



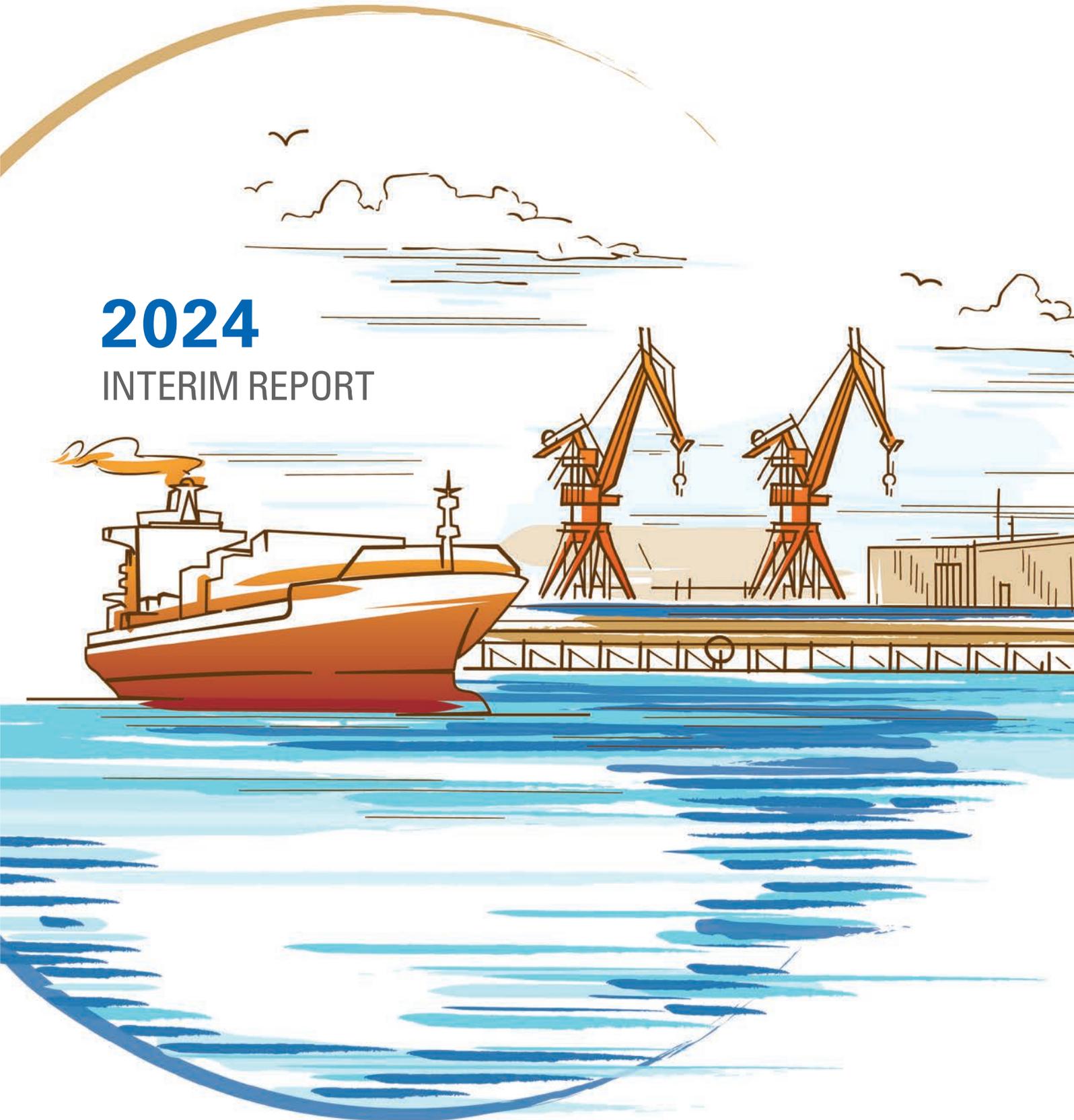
日照港裕廊股份有限公司
RIZHAO PORT JURONG CO., LTD.

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

Stock Code: 6117

2024

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. Zhou Tao

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

Main Board of 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 Directors

Mr. Qin Yuning (*resigned on 28 May 2024*)

Mr. Chen Zhou (*appointed on 28 May 2024*)

Non-executive Directors

Mr. Cui Liang (*Chairman*) (*resigned on 28 May 2024*)

Mr. Zhou Tao (*Chairman*) (*appointed on 28 May 2024*)

Mr. Seow Kok Leong Terence

Mr. Nyan Ming Ren Francis

Mr. Fang Lei

Mr. Chen Lei (*resigned on 28 May 2024*)

Ms. Liu Rong (*appointed on 28 May 2024*)

Independent Non-executive Directors

Mr. Zhang Zixue
Mr. Lee Man Tai
Mr. Wu Xibin

SUPERVISORY COMMITTEE

Mr. Gao Zhiyuan (*Chairman*)
Mr. Li Weiqing (*resigned on 28 May 2024*)
Ms. Feng Hui (*appointed on 28 May 2024*)
Mr. Tham Wai Kong

JOINT COMPANY SECRETARIES

Mr. Zheng Shiqiang
Ms. Ho Yin Kwan (*resigned on 28 June 2024*)
Ms. Yung Mei Yee (*appointed on 28 June 2024*)

AUTHORISED REPRESENTATIVES

Mr. Qin Yuning (*resigned on 28 May 2024*)
Mr. Chen Zhou (*appointed on 28 May 2024*)
Ms. Ho Yin Kwan (*resigned on 28 June 2024*)
Ms. Yung Mei Yee (*appointed on 28 June 2024*)

AUDIT COMMITTEE

Mr. Lee Man Tai (*Chairman*)
Mr. Zhang Zixue
Mr. Chen Lei (*resigned on 28 May 2024*)
Ms. Liu Rong (*appointed on 28 May 2024*)

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Cui Liang (*Chairman*) (*resigned on 28 May 2024*)
Mr. Zhou Tao (*Chairman*) (*appointed on 28 May 2024*)
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 C1 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, 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 C3 to the Listing Rules



Definitions (Continued)

“Prospectus”	the prospectus of the Company dated 31 May 2019
“Reporting Period”	the six months ended 30 June 2024
“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
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

Management Discussion and Analysis



INTERNATIONAL AND DOMESTIC SITUATION

Overall Situation

In the first half of 2024, the Company experienced new challenges brought by the significant increase in the complexity, severity and uncertainty of the external environment, as well as China's continued deepening of domestic structural adjustment, but new support was also formed resulting from continuous release of macro policy effects, recovery of external demand and accelerated development of new quality productivity. Overall, China's national economy in the first half of the year continued to recover and improve in conjunction with generally stable and steady progress in its operation. During the first half of this year, China's GDP reached RMB61.7 trillion, representing a year-on-year growth of 5.0%. The total import and export in goods amounted to RMB21.2 trillion, leading to a record high for the same period in history.

According to the data released by General Administration of Customs, China's general grain imports increased by 4.7% to 84.179 million tonnes in the first half of this year, and the import value reached RMB257.42 billion, representing a year-on-year decrease of 13.9% as compared to the same period last year, of which, soybeans imports amounted to 48.481 million tonnes, representing a year-on-year decrease of 2.2%, and maize imports amounted to 11.05 million tonnes, representing a year-on-year decrease of 8.2%. This year, South America possesses a bumper soybean harvest, with Brazil and Argentina reaching a record soybean production of approximately 200 million tonnes. In the future, China will have a loose supply in soybean imports. (Source: National Bureau of Statistics of China, General Administration of Customs of China)

Operation of the Port Industry

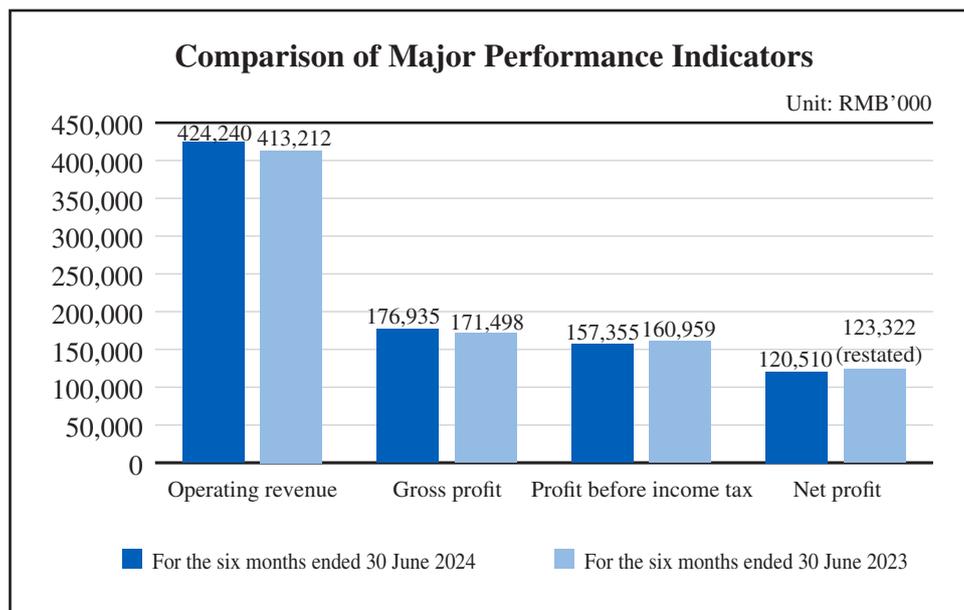
In the first half of 2024, China's transportation and logistics industry continued to perform well following stable operation as a whole and success in relatively rapid growth in major indicators such as cargo volume, port cargo throughput, and passenger flow. The ports handled a cargo throughput of 8.56 billion tonnes, representing a year-on-year increase of 4.6% combined with a year-on-year increase of 2.7% in domestic throughput and 8.8% increase in foreign trade throughput. According to the China Ports & Harbours Association, throughput of grain by major port enterprises across the country stood at 96.1612 million tonnes, representing a year-on-year increase of 13.6%, including foreign trade grain achieving throughput of 55.2549 million tonnes, representing a year-on-year increase of 7.8%. (Source: Ministry of Transport of the PRC and China Ports & Harbours Association)

BUSINESS AND FINANCIAL REVIEW

Overall Review

In the first half of 2024, the Company realised a steady increase in its main types of goods due to its persistence in a market-centered approach, priority over service quality improvement and coordination regarding production resource allocation. With a total investment of approximately RMB1.44 billion, the high-standard construction project of cement silos at West-6 berth (the “**Rizhao Port Grain Base**”) aims to build an internationally top-tier, fully integrated, intelligent, and eco-friendly grain demonstration base.

During the Reporting Period, the Company achieved cargo throughput of 15.01 million tonnes, representing an increase of 2.9% as compared with the same period in 2023. In terms of different cargo types, the throughput of grain cargo recorded an increment as compared with the same period last year while the cargo types of other businesses decreased as compared with the same period last year. The Company seized the opportunity to increase the volume of grain cargo, generate additional revenue and reduce costs, and promoted the continuous improvement of the level of management refinement. Operating revenue increased by 2.67% as compared with the same period last year, cost of sales increased by 2.31% as compared with the same period last year, gross profit maintained stable growth as compared with the same period last year, and profit before tax and net profit decreased slightly as compared with the same period last year due to the impact of other revenues. The Company’s major performance indicators are as follows:



Management Discussion and Analysis (Continued)



During the Reporting Period, the Company achieved an operating revenue of RMB424.240 million, increased by RMB11.028 million or 2.67% as compared with the same period of 2023.

During the Reporting Period, the Company achieved a gross profit of RMB176.935 million, increased by RMB5.437 million or 3.17% as compared with the same period of 2023.

During the Reporting Period, the Company achieved a profit before income tax of RMB157.355 million, decreased by RMB3.604 million or 2.24% as compared with the same period of 2023.

During the Reporting Period, the Company achieved a net profit of RMB120.510 million, decreased by RMB2.812 million or 2.28% as compared with the same period of 2023.

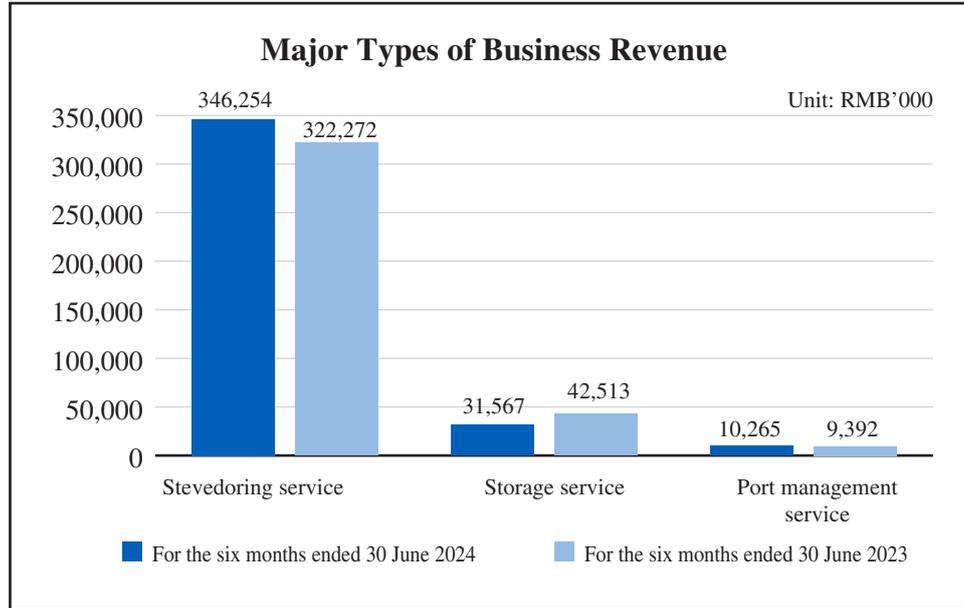
Financial Review

During the Reporting Period, the Company's total revenue increased by RMB11.028 million or 2.67% as compared with the same period of last year, mainly attributable to an increase of RMB13.909 million in revenue from contracts with customers and a decrease of RMB2.881 million in revenue from property lease.

(1) Total Revenue

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts		
with customers – Provision of services	388,086	374,177
Rental income from investment properties and certain ports	36,154	39,035
Total Revenue	424,240	413,212

(2) Revenue from contracts with customers by service type



During the Reporting Period, the growth in stevedoring service was mainly attributable to the increase of grain cargo, which propelled the increase in the revenue from stevedoring service and offset the decreased revenue from other cargo. Overall, stevedoring business grew 7.44% year-on-year.

During the Reporting Period, the decrease in revenue from storage service was mainly attributable to the increase in port efficiency of grain cargo, which reduced storage time of cargos and drove the increase in turnover of grain. During the Reporting Period, port management services increased year-on-year, due mainly to the increase in the number of vessels handling cargos, resulting in the increase in berthing fees.

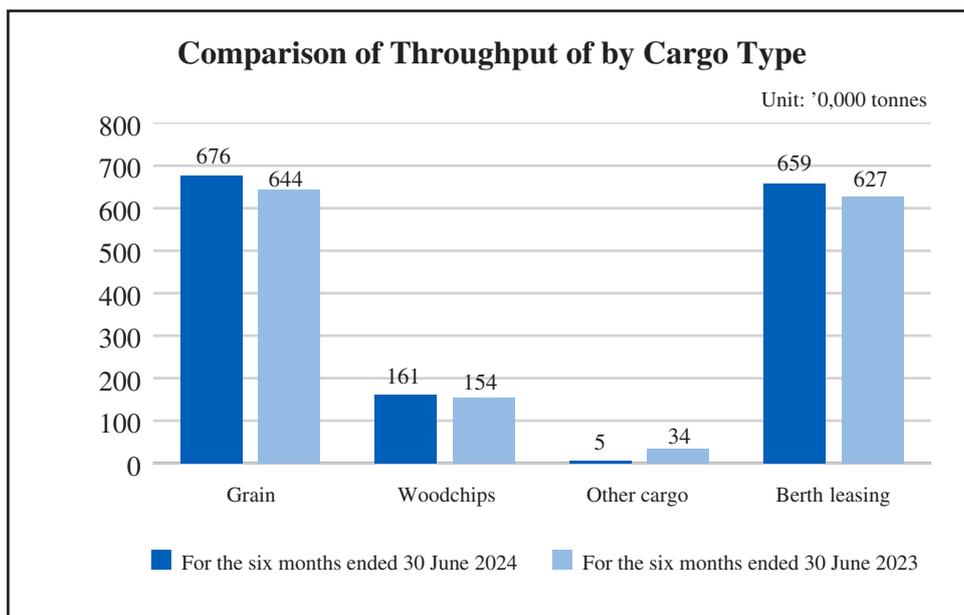
Management Discussion and Analysis (Continued)



Throughput segment

Unit: '0,000 tonnes, except percentage

Cargo types	During six months ended 30 June				
	2024		2023		Changes
	Throughput	Proportion	Throughput	Proportion	
Grain	676	45.1%	644	44.1%	5.0%
Woodchips	161	10.7%	154	10.6%	4.5%
Other cargo	5	0.3%	34	2.3%	-85.3%
Berth leasing (Asia Symbol)	659	43.9%	627	43.0%	5.1%
Total	1,501	100.0%	1,459	100.0%	2.9%



Grain

Relying on the advantages of integration reform and inclusive development of Shandong ports, the Company adhered to customer-centricity concept, seized the market development opportunities, in-depth practiced the “Attentive Service” improvement action, cultivated lean management models for silos and warehouses to improve the efficiency of production and organization and expand the incremental space for grain. In the first half of the year, the grain throughput amounted to 6.76 million tonnes, representing a year-on-year increase of 5%, fully enhancing the ability to serve customers.

The Company launched ship stevedoring operations activities, refined the management of the berthing process, leveraging the effectiveness of berths process, the operations by berths process accounting for 45%; set up a special team for port efficiency enhancement to optimise the operational process, completing 1.59 million tonnes of railway port in the first half of the year, representing a year-on-year increase of 6.3%. The Company stepped up efforts to the port efficiency, enhanced the cargo turnover rate and constructed a highly efficient and stable grain logistics chain. With coverage and gathering effect of ports, the Company continued to consolidate its position as a hub for grain distribution by fully integrating into the national grain reserve layout and its contribution to the industrial chain.

Woodchips

Due to market fluctuations, core customers have regulated their imports of raw materials. The increase in the supply of domestic woodchips in China has impacted the imported woodchip market. In the first half of this year, 1.61 million tonnes were handled, representing a 4.5% year-on-year increase. However, this volume remains relatively low as compared to previous years.

Management Discussion and Analysis (Continued)



Other Cargo

The Company prioritised the handling of grains over other cargo. In the first half of this year, a total of 50,000 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.

Cost of Sales

During the Reporting Period, the cost of sales of the Company amounted to RMB247.305 million, representing an increase of RMB5.591 million or 2.31% as compared with RMB241.714 million for the same period of 2023, mainly attributable to the increase in depreciation of right-of-use assets, taxes and surcharges and R&D expenses, resulting in an increase in the cost of sales.

Gross Profit

During the Reporting Period, the Company achieved the gross profit of RMB176.935 million, representing an increase of RMB5.437 million or 3.17% as compared with RMB171.498 million for the same period of 2023, increase in gross profit mainly attributable to income increased.

Administrative Expenses

During the Reporting Period, the total administrative expenses of the Company amounted to RMB10.382 million, representing a decrease of RMB0.905 million or 8.02% as compared with RMB11.287 million for the same period of 2023, mainly attributable to (1) the slight decrease in remuneration costs of management personnel; and (2) decrease in fees for intermediary services.

Other Income

During the Reporting Period, other income of the Company amounted to RMB2.459 million, representing a decrease of RMB11.338 million or 82.18% as compared with RMB13.797 million for the same period of 2023, mainly attributable to: (1) changes in domestic tax policy, which cancelled the value-added credit policy; (2) no gain on lease modification during the Reporting Period; and (3) loss on written-off and disposal of property, plant and equipment.

Finance Cost

During the Reporting Period, finance cost of the Company amounted to RMB9.257 million, representing a decrease of RMB2.209 million, or 19.27% as compared with RMB11.466 million for the same period of 2023, mainly attributable to the year-on-year decrease in the interest of lease liabilities.

Income Tax Expense

During the Reporting Period, the income tax expense of the Company amounted to RMB36.845 million, representing a decrease of RMB0.792 million or 2.10% as compared with RMB37.637 million (restated) for the same period of 2023, mainly attributable to decrease in profit before tax.

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 RMB120.510 million, representing a decrease of RMB2.812 million or 2.28% as compared with RMB123.322 million (restated) for the same period of 2023.

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 2024, the Company had cash and cash equivalents of RMB631.184 million (31 December 2023: RMB608.747 million) which were denominated in RMB.

As at 30 June 2024, the Company had no bank borrowings (31 December 2023: Nil).

Management Discussion and Analysis (Continued)



The Company's current ratio (being the ratio of total current assets to total current liabilities) was 2.22 as at 30 June 2024 (31 December 2023: 2.81).

As at 30 June 2024, the Company's gearing ratio (being the ratio of total interest-bearing borrowings to total equity) was 12.2% (31 December 2023: 12.08%).

During the Reporting Period, the Company's net cash from operating activities amounted to RMB230.996 million (the corresponding period of 2023: RMB162.498 million). The Company's net cash used in investing activities during the Reporting Period amounted to RMB193.194 million (the corresponding period of 2023: RMB297.781 million). The Company's net cash used in financing activities during the Reporting Period amounted to RMB15.365 million (the corresponding period of 2023: RMB18.610 million).

PLEDGE OF ASSETS

As at 30 June 2024, the Company did not have any pledge of assets (31 December 2023: Nil).

CONTINGENT LIABILITIES

As at 30 June 2024, the Company did not have any contingent liabilities (31 December 2023: Nil).

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 RMB197.473 million (the corresponding period of 2023: RMB304.193 million).

SIGNIFICANT INVESTMENTS

In order to consolidate and enhance the Company's position as a grain transshipment and distribution hub among China's coastal ports, the Company invested in the construction of the Rizhao Port Grain Base, covering reconstruction of West-6 berth with an investment amount of approximately RMB1.44 billion. Some of the equipment and facilities are currently under individual trial and the Rizhao Port Grain Base is expected to be completed and in use by the end of 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

Save as disclosed in this interim report, 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

Connected Transaction – Construction Agent Contract

On 16 July 2024, the Company entered into the construction agent contract with Rizhao Port Group, pursuant to which the Company agreed to engage Rizhao Port Group to provide construction management services for the construction project of the Rizhao Port Grain Base. The Company shall pay a management service fee to Rizhao Port Group in the amount of RMB19,074,200. For details, please refer to the announcement of the Company dated 16 July 2024.

Continuing Connected Transaction – Revision of Annual Caps under the Operation Outsourcing Agreement 2022

On 23 July 2024, the Company entered into the supplemental agreement to the operation outsourcing agreement with Rizhao Port Lanshan Port Services Co., Ltd. (日照港股份嵐山港務有限公司) to revise the existing annual caps for the transactions contemplated under the operation outsourcing agreement dated 12 January 2022 for the three financial years ending 31 December 2024. For details, please refer to the announcement of the Company dated 23 July 2024.

Continuing Connected Transaction – Revision of Annual Cap under the SDP Shanghai Property Framework Agreement

On 29 August 2024, the Company entered into the supplemental agreement to the general service (procurement) framework agreement with SDP Shanghai Property (Rizhao) Co., Ltd. (山港山海物業(日照)有限公司) to revise the existing annual cap for the transactions contemplated under the general service (procurement) framework agreement dated 29 December 2023 for the financial year ending 31 December 2024. For details, please refer to the announcement of the Company dated 29 August 2024.

Save as disclosed in this interim report, there are no material events undertaken by the Company after the Reporting Period.

Management Discussion and Analysis (Continued)



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 2024, the Company did not enter into any derivative contracts to hedge the foreign exchange exposure.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Company had a total of 337 full-time employees, all of whom are based in the PRC (31 December 2023: 341 employees). During the Reporting Period, the employees costs of the Company amounted to RMB38.235 million (the corresponding period of 2023: RMB37.430 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

Currently, the supply of principal global grain commodities is expected to remain sufficient and grains production is expected to hit a new high. However, due to factors such as extreme weather, geopolitical tensions and sudden policy shifts, global food supply and demand witness imbalances, global maritime transport routes are frequently affected, the impact of transport costs on the imported food costs is a prevailing concern, the cost of global food imports will continue to increase, highlighting the issue of food insecurity.

As a crucial grain import port along the coast of China, the Company will seize new opportunities for grain business development, fully promote the production and operation of the Rizhao Port Grain Base project, deepen customer communication, carefully understand their needs, and elaborately optimise the processes of stevedoring service, collection, distribution, transportation and warehousing with “one-to-one” customised services, so as to build a highly efficient and stable grain logistics chain, protect the interests of customers in practice and create the “Attentive Service” brand. The Company will focus on building a diversified pattern of grain varieties, enhance the capacity of the port in grain stevedoring, warehousing and transit with intelligent technology, forming a distribution centre for imported grain trade, and creating a new growth pillar for grain business.

Therefore, the Company will focus on the following work:

- (1) Continuously increasing the development of sources of goods. Considering a firm grasp of the opportunity relating to commencement of operations at the Rizhao Port Grain Base, the Company will proactively handle the qualification formalities for berth and silo usage in advance to drive an increase in the supply of goods by expanding its capacity. Staring at the “window period” of reduced domestic woodchip supply and increased woodchip imports, the Company will actively develop new customers.
- (2) Continuously decreasing costs and expenses. The Company will achieve continued optimization and improvement through complete investigation into the cost issues and room for cost savings and robust process analysis and evaluation. The Company will deepen the analysis of unit costs by establishing a cost model, clearly identifying key points of cost reduction. The Company will also set up a special award for “cost reduction and efficiency improvement” to motivate employees.
- (3) Continuously improving service capabilities. The Company will refine the “Attentive Service” commitment, standards, and feedback system, implement three tough tasks of “cargo quality, system efficiency, and lean management,” earnestly cultivate lean management models for silos and warehouses, and create standard stacks, standardized warehouses, and model warehouses.

Other Information



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 C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with the relevant requirements of the applicable code provisions in Part 2 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 C3 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/she 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 2024 (for the six months ended 30 June 2023: 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 2024 and this interim report.

SHARE SCHEME

The Company has not adopted any share scheme.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes 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 2023 are set out as follows:

Name	Changes
Mr. Cui Liang	<ul style="list-style-type: none"> resigned as a non-executive Director and the chairman of the Board and ceased to be the chairman of the nomination committee of the Company (the "Nomination Committee") with effect from 28 May 2024
Mr. Qin Yuning	<ul style="list-style-type: none"> resigned as the general manager of the Company with effect from 28 March 2024 resigned as an executive Director and the authorised representative of the Company under Rule 3.05 of the Listing Rules (the "Authorised Representative") with effect from 28 May 2024
Mr. Chen Lei	<ul style="list-style-type: none"> resigned as a non-executive Director and ceased to be a member of the Audit Committee with effect from 28 May 2024
Mr. Zhou Tao	<ul style="list-style-type: none"> appointed as a non-executive Director, the chairman of the Board and the chairman of the Nomination Committee with effect from 28 May 2024
Mr. Chen Zhou	<ul style="list-style-type: none"> appointed as the deputy general manager of the Company with effect from 28 March 2024 appointed as an executive Director and the Authorised Representative with effect from 28 May 2024
Ms. Liu Rong	<ul style="list-style-type: none"> appointed as a non-executive Director and a member of the Audit Committee with effect from 28 May 2024
Mr. Li Weiqing	<ul style="list-style-type: none"> resigned as a shareholder representative Supervisor with effect from 28 May 2024
Ms. Feng Hui	<ul style="list-style-type: none"> appointed as a shareholder representative Supervisor with effect from 28 May 2024
Mr. Ding Dong	<ul style="list-style-type: none"> resigned as the financial director of the Company with effect from 28 August 2024
Mr. Wang Guiming	<ul style="list-style-type: none"> appointed as the financial director of the Company with effect from 28 August 2024

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.

Other Information (Continued)



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 (including sale of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

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").

As set out in the Prospectus, the Company had planned to use the IPO Proceeds. As at 30 June 2024, the Company had used approximately RMB382.49 million for the acquisition of West-6 berth; approximately RMB69.231 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 2023 RMB'000,000	Unutilised amount as at 31 December 2023 RMB'000,000	Utilised amount during the Reporting Period RMB'000,000	Unutilised amount as at 30 June 2024 RMB'000,000	Expected timeline for utilising the remaining IPO Proceeds ^(Note)
Acquisition of West-6 berth	382.49	0	0	0	-
Procurement of equipment and machinery	36.486	72.797	32.745	40.052	Expected to be fully utilised on or before 30 June 2025
Working capital and general corporate use	54.641	0	0	0	-
Total	473.617	72.797	32.745	40.052	

Note: In accordance with the schedule for the construction of the grain base, in order to ensure the smooth operation of the construction project of the Rizhao Port Grain Base, the basic reconstruction work on West-6 berth has been completed and the newly-added equipment for the berth has completed no-load debugging.

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 2024, 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.

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

As at 30 June 2024, 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 2024. 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 2024. 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 2024.

(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 2024.

Other Information (Continued)



Save as disclosed above, as at 30 June 2024, 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.

Zhou Tao

Chairman

Rizhao, the PRC, 30 August 2024

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Restated) (Unaudited)
Revenue	4	424,240	413,212
Cost of sales		(247,305)	(241,714)
Gross profit		176,935	171,498
Other income, net	6	2,459	13,797
Impairment losses reversed/(recognised), net	7	301	(234)
Selling and distribution expenses		(2,701)	(1,349)
Administrative expenses		(10,382)	(11,287)
Finance costs	8	(9,257)	(11,466)
Profit before income tax	9	157,355	160,959
Income tax expense	10	(36,845)	(37,637)
Profit and total comprehensive income attributable to the owners of the Company for the period		120,510	123,322
Earnings per share for profit attributable to the owners of the Company during the period			
– Basic and diluted (RMB cents)	12	7.26	7.43

Condensed Statement of Financial Position

As at 30 June 2024



	Notes	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	2,485,431	2,338,678
Deposits for purchase of property, plant and equipment		26,222	28,286
Investment properties	14	275,785	279,672
Intangible assets	15	2,815	2,831
Other non-current assets	16	1,265	1,218
Deferred tax assets		4,428	1,501
		2,795,946	2,652,186
Current assets			
Inventories		1,361	1,611
Trade and other receivables	17	24,507	33,165
Bills receivables at fair value through other comprehensive income ("FVTOCI")	18	634	3,700
Contract assets		–	1,195
Cash and cash equivalents		631,184	608,747
		657,686	648,418
Current liabilities			
Trade and other payables	19	210,620	205,787
Contract liabilities	20	12,072	1,166
Lease liabilities	21	13,715	8,260
Advance payments from lease contract	22	2,375	2,375
Income tax payable		17,736	13,094
Dividend payable	11	39,840	–
		296,358	230,682
Net current assets		361,328	417,736
Total assets less current liabilities		3,157,274	3,069,922

Condensed Statement of Financial Position (Continued)

As at 30 June 2024

	<i>Notes</i>	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities	21	329,867	321,997
Advance payments from lease contract	22	11,281	12,469
Other payable	19	590	590
		341,738	335,056
Net assets			
		2,815,536	2,734,866
CAPITAL AND RESERVES			
Share capital	23	1,660,000	1,660,000
Reserves		1,155,536	1,074,866
Total equity			
		2,815,536	2,734,866

Condensed Statement of Changes in Equity

For the six months ended 30 June 2024



	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 2024 (Audited)	1,660,000	105,245	159,077	105,723	704,821	2,734,866
Total comprehensive income for the period						
Profit and other comprehensive income for the period	-	-	-	-	120,510	120,510
Transaction with owners						
Dividend declared	-	-	-	-	(39,840)	(39,840)
Balance at 30 June 2024 (Unaudited)	1,660,000	105,245	159,077	105,723	785,491	2,815,536
Balance at 1 January 2023, as previously reported (Audited)	1,660,000	105,245	159,077	83,748	545,537	2,553,607
Adjustment from the adoption of amendments to IAS 12	-	-	-	286	2,588	2,874
Balance at 1 January 2023, restated	1,660,000	105,245	159,077	84,034	548,125	2,556,481
Total comprehensive income for the period						
Profit and other comprehensive income for the period, restated	-	-	-	-	123,322	123,322
Transaction with owners						
Dividend declared	-	-	-	-	(39,840)	(39,840)
Balance at 30 June 2023, restated (Unaudited)	1,660,000	105,245	159,077	84,034	631,607	2,639,963

Condensed Statement of Cash Flows

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Operating activities		
Cash from operations	266,126	197,781
PRC enterprise income tax paid	(35,130)	(35,283)
<i>Net cash from operating activities</i>	230,996	162,498
Investing activities		
Payments of and deposits placed for property, plant and equipment	(197,473)	(304,193)
Payments of intangible assets	(223)	–
Interest received	4,362	6,412
Proceeds on disposal of property, plant and equipment	140	–
<i>Net cash used in investing activities</i>	(193,194)	(297,781)
Financing activities		
Proceeds from related parties	2,037	–
Interest paid	(9,257)	(11,466)
Payment of lease liabilities	(8,145)	(7,144)
<i>Net cash used in financing activities</i>	(15,365)	(18,610)
Net increase/(decrease) in cash and cash equivalents	22,437	(153,893)
Cash and cash equivalents at 1 January	608,747	852,658
Cash and cash equivalents as at 30 June, represented by bank balance and cash	631,184	698,765

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2024



1. CORPORATE INFORMATION

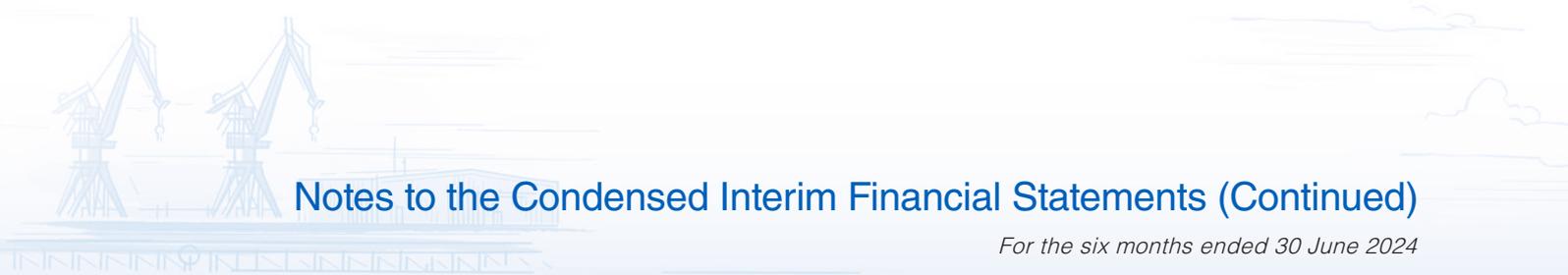
Rizhao Port Jurong Co., Ltd. (the “**Company**”) is a joint stock company incorporated in the People’s Republic of China (the “**PRC**”) with limited liability. The registered office and headquarters of the Company is at South End, Haibin 5th Road, Rizhao City, Shandong Province, the PRC.

The Company’s immediate holding company is Rizhao Port, 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). In the opinion of the directors, the ultimate holding company is 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, 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**”).

Unless otherwise stated, the condensed interim financial statements are presented in 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 2024

2. BASIS OF PREPARATION AND MATERIAL 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 2023.

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 2023, 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 2023.

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024



4. REVENUE

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue from contracts with customers – Provision of services	388,086	374,177
Revenue from other sources – Rental income from investment properties	36,154	39,035
Total revenue	424,240	413,212

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Types of services		
Stevedoring service	346,254	322,272
Storage service	31,567	42,513
Port management service	10,265	9,392
Total	388,086	374,177

Timing of revenue recognition		
Over time	388,086	374,177

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

5. SEGMENT INFORMATION

Information reported to the Board, 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	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Customer A	104,625	50,534
Customer B	43,043	47,083
Customer C	(Note)	59,719

Note: The Company had transactions with this customer but the amount of the transactions was less than 10% of the Company's revenue for the period ended 30 June 2024.

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

6. OTHER INCOME, NET

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income	4,362	6,412
Loss on written off of property, plant and equipment	(2,304)	–
Loss on disposal of property, plant and equipment	(102)	–
Value-Added Tax Credit (note)	–	945
Gain on lease modification	–	5,632
Others	503	808
Total	2,459	13,797

Note: For the period ended 30 June 2023, 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% thereof against the amount of taxes payable upon fulfilment of certain conditions. The addition value added tax credit policy was cancelled since 1 January 2024.

7. IMPAIRMENT LOSSES REVERSED/(RECOGNISED), NET

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Impairment losses reversed/(recognised) on trade receivables, net	275	(128)
Impairment losses reversed/(recognised) on contract assets, net	26	(106)
	301	(234)

8. FINANCE COSTS

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest expense		
– Interest on lease liabilities	9,257	11,466

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

9. PROFIT BEFORE INCOME TAX

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

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Rental income from investment properties	36,154	39,035
Less: direct operating expenses incurred from investment properties	(3,887)	(3,886)
Net rental income from investment properties	32,267	35,149
Depreciation:		
– Property, plant and equipment	45,566	47,206
– Right-of-use assets	14,361	12,267
– Investment properties	3,887	3,886
Amortisation of intangible assets	239	235
Total depreciation and amortisation charged to profit or loss	64,053	63,594
Lease charges:		
– Short-term leases	1,268	2,085
– Variable lease payments	7,000	10,600
Staff costs:		
– Directors' and supervisors' emoluments	725	1,029
– Other staff costs (exclude Directors' and supervisors' emoluments):		
– Salaries, allowances and other benefits	25,782	25,816
– Retirement benefit scheme contributions	11,728	10,585
Total staff costs	38,235	37,430

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Restated) (Unaudited)
Current tax – PRC enterprise income tax	39,772	39,881
Deferred tax	(2,927)	(2,244)
	36,845	37,637

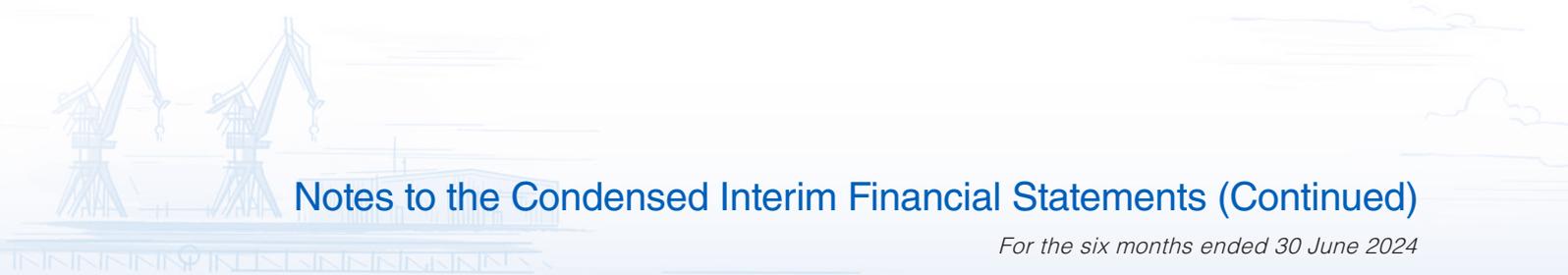
11. DIVIDENDS

The Company declared 2023 final dividends of RMB39,840,000 during the period, which were paid on 31 July 2024 to shareholders whose names appear on the register of members of the Company on 7 June 2024. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

12. EARNINGS PER SHARE

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Restated) (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company (RMB'000)	120,510	123,322
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)	7.26	7.43

There were no dilutive potential ordinary shares in issue for the periods ended 30 June 2024 and 2023. 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 2024

13. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2024, the Company had additions of property, plant and equipment at a total cost of RMB187,756,000 (for the six months ended 30 June 2023: RMB281,217,000), mainly included additions in construction in progress of approximately RMB183,650,000, communication facilities of approximately RMB275,000, machinery equipment of approximately RMB1,673,000 and loading equipment of approximately RMB2,158,000 (for the six months ended 30 June 2023: additions in construction in progress of approximately RMB277,722,000, communication facilities of approximately RMB512,000 and loading equipment of approximately RMB2,626,000).

For the six months ended 30 June 2024, the Company wrote-off certain terminal facilities with carrying amount of RMB2,304,000 (for the six months ended 30 June 2023: RMB Nil), recording the loss of RMB2,304,000.

For the six months ended 30 June 2024, the Company disposed certain property, plant and equipment with carrying amount of RMB242,000 (for the six months ended 30 June 2023: RMB Nil), with sale proceeds of RMB140,000, recording the loss of RMB102,000.

As at 30 June 2024, the carrying amount of right-of-use assets of the Company amounted to RMB448,340,000 (31 December 2023: RMB441,231,000).

During the six months ended 30 June 2024, the Company entered into one new lease agreement in relation to the lease of a terminal facility with lease term of two years. The Company recognised approximately RMB21,470,000 of right-of-use assets and lease liabilities on lease commencement date.

For the six months ended 30 June 2024, depreciation of right-of-use assets and other property, plant and equipment during the period was RMB59,927,000 (for the six months ended 30 June 2023: RMB59,473,000).

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024



14. INVESTMENT PROPERTIES

	Terminal facilities RMB'000 (Unaudited)
<hr/>	
As at 1 January 2023	
Cost	399,318
Accumulated depreciation	(111,872)
Net book amount	287,446
<hr/>	
Year ended 31 December 2023	
Opening net book amount	287,446
Depreciation	(7,774)
Closing net book amount	279,672
<hr/>	
As at 31 December 2023 and 1 January 2024	
Cost	399,318
Accumulated depreciation	(119,646)
Net book amount	279,672
<hr/>	
For the six months ended 30 June 2024	
Opening net book amount	279,672
Depreciation	(3,887)
Closing net book amount	275,785
<hr/>	
As at 30 June 2024	
Cost	399,318
Accumulated depreciation	(123,533)
Net book amount	275,785
<hr/>	

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

15. INTANGIBLE ASSETS

	Software RMB'000 (Unaudited)	Rights to use sea area RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
As at 1 January 2023			
Cost	5,267	18	5,285
Accumulated amortisation	(1,979)	(4)	(1,983)
Net book amount	3,288	14	3,302
Year ended 31 December 2023			
Opening net book amount	3,288	14	3,302
Amortisation	(470)	(1)	(471)
Closing net book amount	2,818	13	2,831
As at 31 December 2023 and 1 January 2024			
Cost	5,267	18	5,285
Accumulated amortisation	(2,449)	(5)	(2,454)
Net book amount	2,818	13	2,831
For the six months ended 30 June 2024			
Opening net book amount	2,818	13	2,831
Addition	223	–	223
Amortisation	(239)	–	(239)
Closing net book amount	2,802	13	2,815
As at 30 June 2024			
Cost	5,490	18	5,508
Accumulated amortisation	(2,688)	(5)	(2,693)
Net book amount	2,802	13	2,815

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024



16. OTHER NON-CURRENT ASSETS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Taxes prepaid for rental income from properties under operating lease arrangement (<i>note</i>)	772	839
Other	493	379
	1,265	1,218

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables		
– Due from related parties	1,444	6,918
– Due from third parties	1,258	9,008
	2,702	15,926
Less: expected credit loss (“ECL”) allowance of trade receivables	(39)	(314)
	2,663	15,612
Other receivables	98	–
Prepayments	90	192
Value-added tax receivables	21,656	17,361
	21,844	17,553
Total trade and other receivables	24,507	33,165

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
0 – 30 days	2,663	12,397
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	–	3,215
	2,663	15,612

18. BILLS RECEIVABLES AT FVTOCI

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 3 months	–	1,700
Over 3 months but within 6 months	634	2,000
	634	3,700

The valuation method and major data of bills receivables of the Company as at 30 June 2024 and 31 December 2023 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 2024

19. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables		
– Due to related parties	30,552	6,450
– Due to third parties	15,214	19,732
	45,766	26,182
Other payables		
– Amounts due to related parties	152,071	161,241
– Other tax payables	720	991
– Payroll payable (<i>note</i>)	7,064	9,594
– Retention payable due within one year	3,258	3,738
– Other payables	2,331	4,631
	165,444	180,195
Total trade and other payables	211,210	206,377
Less: Classified as non-current liabilities	(590)	(590)
Current portion of trade and other payables	210,620	205,787

Note: Included in payroll payables were early retirement benefits for employees of RMB746,000 and RMB590,000 (31 December 2023: RMB1,438,000 and RMB590,000) classified as current and non-current liabilities respectively.

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
0 – 30 days	13,435	22,789
31 – 60 days	13,333	1,016
61 – 90 days	11,789	1,726
Over 90 days	7,209	651
	45,766	26,182

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

20. CONTRACT LIABILITIES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Amounts received in advance		
– Provision of services	12,072	1,166

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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Total minimum lease payments:		
Due within 1 year	36,736	25,895
Due within 1 to 2 years	31,300	26,292
Due within 2 to 5 years	73,208	73,208
Due more than 5 years	562,906	573,707
	704,150	699,102
Less: future lease liabilities finance charges	(360,568)	(368,845)
Present value of lease liabilities	343,582	330,257

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024



21. LEASE LIABILITIES (CONTINUED)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Present value of minimum lease payments:		
Due within 1 year	13,715	8,260
Due within 1 to 2 years	19,326	9,067
Due within 2 to 5 years	24,822	24,222
Due more than 5 years	285,719	288,708
	343,582	330,257
Less: payment due within 1 year (presented under current liabilities)	(13,715)	(8,260)
Payment due after 1 year	329,867	321,997

Note: Included in the above balance, the present value of RMB326,396,000 (31 December 2023: RMB328,807,000), RMB916,000 (31 December 2023: RMB1,450,000) and RMB16,270,000 (31 December 2023: RMB Nil) with total minimum lease payments of RMB686,260,000 (31 December 2023: RMB697,452,000), RMB1,073,000 (31 December 2023: RMB1,650,000) and RMB16,817,000 (31 December 2023: RMB Nil) represent lease liabilities payable to Rizhao Port Group, Rizhao Port Handling Co., Ltd. (“**Rizhao Port Handling**”) and Rizhao Port Container Development Co., Ltd. (“**Rizhao Port Container**”) respectively.

22. ADVANCE PAYMENTS FROM LEASE CONTRACT

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Lease payments received in advance	13,656	14,844
Less: Classified as current liabilities – Advance payments from lease contract	(2,375)	(2,375)
Non-current portion of lease payments	11,281	12,469

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

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 2023, 31 December 2023, 1 January 2024 and 30 June 2024	840,000,000	820,000,000	1,660,000,000	1,660,000

24. CAPITAL COMMITMENTS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Capital expenditure contracted but not provided for acquisition of property, plant and equipment	613,607	639,717

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024



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 Reporting 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 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	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	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 Lanxiang Construction Engineering Co. Ltd. [#] (山東藍象建築工程有限公司) (“ Shandong Lanxiang ”)	Fellow subsidiary of the Company
Shandong Port Group Finance Co., Ltd. (山東港口集團財務有限責任公司) (“ SPG Finance ”)	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 2024

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	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Rizhao Port Group	Interest paid on lease liabilities	8,810	10,811
Rizhao Port Group	Procurement of construction service	482	1,078
Rizhao Port Group	Procurement of logistics service	12,261	11,027
Rizhao Port Group	Procurement of port related services	8,133	1,524
Rizhao Port Group	Procurement of utility services	4,712	2,165
Rizhao Port Group	Stevedoring service income	–	15,392
Rizhao Port Power	Procurement of utility services	11,850	11,572
Shandong Gangwan	Procurement of construction services	149,038	201,467
Rizhao Port Handling	Procurement of port related services	13,438	15,305
Rizhao Port Handling	Interest paid on lease liabilities	42	54
Rizhao Port	Interest paid on lease liabilities	–	202
Rizhao Port	Berth leasing income	155	6,752
Rizhao Port	Procurement of utility services	8,113	2,151
Rizhao Port Container	Berth leasing income	1,325	3,009
Rizhao Port Container	Interest paid on lease liabilities	405	–
SPG Finance	Interest income	182	1,401
Rizhao Zhongran Marine Fuel	Procurement of utility services	3,050	3,013
Rizhao Port Lanshan	Procurement of port related services	24,433	–
Rizhao Port Machinery	Procurement of construction and maintenance services	–	2,540

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024



25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances

Amounts due to related parties (non-trade nature)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Rizhao Port Machinery	62	49
Shandong Technologies	62	62
Shandong Gangwan	151,804	160,652
Rizhao Port Group	71	434
Rizhao Port Handling	6	–
Rizhao Port Power	66	39
Shandong Lanxiang	–	5
Total	152,071	161,241

Amounts due from related parties (trade nature)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Rizhao Port Group	–	1,171
Rizhao Port	–	164
Rizhao Port Container	1,444	5,583
Total	1,444	6,918

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024

25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances (Continued)

Amounts due to related parties (trade nature)

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Rizhao Port	20,711	500
Rizhao Port Container	–	43
Rizhao Port Group	9,205	1,189
Rizhao Port Information	236	–
Shandong Port Group	–	15
Shandong Lanxiang	400	3,608
Rizhao Port Machinery	–	1,095
Total	30,552	6,450

Prepayments to a related party for procurement on utility services

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Rizhao Zhongran Marine Fuel	58	78

Lease liabilities payables

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Rizhao Port Container	16,270	–
Rizhao Port Handling	916	1,450
Rizhao Port Group	326,396	328,807
Total	343,582	330,257

Notes to the Condensed Interim Financial Statements (Continued)

For the six months ended 30 June 2024



25. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances (Continued)

Right-of-use assets – Prepaid lease payments

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Rizhao Port Group	1,531	1,750

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
SPG Finance	340,260	358,423

(e) Compensation of key management personnel

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

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Basic salaries	597	644
Bonus	844	1,529
Retirement benefit scheme contributions	311	410
	1,752	2,583