RMB'000,000</i>	Unutilised amount as at 31 December 2022 <i>RMB'000,000</i>	Utilised amount during the Reporting Period <i>RMB'000,000</i>	Unutilised amount as at 30 June 2023 <i>RMB'000,000</i>	Expected timeline for utilising the remaining IPO Proceeds <sup>(Note)</sup>
Acquisition of West-6 berth	382.49	0	0	0	-
Procurement of equipment and machinery	7.615	101.667	7.594	94.073	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	7.594	94.073	

*Note:* In accordance with the schedule for the construction of the grain base, the Company is currently undergoing reconstruction on West-6 berth to ensure the smooth operation of the Rizhao Port Grain Base Project. It is anticipated that by early June 2024, the West-6 berth will possess initial grain stevedoring capabilities.

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 2023, 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 2023, 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 <sup>(3)</sup> (%)	Percentage to total issued share capital <sup>(4)</sup> (%)
Shandong Port Group <sup>(1)</sup>	Interest in controlled corporation	840,000,000	Domestic Shares	Long position	100	50.60
Rizhao Port Group <sup>(1)</sup>	Interest in controlled corporation	840,000,000	Domestic Shares	Long position	100	50.60
Rizhao Port <sup>(1)</sup>	Beneficial owner	840,000,000	Domestic Shares	Long position	100	50.60
Jurong Port Pte Ltd ("Jurong Port") <sup>(2)</sup>	Interest in controlled corporation	360,000,000	H Shares	Long position	43.90	21.69
Jurong Port Rizhao Holding Pte Ltd ("Jurong Port Holding") <sup>(2)</sup>	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 2023. 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 2023. 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 2023.

(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 2023.

Save as disclosed above, as at 30 June 2023, 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 2023

# Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Notes	For the six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>413,212</b>	416,000
Cost of sales		<b>(241,714)</b>	(262,797)
<b>Gross profit</b>		<b>171,498</b>	153,203
Other income	6	<b>13,797</b>	16,940
Impairment losses, net of reversal	7	<b>(234)</b>	621
Selling and distribution expenses		<b>(1,349)</b>	(2,104)
Administrative expenses		<b>(11,287)</b>	(8,293)
Finance costs	8	<b>(11,466)</b>	(10,914)
<b>Profit before income tax</b>	9	<b>160,959</b>	149,453
Income tax expense	10	<b>(39,468)</b>	(36,899)
<b>Profit and total comprehensive income attributable to the owners of the Company for the period</b>		<b>121,491</b>	112,554
<b>Earnings per share for profit attributable to the owners of the Company during the period</b>			
– Basic and diluted ( <i>RMB cents</i> )	12	<b>7.32</b>	6.78

# Condensed Statement of Financial Position

As at 30 June 2023

	<i>Notes</i>	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	2,227,634	1,742,476
Deposits for purchase of property, plant and equipment		8,577	2,361
Investment properties	14	283,560	287,446
Intangible assets	15	3,067	3,302
Other non-current assets	16	905	973
		<b>2,523,743</b>	2,036,558
<b>Current assets</b>			
Inventories		1,668	2,669
Trade and other receivables	17	30,757	5,506
Bills receivables at fair value through other comprehensive income ("FVTOCI")	18	100	1,850
Contract assets		9,913	5,005
Cash and cash equivalents		698,765	852,658
		<b>741,203</b>	867,688
<b>Current liabilities</b>			
Trade and other payables	19	173,760	78,234
Contract liabilities	20	3,310	4,702
Lease liabilities	21	13,855	14,470
Advance payments from lease contract	22	2,375	2,375
Income tax payable		18,140	13,542
Dividend payable	11	39,840	–
		<b>251,280</b>	113,323
<b>Net current assets</b>		<b>489,923</b>	754,365
<b>Total assets less current liabilities</b>		<b>3,013,666</b>	2,790,923

## Condensed Statement of Financial Position (Continued)

As at 30 June 2023

	<i>Notes</i>	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities	21	<b>361,065</b>	217,668
Advance payments from lease contract	22	<b>13,656</b>	14,844
Other payable	19	<b>1,277</b>	1,981
Deferred tax liabilities		<b>2,410</b>	2,823
		<b>378,408</b>	237,316
<b>Net assets</b>			
		<b>2,635,258</b>	2,553,607
<b>CAPITAL AND RESERVES</b>			
Share capital	23	<b>1,660,000</b>	1,660,000
Reserves		<b>975,258</b>	893,607
<b>Total equity</b>			
		<b>2,635,258</b>	2,553,607

# Condensed Statement of Changes in Equity

For the six months ended 30 June 2023

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
<b>Balance at 1 January 2023 (Audited)</b>	<b>1,660,000</b>	<b>105,245</b>	<b>159,077</b>	<b>83,748</b>	<b>545,537</b>	<b>2,553,607</b>
<b>Total comprehensive income for the period</b>						
Profit and other comprehensive income for the period	-	-	-	-	121,491	121,491
<b>Transaction with owners</b>						
Dividend declared	-	-	-	-	(39,840)	(39,840)
<b>Balance at 30 June 2023 (Unaudited)</b>	<b>1,660,000</b>	<b>105,245</b>	<b>159,077</b>	<b>83,748</b>	<b>627,188</b>	<b>2,635,258</b>
<b>Balance at 1 January 2022 (Audited)</b>	<b>1,660,000</b>	<b>105,245</b>	<b>159,077</b>	<b>63,466</b>	<b>405,820</b>	<b>2,393,608</b>
<b>Total comprehensive income for the period</b>						
Profit and other comprehensive income for the period	-	-	-	-	112,554	112,554
<b>Balance at 30 June 2022 (Unaudited)</b>	<b>1,660,000</b>	<b>105,245</b>	<b>159,077</b>	<b>63,466</b>	<b>518,374</b>	<b>2,506,162</b>

# Condensed Statement of Cash Flows

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Operating activities</b>		
Cash from operations	197,781	248,227
Paid PRC enterprise income tax paid	(35,283)	(33,762)
<i>Net cash generated from operating activities</i>	<b>162,498</b>	214,465
<b>Investing activities</b>		
Payments of and deposits placed for property, plant and equipment	(304,193)	(2,543)
Payments of intangible assets	–	(65)
Interest received	6,412	5,129
<i>Net cash (used in)/generated from investing activities</i>	<b>(297,781)</b>	2,521
<b>Financing activities</b>		
Increase in amounts due to related parties	–	10,406
Interest paid	(11,466)	(10,914)
Payment of lease liabilities	(7,144)	(5,055)
<i>Net cash used in financing activities</i>	<b>(18,610)</b>	(5,563)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(153,893)</b>	211,423
Cash and cash equivalents at 1 January	852,658	592,669
<b>Cash and cash equivalents as at 30 June, represented by bank balance and cash</b>	<b>698,765</b>	804,092

# Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2023

## 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 company incorporated in the PRC and its shares are listed for trading on the Main Board of Shanghai Stock Exchange (Stock Code: 600017). In the opinion of the directors, the ultimate holding company is 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, which includes handling grains, woodchips and dried tapioca along with berth leasing, port services such as warehousing, cargo storage, transportation, and related supporting business.

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 applicable disclosure provisions 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 2023 together with the unaudited comparative figures for the corresponding period in 2022 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.

# Notes to the Condensed Interim Financial Statements (Continued)

*For the six months ended 30 June 2023*

## 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 2022.

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 2022, except for the new and amended International Financial Reporting Standards ("**IFRSs**"), amendments and interpretations (collectively "**new and amended IFRSs**") issued by IASB and become effective during the current accounting period. The adoption of the new and amended IFRSs has no material impact on the accounting policies in the Company's condensed interim financial statements for the period.

## 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 2022.

# Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

## 4. REVENUE

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue from contracts with customers – Provision of services	374,177	379,788
Revenue from other sources – Rental income from investment properties	39,035	36,212
<b>Total revenue</b>	<b>413,212</b>	<b>416,000</b>

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Types of services</b>		
Stevedoring service	322,272	296,957
Storage service	42,513	53,694
Port management services	9,392	12,741
Logistics agency services	–	16,396
<b>Total</b>	<b>374,177</b>	<b>379,788</b>
<b>Timing of revenue recognition</b>		
Over time	374,177	363,392
At a point in time	–	16,396
<b>Total</b>	<b>374,177</b>	<b>379,788</b>

# Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

## 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	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Customer A	50,534	64,882
Customer B	47,083	47,883
Customer C	59,719	(Note)

*Note:* The Group had transactions with this customer but the amount of the transactions was less than 10% of the Group's revenue for the period ended 30 June 2022.

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 6. OTHER INCOME

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest income	6,412	5,129
Value-Added Tax Credit (note)	945	11,680
Gain on lease modification	5,632	–
Others	808	131
<b>Total</b>	<b>13,797</b>	<b>16,940</b>

Note: Ministry of Finance and the State Taxation Administration announced additional value-added tax credit policy for the life service industry. Tax payers in the production and living service industry are allowed to credit the amount of input tax deductible in the current period plus 5% for the period ended 30 June 2023 (2022: 10%) thereof against the amount of taxes payable upon fulfilment of certain conditions.

### 7. IMPAIRMENT LOSSES, NET OF REVERSAL

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Impairment losses (recognised)/reversed on trade receivables, net	(128)	589
Impairment losses (recognised)/reversed on contract assets, net	(106)	32
	(234)	621

### 8. FINANCE COSTS

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Interest expense</b>		
– Interest on lease liabilities	11,466	10,914

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 9. PROFIT BEFORE INCOME TAX

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

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Rental income from investment properties	39,035	36,212
Less: direct operating expenses incurred from investment properties	(3,886)	(3,887)
Net rental income from investment properties	35,149	32,325
Depreciation:		
– Property, plant and equipment	47,206	52,778
– Right-of-use assets	12,267	10,024
– Investment properties	3,886	3,887
Amortisation of intangible assets	235	212
Total depreciation and amortisation charged to profit or loss	63,594	66,901
Lease charges:		
– Short-term leases	2,085	–
– Variable lease payments	10,600	12,000
Staff costs:		
– Directors' and supervisors' emoluments	1,029	652
– Other staff costs (exclude directors' and supervisors' emoluments):		
– Salaries, allowances and other benefits	25,816	26,712
– Retirement benefit scheme contributions	10,585	11,603
Total staff costs	37,430	38,967

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current tax – PRC enterprise income tax	39,881	37,099
Deferred tax	(413)	(200)
	<b>39,468</b>	36,899

### 11. DIVIDENDS

The Company declared 2022 final dividends of RMB39,840,000 during the period, which were paid on 31 July 2023 to shareholders whose names appear on the register of members of the Company on 30 May 2023 (for the six months ended 30 June 2022: Nil). The Board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

### 12. EARNINGS PER SHARE

	For the six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company (RMB'000)	121,491	112,554
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,660,000,000	1,660,000,000
<b>Basic earnings per share (RMB cents)</b>	<b>7.32</b>	6.78

There were no dilutive potential ordinary shares in issue for the periods ended 30 June 2023 and 2022. Therefore, the diluted earnings per share are equals to the basic earnings per share.

## Notes to the Condensed Interim Financial Statements (Continued)

*For the six months ended 30 June 2023*

### 13. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2023, the Company had additions of property, plant and equipment at a total cost of RMB281,217,000 (for the six months ended 30 June 2022: RMB3,458,000), mainly included additions in construction in progress of approximately RMB277,722,000, communication facilities of approximately RMB512,000 and loading equipment RMB2,626,000 (for the six months ended 30 June 2022: additions in construction in progress of approximately RMB1,232,000, communication facilities of approximately RMB1,035,000 and building RMB1,015,000).

For the six months ended 30 June 2023, none of the property, plant and equipment had been write-off by the Company (for the six months ended 30 June 2022: RMBNil).

As at 30 June 2023, the carrying amount of right-of-use assets of the Company amounted to RMB486,443,000 (31 December 2022: RMB235,296,000).

During the six months ended 30 June 2023, the Company acquired land use rights amounting to approximately RMB107,856,000. In addition, the Company entered into one new lease agreement and two amended lease agreements in relation to the lease of certain storage yards and machinery equipment. The lease terms ranged from one year to twelve years. On leases commencement, the Company recognised approximately RMB208,127,000 of right-of-use assets and lease liabilities, and derecognised approximately RMB52,569,000 and RMB58,201,000 of right-of-use assets and lease liabilities for the decrease of space leased, respectively.

For the six months ended 30 June 2023, depreciation of right-of-use assets and other property, plant and equipment during the period was RMB59,473,000 (for the six months ended 30 June 2022: RMB62,802,000).

# Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

## 14. INVESTMENT PROPERTIES

**Terminal facilities**  
**RMB'000**  
**(Unaudited)**

### As at 1 January 2022

Cost	399,318
Accumulated depreciation	(104,097)
<b>Net book amount</b>	<b>295,221</b>

### Year ended 31 December 2022

Opening net book amount	295,221
Depreciation	(7,775)
<b>Closing net book amount</b>	<b>287,446</b>

### As at 31 December 2022 and 1 January 2023

Cost	399,318
Accumulated depreciation	(111,872)
<b>Net book amount</b>	<b>287,446</b>

### For the six months ended 30 June 2023

Opening net book amount	<b>287,446</b>
Depreciation	<b>(3,886)</b>
<b>Closing net book amount</b>	<b>283,560</b>

### As at 30 June 2023

Cost	<b>399,318</b>
Accumulated depreciation	<b>(115,758)</b>
<b>Net book amount</b>	<b>283,560</b>

# Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

## 15. INTANGIBLE ASSETS

	Software RMB'000 (Unaudited)	Rights to use sea area RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>As at 1 January 2022</b>			
Cost	4,325	18	4,370
Accumulated amortisation	(1,561)	(3)	(1,564)
<b>Net book amount</b>	<b>2,791</b>	<b>15</b>	<b>2,806</b>
<b>Year ended 31 December 2022</b>			
Opening net book amount	2,791	15	2,806
Additions	915	–	915
Amortisation	(418)	(1)	(419)
<b>Closing net book amount</b>	<b>3,288</b>	<b>14</b>	<b>3,302</b>
<b>As at 31 December 2022 and 1 January 2023</b>			
Cost	5,267	18	5,285
Accumulated amortisation	(1,979)	(4)	(1,983)
<b>Net book amount</b>	<b>3,288</b>	<b>14</b>	<b>3,302</b>
<b>Period ended 30 June 2023</b>			
Opening net book amount	<b>3,288</b>	<b>14</b>	<b>3,302</b>
Amortisation	<b>(235)</b>	<b>–</b>	<b>(235)</b>
<b>Closing net book amount</b>	<b>3,053</b>	<b>14</b>	<b>3,067</b>
<b>As at 30 June 2023</b>			
Cost	<b>5,267</b>	<b>18</b>	<b>5,285</b>
Accumulated amortisation	<b>(2,214)</b>	<b>(4)</b>	<b>(2,218)</b>
<b>Net book amount</b>	<b>3,053</b>	<b>14</b>	<b>3,067</b>

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 16. OTHER NON-CURRENT ASSETS

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Taxes prepaid for rental income from properties under operating lease arrangement ( <i>note</i> )	<b>905</b>	973

*Note:* Taxes prepaid represents the business tax and surcharges paid related to the advance receipt of lease payments as set out in note 22.

### 17. TRADE AND OTHER RECEIVABLES

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Trade receivables		
– Due from related parties	<b>4,531</b>	670
– Due from third parties	<b>11,015</b>	4,628
	<b>15,546</b>	5,298
Less: expected credit loss (“ECL”) allowance of trade receivables	<b>(232)</b>	(104)
	<b>15,314</b>	5,194
Other receivables	<b>161</b>	–
Prepayments	<b>79</b>	312
Value added tax receivables	<b>15,203</b>	–
	<b>15,443</b>	312
Total trade and other receivables	<b>30,757</b>	5,506

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 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:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
0 – 30 days	13,817	1,999
31 – 60 days	1,225	2,922
61 – 90 days	–	–
Over 90 days	272	273
	<b>15,314</b>	5,194

### 18. BILLS RECEIVABLES AT FVTOCI

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

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Within 3 months	–	1,850
Over 3 months but within 6 months	100	–
	<b>100</b>	1,850

The valuation method and major data of bills receivables of the Company as at 30 June 2023 and 31 December 2022 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 2023

### 19. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Trade payables		
– Due to related parties	7,320	751
– Due to third parties	447	5,613
	<b>7,767</b>	6,364
Other payables		
– Amounts due to related parties	139,199	48,103
– Other tax payables	459	237
– Payroll payable (note)	7,837	10,705
– Retention payable due within one year	7,255	7,232
– Other payables	12,520	7,574
	<b>167,270</b>	73,851
Total trade and other payables	<b>175,037</b>	80,215
Less: Classified as non-current liabilities	<b>(1,277)</b>	(1,981)
Current portion of trade and other payables	<b>173,760</b>	78,234

Note: Included in payroll payables were early retirement benefits for employees of RMB1,663,000 and RMB1,277,000 (31 December 2022: RMB2,017,000 and RMB1,981,000) classified as current and non-current liabilities respectively.

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

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
0 – 30 days	7,678	5,872
31 – 60 days	–	403
61 – 90 days	–	–
Over 90 days	89	89
	<b>7,767</b>	6,364

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 20. CONTRACT LIABILITIES

	<b>As at 30 June 2023 RMB'000</b>	As at 31 December 2022 RMB'000
Amounts received in advance		
– Provision of services	<b>3,310</b>	4,702

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

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Total minimum lease payments:		
Due within 1 year	<b>31,197</b>	35,410
Due within 1 to 2 years	<b>26,313</b>	24,907
Due within 2 to 5 years	<b>78,016</b>	74,200
Due more than 5 years	<b>584,506</b>	677,177
	<b>720,032</b>	811,694
Less: future lease liabilities finance charges	<b>(345,112)</b>	(579,556)
Present value of lease liabilities	<b>374,920</b>	232,138

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 21. LEASE LIABILITIES (CONTINUED)

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Present value of minimum lease payments:		
Due within 1 year	13,855	14,470
Due within 1 to 2 years	9,524	4,248
Due within 2 to 5 years	30,700	14,052
Due more than 5 years	320,841	199,368
	<b>374,920</b>	232,138
Less: payment due within 1 year (presented under current liabilities)	<b>(13,855)</b>	(14,470)
Payment due after 1 year	<b>361,065</b>	217,668

*Note:* Included in the above balance, the present value of RMB367,614,000 (31 December 2022: RMB219,550,000), RMB1,776,000 (31 December 2022: RMB1,654,000) and RMB5,530,000 (31 December 2022: RMB10,934,000) with total minimum lease payments of RMB711,552,000 (31 December 2022: RMB798,517,000), RMB2,873,000 (31 December 2022: RMB1,966,000) and RMB5,607,000 (31 December 2022: RMB11,211,000) represent lease liabilities payable to Rizhao Port Group, Rizhao Port Handling and Rizhao Port, respectively.

### 22. ADVANCE PAYMENTS FROM LEASE CONTRACT

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Lease payments received in advance	16,031	17,219
Less: Classified as current liabilities – Advance payments from lease contract	<b>(2,375)</b>	(2,375)
Non-current portion of lease payments	<b>13,656</b>	14,844

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 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 2022, 31 December 2022, 1 January 2023 and 30 June 2023	840,000,000	820,000,000	1,660,000,000	1,660,000

### 24. CAPITAL COMMITMENTS

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Capital expenditure contracted but not provided for acquisition of property, plant and equipment	1,018,507	623,627

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

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

*Note:* During the year ended 31 December 2022, Qingdao Port Finance Co., Ltd. (青島港財務有限責任公司) (“**QDP Finance**”) merged with Rizhao Port Group Finance Co., Ltd. (日照港集團財務有限公司), a subsidiary of Shandong Port Group, by way of absorption and merger. QDP Finance changed its name to Shandong Port Group Finance Co., Ltd. (山東港口集團財務有限責任公司) (“**SPG Finance**”).

<sup>#</sup> 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 2023

### 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 the six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Rizhao Port Group	Interest paid on lease liabilities	10,811	10,397
Rizhao Port Group	Procurement of logistics service	11,027	–
Rizhao Port Group	Lease of land use right and warehouse	–	10,183
Rizhao Port Group	Procurement of fixed assets	–	1,015
Rizhao Port Group	Procurement of port related services	1,524	2,860
Rizhao Port Group	Procurement of utility services	2,165	337
Rizhao Port Group	Stevedoring service income	15,392	17,456
Rizhao Port Power Shandong Port International Trade Rizhao Company	Procurement of maintenance services	11,572	12,550
Shandong Gangwan	Stevedoring service income	–	12,276
Rizhao Port Handling	Procurement of construction services	201,467	–
Rizhao Port	Procurement of port related services	15,305	15,883
Rizhao Port	Interest paid on lease liabilities	202	447
Rizhao Port	Berth leasing income	6,752	–
Rizhao Port	Procurement of utility services	2,151	–
Rizhao Port Container	Berth leasing income	3,009	992
Rizhao Port Container	Procurement of utility services and berth leasing expense	–	2,085
SPG Finance	Interest income	1,401	324
Rizhao Zhongran Marine Fuel	Procurement of utility services	3,013	3,643
Rizhao Port Lanshan	Procurement of port related services	–	10,206
Rizhao Port Machinery	Procurement of construction and maintenance services	2,540	2,357
Rizhao Port Supervision	Procurement of construction service	1,078	–

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Related party balances

##### Amounts due to related parties (non-trade nature)

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Rizhao Port Machinery	96	101
Shandong Technologies	65	65
Shandong Gangwan	117,081	46,953
Rizhao Port Information	18	40
Rizhao Port Group	16,086	921
Rizhao Port Handling	6	6
Rizhao Port Power	1,147	17
Rizhao Port Lanshan	4,700	–
<b>Total</b>	<b>139,199</b>	<b>48,103</b>

##### Amounts due from related parties (trade nature)

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Rizhao Port	–	392
Rizhao Port Group	4,531	278
<b>Total</b>	<b>4,531</b>	<b>670</b>

# Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

## 25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party balances (Continued)

#### Amounts due to related parties (trade nature)

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Rizhao Port	2,280	751
Rizhao Port Group	5,040	–
	<b>7,320</b>	751

#### Prepayments to related parties for procurement on utility services

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Rizhao Zhongran Marine Fuel	78	120
Rizhao Port Group	–	73
Total	<b>78</b>	193

#### Lease liabilities payables

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Rizhao Port	5,530	10,934
Rizhao Port Handling	1,776	1,654
Rizhao Port Group	367,614	219,550
Total	<b>374,920</b>	232,138

## Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2023

### 25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Related party balances (Continued)

##### Right-of-use assets – Prepaid lease payments

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Rizhao Port Group	<b>1,969</b>	2,188

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

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
SPG Finance	<b>358,885</b>	200,009

#### (e) Compensation of key management personnel

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

	<b>For the six months ended 30 June</b>	
	<b>2023 RMB'000 (Unaudited)</b>	2022 RMB'000 (Unaudited)
Basic salaries	<b>644</b>	696
Bonus	<b>1,529</b>	1,228
Retirement benefit scheme contributions	<b>410</b>	381
	<b>2,583</b>	2,305