IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer or the Guarantor (each as defined in the attached Offering Circular) or from the Joint Lead Managers (as defined below) as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must be located outside the United States.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to China International Capital Corporation Hong Kong Securities Limited, China International Capital Corporation (Singapore) Pte. Limited, Hua Xia Bank Co., Limited Hong Kong Branch, China Securities (International) Corporate Finance Company Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, China Minsheng Banking Corp., Ltd. Hong Kong Branch, CMBC Securities Company Limited, CLSA Limited, SPDB International Capital Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Sinolink Securities (Hong Kong) Company Limited and Donghai International Securities (Hong Kong) Limited (together, the "**Joint Lead Managers**"), the Issuer and the Guarantor that (1) you and any customers you represent are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located, in the United States, its territories or possessions, and (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee (as defined in the attached Offering Circular) or the Agents (as defined in the attached Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Joint Lead Managers will provide a hard copy version to you upon request.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE ATTACHED OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers are licensed brokers or dealers in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer or the Guarantor in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward the attached Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ACKNOWLEDGE THAT THE ATTACHED OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by email, your use of this email is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SHANHAI (HONG KONG) INTERNATIONAL INVESTMENTS LIMITED

(incorporated with limited liability in Hong Kong)

U.S.$310,000,000 4.85 per cent. Guaranteed Bonds due 2028 unconditionally and irrevocably guaranteed by

LIANYUNGANG PORT GROUP CO., LTD.
(連雲港港口集團有限公司)

(incorporated with limited liability in the People's Republic of China)

Issue Price: 100.0 per cent.

The 4.85 per cent. guaranteed bonds due 2028 in the aggregate principal amount of U.S.$310,000,000 (the "**Bonds**") will be issued by Shanhai (Hong Kong) International Investments Limited (the "**Issuer**") and will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by Lianyungang Port Group Co., Ltd. (連雲港港口集團有限公司) (the "**Guarantor**") pursuant to a deed of guarantee to be executed on or about 24 April 2025 (the "**Deed of Guarantee**"). The Issuer is a subsidiary of the Guarantor.

The specified denomination of the Bonds shall be U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Interest on the Bonds will be payable semi-annually in arrear on 24 April and 24 October in each year, commencing on 24 October 2025. The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a) of the terms and conditions of the bonds (the "**Terms and Conditions of the Bonds**")) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. See "*Terms and Conditions of the Bonds — Guarantee and Status*".

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. See "*Terms and Conditions of the Bonds — Taxation*".

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 24 April 2028 (the "**Maturity Date**"). At any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (as defined below) (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent (each as defined in the Terms and Conditions of the Bonds) and subject to compliance with any other applicable provisions set out in the Trust Deed and/or the Agency Agreement, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount, together with interest accrued to but excluding the date fixed for redemption, if the Issuer and/or the Guarantor (as the case may be) satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions of the Bonds) as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC, or, in each case, any political subdivision or any authority there of or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any final judgment or order of a court of competent jurisdiction), which change or amendment becomes effective on or after 15 April 2025, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. At any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Bonds), the holder of any Bond (each a "**Bondholder**") will have the right, at such Bondholder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions of the Bonds) at 101 per cent. (in the case of a redemption for a Change of Control (as defined in the Terms and Conditions of the Bonds)) or 100 per cent. (in the case of a redemption for a No Registration or No Filing Event (as defined in the Terms and Conditions of the Bonds)) of their principal amount, together with interest accrued and unpaid to but excluding such Put Settlement Date. See "*Terms and Conditions of the Bonds — Redemption and Purchase*".

Pursuant to the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the National Development and Reform Commission of the PRC (the "**NDRC**") and effective from 10 February 2023 (the "**NDRC Administrative Measures**"), and any implementation rules, regulations, certificates, circulars, notices or policies in connection therewith issued by the NDRC from time to time, the Guarantor has registered the issuance of the Bonds with the NDRC and has obtained a certificate from the NDRC on 18 September 2024 evidencing such registration. The Guarantor will undertake to file or cause to be filed with the NDRC or its local counterparts the requisite information and documents in relation to the issue of the Bonds within the prescribed timeframes after the Issue Date (as defined herein), including but not limited to the filing with the NDRC or its local counterparts of the requisite information and documents relating to the issue of the Bonds within 10 PRC Business Days (as defined in the Terms and Conditions of the Bonds) after the Issue Date (the "**NDRC Post-issue Filing**") and complying with all applicable PRC laws and regulations in relation to the NDRC Post-issue Filing.

The Guarantor will undertake to file or cause to be filed with the State Administration of Foreign Exchange of the PRC ("**SAFE**") or its local counterparties the Guarantee within the prescribed timeframe after the Issue Date in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). The Guarantor shall (i) use all reasonable endeavours to complete the Cross-Border Security Registration and obtain from SAFE or its local counterparties a registration certificate or any other document evidencing the completion of the Cross-Border Security Registration by the Registration Deadline (being the day falling 90 PRC Business Days after the Issue Date) and (ii) comply with all applicable PRC laws and regulations in relation to the Deed of Guarantee.

The Bonds are being issued in accordance with and under the sustainable finance framework of the Issuer. See the section titled "*Sustainable Finance Framework*" beginning on page 58.

Investing in the Bonds involves certain risks. See "*Risk Factors*" beginning on page 14.

The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, the Bonds may not be offered or sold within the United States. Accordingly, the Bonds are being offered and sold only outside the United States in offshore transactions in reliance of Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see the section entitled "*Subscription and Sale*" on page 151.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinion expressed or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Bonds, the Issuer, the Guarantor, the Group or the quality of disclosure in this Offering Circular. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).

The Bonds will be represented initially by beneficial interests in a global certificate (the "**Global Certificate**") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about 24 April 2025 (the "**Issue Date**") with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See "*Summary of Provisions relating to the Bonds in Global Form*".

The Guarantor is rated "BBB (stable)" by Fitch Ratings ("**Fitch**"), and the Bonds are expected to be assigned a rating of "BBB" by Fitch. The rating does not constitute a recommendation to buy, sell or hold the Bonds and may be subject to suspension, reduction or withdrawal at any time by Fitch. A suspension, reduction or withdrawal of the rating assigned to the Bonds may adversely affect the market price of the Bonds.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

China International Capital Corporation **Hua Xia Bank Co., Limited Hong Kong Branch**

Joint Bookrunners and Joint Lead Managers

China Securities International **Industrial Bank Co., Ltd. Hong Kong Branch**

Shanghai Pudong Development Bank Hong Kong Branch **China Minsheng Banking Corp., Ltd. Hong Kong Branch**

CMBC Capital **CITIC Securities** **SPDB International** **China Galaxy International**

Sinolink Securities (HK) **Donghai International**

Sustainable Finance Advisor

China International Capital Corporation

Offering Circular dated 15 April 2025

IMPORTANT NOTICE

Each of the Issuer and the Guarantor confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor, the Group, the Guarantee and the Bonds which is material in the context of the issue and offering of the Bonds and the giving of the Guarantee (including all information required by applicable laws and the information which, according to the particular nature of the Issuer, the Guarantor, the Bonds and the Guarantee, is necessary to enable investors and their investment advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and the Group and the rights attaching to the Guarantee and the Bonds); (ii) the statements relating to the Issuer, the Guarantor and the Group contained herein are, in every material respect, true and accurate and not misleading; (iii) the opinions and intentions expressed in the Offering Circular are, with regard to the Issuer, the Guarantor and the Group, honestly and reasonably held, reached after considering all relevant circumstances and based on reasonable assumptions; (iv) there are no other material facts in relation to the Issuer, the Guarantor, the Group, the Bonds or the Guarantee, the omission of which would, in the context of the issue and offering of the Bonds, make any statement, opinions or intentions expressed in this Offering Circular misleading; (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular; and (vi) the statistical, industry, and market-related data and forward-looking statements, each of which are included in this Offering Circular, are based on or derived or extracted from sources which each of the Issuer and the Guarantor believes as at the date of this Offering Circular to be accurate and reliable in all material respects.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and China International Capital Corporation Hong Kong Securities Limited, China International Capital Corporation (Singapore) Pte. Limited, Hua Xia Bank Co., Limited Hong Kong Branch, China Securities (International) Corporate Finance Company Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, China Minsheng Banking Corp., Ltd. Hong Kong Branch, CMBC Securities Company Limited, CLSA Limited, SPDB International Capital Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Sinolink Securities (Hong Kong) Company Limited and Donghai International Securities (Hong Kong) Limited (together, the "**Joint Lead Managers**") to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Joint Lead Managers, the Issuer, or the Guarantor to subscribe for or purchase any of the Bonds. None of the Issuer, the Guarantor and the Joint Lead Managers represents that this Offering Circular may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Singapore, the PRC, Hong Kong and Japan and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds and distribution of this Offering Circular, see "*Subscription and Sale*" below. By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Bonds or the Guarantee other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents (as defined in the Terms and Conditions of the Bonds) or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, the Group or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them to subscribe for or purchase any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer, the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective officers, representatives, agents, affiliates, employees, directors or advisors or any person who controls any of them has independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them or on their behalf in connection with the Issuer, the Guarantor, the Group, the issue and offering of the Bonds or the Guarantee. Each of the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, officers, employees,

representatives, advisers and agents and each person who controls any of them accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the arrangements contemplated by this Offering Circular or to advise any investor or prospective investors in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them.

It is expected that the Bonds will, when issued, be assigned a rating of "BBB" by Fitch. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment and may be subject to revision, qualification, suspension or withdrawal at any time by the assigning rating organisation. A revision, qualification, suspension or withdrawal of any rating assigned to the Bonds may adversely affect the market price of the Bonds.

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

No assurance is given by the Issuer, the Guarantor, the Sustainable Finance Advisor (as specified in this Offering Circular), the Joint Lead Managers, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them that investing in the Bonds or the use of proceeds by the Issuer will satisfy, whether in whole or in part, any present or future investor expectations or requirements with respect to green bonds, social bonds or sustainable bonds.

None of the Joint Lead Managers, the Sustainable Finance Advisor, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them makes any representation as to the suitability of the Bonds to fulfil any green, environmental or sustainability criteria required by any prospective investors. None of the Joint Lead Managers, the Sustainable Finance Advisor, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them has undertaken, nor are any of them responsible for, any assessment of the eligibility criteria for the eligible projects, any verification of whether the eligible projects meet such criteria, the monitoring of the use of proceeds of any Bonds (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular eligible projects.

In addition, in connection with the issue of the Bonds, Sustainable Fitch, an independent firm that specialises in rating environmental and corporate governance performance, has been engaged to provide a second-party opinion (the "**Second-Party Opinion**") on the Sustainable Finance Framework (as defined herein) and to review and confirm the Sustainable Finance Framework's alignment with, amongst others, the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines released by the International Capital Market Association and the Loan Market Association, the Loan Syndications and Trading Association and Asia Pacific Loan Market Association Green Loan Principles and Social Loan Principles. The Second Party Opinion is available at the following website: https://www.sustainablefitch.com/infrastructure-project-finance/lianyungang-port-group-co-ltd-second-party-opinion-07-04-2025. The Second-Party Opinion is not incorporated into and shall not form part of this Offering Circular. The Second-Party Opinion provides an opinion on certain sustainability, social and related considerations and is not intended to address any credit, market or other aspects of an investment in the Bonds, including

without limitation market price, marketability, investor preference or suitability of any security. The Second-Party Opinion is a statement of opinion, not statement of fact. To the fullest extent permitted by law, none of the Issuer, the Guarantor, the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them accept any responsibility for the contents of the Second-Party Opinion, nor do they assume responsibility for the contents, accuracy, completeness or sufficiency of any such information in the Second-Party Opinion. No representation or assurance is given by the Issuer, the Guarantor, the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them as to the suitability or reliability of the Second-Party Opinion or any opinion or certification of any third party made available in connection with an issue of Bonds issued as green, sustainable or social Bonds. The Second-Party Opinion and any other such opinions or certifications are not, nor should be deemed to be, a recommendation by the Issuer, the Guarantor, the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them or any other person to buy, sell or hold any Bonds and are current only as at the date they are issued. The criteria and/or considerations that formed the basis of the Second-Party Opinion or any such other opinion or certification may change at any time and the Second-Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. The Second-Party Opinion is for information purposes only and none of the Issuer, the Guarantor, the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them accept any form of liability for the substance of the Second-Party Opinion and/or any liability for loss arising from the use of the Second-Party Opinion and/or the information provided in it. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and their purchase of the Bonds should be based upon such investigation as they deem necessary.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (THE "STABILISATION MANAGER") (OR ANY PERSON ACTING ON ITS BEHALF) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and such person must rely on its own examination of the Issuer, the Guarantor, the Group, and the merits and risks involved in investing in the Bonds. See "*Risk Factors*" below for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Singapore Securities and Futures Act Product Classification — *In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including certain Joint Lead Managers, are "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such

information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Industry and Market Data

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although each of the Issuer and the Guarantor believes the information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them, and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, adviser or agents or any person who controls any of them makes any representation as to the accuracy or completeness of such information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Guarantor, the Group and the terms of the offering and the Bonds, including the merits and risks involved.

Presentation of Financial Information

This Offering Circular contains the Guarantor's audited consolidated financial information as at and for the years ended 31 December 2021, 2022 and 2023 which is derived from its audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2022 and 2023 (the "**Audited Financial Statements**"). The Audited Financial Statements have been audited by Jiangsu Suya Jincheng Certified Public Accountants LLP ("**Suya Jincheng**"), the Guarantor's independent auditors, and are included elsewhere in this Offering Circular.

The Audited Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in PRC and all applicable guidance, bulletins and other relevant accounting regulations issued thereafter, as amended from time to time ("**PRC GAAP**"). PRC GAAP differs in certain material respects from International Financial Reporting Standards ("**IFRS**"). See "*Description of Certain Differences Between PRC GAAP and IFRS*". Accordingly, potential investors must exercise caution when using such consolidated financial statements to evaluate the Group's financial condition and operations.

The Ministry of Finance of the People's Republic of China ("**MOF**") had promulgated certain new accounting standards and requirements in relation to financial statements (the "**New Accounting Standards and Requirements**") and certain financial figures, information, classifications and/or measurements in the Audited Financial Statements were adjusted as a result of the promulgation of the New Accounting Standards and Requirements. See "*Notes to Financial Statements — III. Significant Accounting Policies, Accounting Estimates — 5. Preparation of consolidated financial statements*" of the audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2023 (the "**2023 Audited Financial Statements**") for further information. As a result, the presentation of certain accounting items in the 2023 Audited Financial Statements may not be comparable to the financial information in the consolidated financial statements of the Guarantor for the previous periods. See "*Risk Factors — Historical financial information of the Guarantor may not be indicative of its current or future results of operations.*"

The Audited Financial Statements have been prepared in Chinese and in English. Only the English version of the Audited Financial Statements has been included in this Offering Circular. Should there be any inconsistency between the Chinese version and the English version of the Audited Financial Statements, the Chinese version of the Audited Financial Statements shall prevail. The Chinese version of the Audited Financial Statements is available at the following website: https://iftp.chinamoney.com.cn/. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them has independently verified or checked the accuracy of the Chinese version of the Audited Financial Statements and can give no assurance that the information contained therein is accurate, truthful or complete.

Exchange Rate Information

The Guarantor's consolidated financial statements are presented in Renminbi. For convenience only and unless otherwise noted, all translations from Renminbi into US dollars in this Offering Circular were made at the rate of RMB7.0999 to U.S.$1.00, based on the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 29 December 2023. No representation is made that the Renminbi amounts referred to in this Offering Circular have been, could have been, could be or will be converted into U.S. dollars at any particular rate or at all, and vice versa. For further information relating to exchange rates, see "*Exchange Rate Information*" below.

Rounding

In this Offering Circular, where information has been presented in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

Certain Definitions and Conventions

In this Offering Circular, the term "**Group**" refers to Lianyungang Port Group Co., Ltd. (連雲港港口集團有限公司), Shanhai (Hong Kong) International Investments Limited and their respective subsidiaries and the term "**Guarantor**" refers to Lianyungang Port Group Co., Ltd. (連雲港港口集團有限公司) individually, in each case unless the context otherwise requires. The term "**Issuer**" refers to Shanhai (Hong Kong) International Investments Limited, a wholly-owned subsidiary of the Guarantor.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "**China**", "**mainland China**" or the "**PRC**" are to the People's Republic of China and, for the purpose of this Offering Circular only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan; references to the "**United States**" and "**U.S.**" are to the United States of America; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "**Renminbi**", "**RMB**" or "**CNY**" are to the lawful currency of the PRC; references to "**Hong Kong dollars**", "**HK dollars**", "**HK$**" or "**HKD**" are to the lawful currency of Hong Kong; and references to "**U.S. dollars**", "**US dollars**" or "**U.S.$**" are to the lawful currency of the United States of America.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purpose only. In the event of any inconsistency, the Chinese name prevails.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements". All statements other than statements of historical facts contained in this Offering Circular constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms, such as "anticipate", "target", "believe", "can", "would", "could", "estimate", "expect", "aim", "intend", "may", "plan", "will", "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to the business strategy, revenue, profitability, planned projects and other matters as they relate to the Issuer, the Guarantor, and/or the Group discussed in this Offering Circular regarding matters that are not historical facts.

The factors that could cause the actual results, performances and achievements of the Issuer, the Guarantor, or the Group or any member of the Group to be materially different include, among others:

- general economic, political and business conditions and competitive environment, including those related to the PRC, Hong Kong and globally;
- the Group's ability to successfully implement the Group's business plans and strategies;
- future developments, trends and conditions in the industry and markets in which the Group operates;
- the Group's business prospects;
- the Group's capital expenditure plans and ability to carry out those plans;
- the actions and developments of the Group's competitors;
- the Group's financial condition and performance;
- capital market developments;
- the Group's dividend policy;
- the regulatory environment of the industry and markets in which the Group operates;
- any changes in the laws, rules and regulations of the central and local governments in the PRC, Hong Kong and other relevant jurisdictions in which the Group operates and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Group's business;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and Hong Kong and the industry and markets in which the Group operates;
- various business opportunities that the Group may pursue;
- macroeconomic measures taken by the PRC government to manage economic growth;
- natural disasters, industrial action, terrorist attacks and other events beyond the Group's control;
- other risks associated with industries in which the Group operates; and

- other factors, including those discussed in "*Risk Factors*" below.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risk Factors*" below and elsewhere in this Offering Circular. Each of the Issuer and the Guarantor cautions investors not to place undue reliance on these forward-looking statements which reflect their managements' view only as at the date of this Offering Circular. None of the Issuer or the Guarantor undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

CONTENTS

	Page
SUMMARY	1
THE OFFERING	5
SUMMARY FINANCIAL INFORMATION OF THE GUARANTOR	10
RISK FACTORS	14
USE OF PROCEEDS	57
SUSTAINABLE FINANCE FRAMEWORK	58
TERMS AND CONDITIONS OF THE BONDS	65
SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM	86
CAPITALISATION AND INDEBTEDNESS	89
DESCRIPTION OF THE ISSUER	90
DESCRIPTION OF THE GROUP	91
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	126
PRC LAWS AND REGULATIONS	131
EXCHANGE RATE INFORMATION	143
TAXATION	145
DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS	149
SUBSCRIPTION AND SALE	151
GENERAL INFORMATION	156
INDEX TO THE FINANCIAL STATEMENTS	F-1

SUMMARY

The summary below is only intended to provide a very limited overview of information described in more detail elsewhere in this Offering Circular. This summary does not contain all the information that may be important to prospective investors in deciding to invest in the Bonds. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should read the entire Offering Circular, including the section entitled "Risk Factors" and the financial statements and related notes thereto, before making an investment decision.

OVERVIEW

The Guarantor (formerly known as Lianyungang Port Authority) was established in 1990 by the Lianyungang Municipal Government and has been the primary operator of Lianyungang Port since its establishment. In 2023, Lianyungang Port ranked 10th among seaports in China in terms of annual container traffic. Located in Lianyungang, a coastal city on the eastern coast of China in northern Jiangsu Province, Lianyungang Port was listed as one of the 27 primary ports in China and one of the 11 international hub ports in the National Comprehensive Three-dimensional Transportation Network Planning Outline (國家綜合立體交通網規劃綱要) issued in February 2021 by the Central Committee of the Communist Party of China and the State Council. As the port operator established to operate and develop Lianyungang Port, port operation is the fundamental business of the Group, providing the foundation for the Group to expand its businesses into other segments such as trade and logistics, construction engineering and other ancillary businesses. Serving as one of the most important operating platforms of Lianyungang City, the Group is the leading port operator in Lianyungang and has made substantial contribution to the promotion of Lianyungang Municipal Government's strategic plan of "Develop with Ports". The Guarantor also participates in major national investment projects on behalf of Jiangsu Province and Lianyungang City. As at 31 December 2023, the Guarantor had 96 subsidiaries. Jiangsu Lianyungang Port Co., Ltd. (江蘇連雲港港口股份有限公司) (Shanghai Stock Exchange stock code: 601008) ("**Lianyungang Port Company**"), one of the Guarantor's directly controlled subsidiaries, is a listed company with its shares listed on the Shanghai Stock Exchange. As at the date of this Offering Circular, the Guarantor is 89.51 per cent. owned by Lianyungang Industrial Investment Co., Ltd. (連雲港市產業投資有限公司), and ultimately controlled by Lianyungang Municipal Government.

The Group's business comprises the following business segments:

- **port operation:** as a port operator, the Group carries out key port operating duties such as cargo handling, storage service and port management;

- **trade and logistics:** the Group engages in trading of various commodities, primarily including iron ore, iron powder, steel, coke, alloy iron, chrome ore, chemicals, non-ferrous ore and calcined petroleum coke, among others. The Group also operates in ship financing agency, bonded warehousing, international and domestic shipping and cargo freight business as part of its trade and logistics business;

- **construction engineering:** the Group engages in the construction of piers and seawalls, sea bank protection, dredging and land reclamation; and

- **other ancillary businesses:** the Group also engages in leasing of ships and other assets, goods management services, agency business, communications, supplies, real estate and others.

For the years ended 31 December 2021, 2022 and 2023, the Group's operating income was approximately RMB14,663.48 million, RMB15,814.12 million and RMB16,532.52 million, respectively. During the same periods, the Group recorded operating profits of RMB484.39 million, RMB476.59 million and RMB554.10 million, respectively, and a net profit of RMB290.21 million, RMB299.21 million and RMB345.47 million, respectively.

RECENT DEVELOPMENTS

Change in Shareholder of the Guarantor

In November 2024, pursuant to the Reply of the Municipal Government on the Equity Transfer and Capital Contribution of Lianyungang Industrial Investment Co., Ltd. (Lian Zhengfu [2024] No. 47) (市政府關於連雲港市產業投資有限公司股權劃轉出資的批覆 (連政覆 [2024] 47號)), the Lianyungang Municipal Government made an announcement regarding the transfer of 89.51 per cent. of the equity interest of the Guarantor held by Lianyungang Port Holding Group Co., Ltd (連雲港港口控股集團有限公司) ("**Lianyungang Port Holding Group**") to Lianyungang Industrial Investment Co., Ltd. at nil consideration. On 22 November 2024, the Guarantor further announced the completion of such transfer and Lianyungang Industrial Investment Co., Ltd. subsequently became the direct shareholder of the Guarantor. As at the date of this Offering Circular, the Guarantor is directly held by China Development Fund Co., Ltd. and Lianyungang Industrial Investment Co., Ltd. as to 10.49 per cent. and 89.51 per cent. of equity interest, respectively. Lianyungang Industrial Investment Co., Ltd. is directly held by Lianyungang Port Holding Group and Lianyungang SASAC as to 56.95 per cent. and 43.05 per cent. of equity interest, respectively. As Lianyungang Port Holding Group is directly held by Lianyungang SASAC as to 92.56 per cent. of equity interest, Lianyungang SASAC remains the de facto controlling shareholder of the Guarantor. See "*Description of the Group — Corporate Structure*".

Transfer of a Subsidiary's Equity Interest Held by the Guarantor

In August 2024, the Guarantor entered into an agreement with Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司) ("**Shanghai International Port**") to transfer 18.00 per cent. of the equity interest of its subsidiary Lianyungang Port Company to Shanghai International Port at a total consideration of approximately RMB743.64 million. On 29 March 2025, the Guarantor obtained the Decision on Non-Prohibition of Anti-Monopoly Review of Concentration of Business Operators (經營者集中反壟斷審查不予禁止決定書) (Decision No. 2025 [199]) issued by the State Administration for Market Regulation, a decision on non-prohibition of the transfer of 18.00 per cent. of equity interest in Lianyungang Port Company held by the Guarantor to Shanghai International Port. The Guarantor will proceed to apply to the Shanghai Stock Exchange for compliance review. As at the date of this Offering Circular, the equity transfer is not completed. Upon the completion of such transfer, the Guarantor and Shanghai International Port will hold 40.76 per cent. and 18.00 per cent., respectively, of the equity interest of Lianyungang Port Company, and Shanghai International Port will become the second largest shareholder of Lianyungang Port Company. See "*Description of the Group — Competitive Strengths — The Group has benefitted from coordinating with the development of the Yangtze River Delta and promoting comprehensive strategic cooperation with Shanghai International Port*".

Financial Performance as at and for the Nine Months Ended 30 September 2024

The Guarantor prepared its unaudited and unreviewed consolidated financial results as at and for the nine months ended 30 September 2024 (the "**September 2024 Financial Information**") in accordance with applicable regulations in the PRC. The September 2024 Financial Information is not incorporated into the Offering Circular. Investors are cautioned against placing undue reliance on any information disclosed in the September 2024 Financial Information since none of such information has been subject to any audit or review by the Guarantor's auditors and there is no assurance that such unaudited and unreviewed financial information has the same quality as the information reported in the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2021, 2022 and 2023 included elsewhere in the Offering Circular. The September 2024 Financial Information should not be taken as indicative of the Guarantor's financial results for the full year ending 31 December 2024. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness and sufficiency of such unaudited and unreviewed consolidated financial results.

As at 30 September 2024, the Group's accounts receivable financing significantly increased as compared with 31 December 2023, primarily due to the increase in balance of notes receivable of the major banks. As at 30 September 2024, the Group's investment property significantly increased as compared with 31 December 2023, primarily due to an adjustment in accounting of leased land from intangible assets to investment property. As at 30 September 2024, the Group's non-current liabilities due within one year significantly increased as compared with 31 December 2023, primarily due to maturity of long-term indebtedness. For the nine months ended 30 September 2024, the Group's taxes and surcharges significantly increased as compared with the corresponding period in 2023, primarily due to the preferential policy of exemption of property and land tax during the pandemic, and the resumption of property and land tax payments. For the nine months ended 30 September 2024, the Group's non-operating income significantly decreased as compared with the corresponding period in 2023, primarily due to the SASAC's requirements to clear long-outstanding accounts payable, to which the Guarantor transferred such long-outstanding accounts payable that need not be settled to non-operating income.

Resignation of the Chairman of the Board of Directors of the Guarantor

According to the "Notice of the Municipal Government on the Appointment and Removal of Comrade Xue Fei and Others" (Lian Zheng Fa [2025] No. 5) (《市政府關於薛飛等同志職務任免的通知》(連政發[2025] 5號)) released by the Lianyungang Municipal Government, Mr. Yang Long resigned and ceased to serve as Chairman of the Board of Directors of the Guarantor on 6 January 2025. As at the date of this Offering Circular, the Lianyungang Municipal Government has yet to appoint Mr. Yang Long's successor and the position of Chairman of the Board of Directors of the Guarantor is currently vacant. The Lianyungang Municipal Party Committee shall select the new Chairman of the Board of Directors of the Guarantor, and the Lianyungang Municipal Government shall proceed to perform appointment procedures in accordance with the Guarantor's constituting documents and the relevant PRC laws and regulations. In the meantime, considering the need for the Guarantor to maintain normal day-to-day operations, the Lianyungang Municipal Party Committee Organization Department (連雲港市委組織部) announced on behalf of the Lianyungang Municipal Party Committee that Mr. Wang Guochao, the Vice-chairman of the Board of Directors and President of the Guarantor, will be fully responsible for coordinating the Guarantor's business operations. According to the articles of association of the Guarantor, the vacancy of the position of the Chairman of the Board of Directors of the Guarantor will not affect the convening of board meetings and/or the voting of the board of directors.

Yard Construction Projects under the Group's Port Operation Business Segment

As at September 2024, the Group commenced yard construction projects as a supplement to its port operation business segment. Such projects include Phase I of Dadi Work Zone Storage Yard (大堤作業區堆場一期工程) (360,000 square meters), Yuanda Cargo Yard Project (遠大貨場工程) (200,000 square meters), Phase I of Xugoudong Work Zone Storage Yard (墟溝東作業區物流場站工程) (260,000 square meters), and Lianyungang Bonded Logistics Center (連雲港保稅區物流中心) (337,200 square meters of general cargo yard, 64,000 square meters of loaded container yard, and 107,200 square meters of empty container yard).

COMPETITIVE STRENGTHS

- The Group plays a significant role in several national plans and strategies and receives, and expects to continue to receive, strong support from various levels of government.

- The Group benefits from an advantageous location and interacts with the economic hinterland to achieve effective utilization of the Longhai Line.

- The Group has benefitted from coordinating with the development of the Yangtze River Delta and promoting comprehensive strategic cooperation with Shanghai International Port.

- The Group has established and operated benchmark projects and such projects are demonstration of the PRC government's "Belt and Road" Initiative.

- Diversified financing channels and solid relationship with commercial banks enable the stable operation of the Group.

- Experienced core management team safeguards the operation and development of the Group.

- The Group's high-quality infrastructure facilities provide a solid foundation for its further growth.

- The Group has been promoting the construction of "Green Port" pursuant to the national commitment to emission reduction.

- Leveraging the advantageous resources and developed facilities in Lianyungang Port, the Group has secured a sustainable business growth.

BUSINESS STRATEGIES

- New Blueprint for Coordinated Development of the Group's Four Major Business Segments

- Enhance Its Professional Capacity in Terms of Container Terminals

- Extend and Expand Coverage of Its Sea Routes Network

- Strengthen Its Port Operation Business

THE OFFERING

The following contains some summary information about the Bonds and is qualified in its entirety by the remainder of this Offering Circular. The terms and conditions of the Bonds prevail to the extent of any inconsistency set forth in this section. This summary is not intended to be complete and does not contain all of the information that is important to an investor. Words and expressions defined in "Terms and Conditions of the Bonds" and "Summary of Provisions relating to the Bonds in Global Form" shall have the same meanings in this summary. For a comprehensive description of the terms and conditions of the Bonds, see the section entitled "Terms and Conditions of the Bonds" in this Offering Circular.

Issuer	Shanhai (Hong Kong) International Investments Limited.
Guarantor	Lianyungang Port Group Co., Ltd. (連雲港港口集團有限公司).
Guarantee	The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Issue	U.S.$310,000,000 4.85 per cent. guaranteed bonds due 2028.
Issue Price	100.0 per cent.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of U.S.$200,000 and in integral multiples of U.S.$1,000 in excess thereof.
Interest	The Bonds will bear interest on their outstanding principal amount from and including 24 April 2025 at the rate of 4.85 per cent. per annum, payable semi-annually in arrear on 24 April and 24 October in each year, commencing on 24 October 2025.
Issue Date	24 April 2025.
Maturity Date	24 April 2028.
Status	The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a) of the Terms and Conditions of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.
Negative Pledge	The Bonds will contain a negative pledge provision as further described in "*Terms and Conditions of the Bonds — Negative Pledge*".

Events of Default	The Bonds will contain certain events of default provisions as further described in "*Terms and Conditions of the Bonds — Events of Default*".
Cross-Acceleration	The Bonds will contain a cross-acceleration provision as further described in Condition 9(c) of the Terms and Conditions of the Bonds. See "*Terms and Conditions of the Bonds — Events of Default — Cross-Acceleration*".
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the rate applicable on 15 April 2025, the Issuer or, as the case may be, the Guarantor will, subject to the limited exceptions specified in "*Terms and Conditions of the Bonds — Taxation*", increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amount which would otherwise have been receivable by them had no such withholding or deduction been required.
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.

Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent and subject to compliance with any other applicable provisions set out in the Trust Deed and/or the Agency Agreement, at their principal amount together with interest accrued to but excluding the date fixed for redemption, if the Issuer and/or the Guarantor (as the case may be) satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any final judgment or order of a court of competent jurisdiction), which change or amendment becomes effective on or after 15 April 2025, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. Please see "*Terms and Conditions of the Bonds — Redemption and Purchase — Redemption for Taxation Reasons*".
Redemption for Relevant Events .	At any time following the occurrence of a Relevant Event, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration or No Filing Event) of their principal amount, together with interest accrued and unpaid to but excluding such Put Settlement Date. Please see "*Terms and Conditions of the Bonds — Redemption and Purchase — Redemption for Relevant Events*".
Clearing Systems	The Bonds will be represented initially by beneficial interests in the Global Certificate in the registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, individual certificates for the Bonds will not be issued in exchange for interests in the Global Certificate.

Governing Law	English law.
Jurisdiction	Hong Kong courts.
Trustee	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Principal Paying Agent and Transfer Agent	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Registrar	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Listing	Approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Bonds, the Issuer, the Guarantor, the Group or the quality of disclosure in this Offering Circular. Approval in-principle has been received for the Bonds to be recognised under the SGX Sustainable Fixed Income initiative on the SGX-ST. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Bonds will satisfy any investor's expectations or requirements on its sustainability-related performance or impact and does not imply that this Offering Circular or any other document(s) of a similar nature prepared by the Issuer and/or the Guarantor and/or the Bonds or any other products in relation thereto are verified, endorsed, sponsored, guaranteed or recommended by SGX-ST and/or its affiliates, and the SGX-ST may remove the recognition from the Bonds at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the SGX website. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).
Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing for complying with the requirements set out in the Terms and Conditions of the Bonds in relation to the NDRC Post-issue Filing and the Cross-Border Security Registration) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, as further described in Condition 15 of the Terms and Conditions of the Bonds.
Use of Proceeds	See the section entitled "*Use of Proceeds*".

ISIN	XS3043705998.
Common Code	304370599.
Legal Entity Identifier of the Issuer	300300D8WPVL1SP9AS22.
Selling Restrictions	The Bonds and the Guarantee have not been and will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. Subject to certain exceptions, the Bonds may not be offered or sold within the United States. The Bonds are being offered only outside the United States in reliance on Regulation S under the Securities Act. See "*Subscription and Sale*".
Ratings	The Bonds are expected to be assigned a rating of BBB by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Sustainable Finance Framework .	The Bonds are being issued in accordance with and under the sustainable finance framework of the Issuer. See the section entitled "*Sustainable Finance Framework*".

SUMMARY FINANCIAL INFORMATION OF THE GUARANTOR

The following tables set forth the summary consolidated financial information of the Guarantor as at the dates and for the periods indicated.

The summary audited consolidated financial information as at and for the years ended 31 December 2021, 2022 and 2023 set forth below is extracted from and should be read in conjunction with the Audited Financial Statements. The Audited Financial Statements have been audited by Suya Jincheng and included elsewhere in this Offering Circular.

The Audited Financial Statements were prepared and presented in accordance with PRC GAAP. PRC GAAP differs in certain material respects from IFRS. See "Description of Certain Differences Between PRC GAAP and IFRS". Accordingly, potential investors must exercise caution when using such consolidated financial statements to evaluate the Group's financial condition and operations.

MOF had promulgated the New Accounting Standards and Requirements and certain financial figures, information, classifications and/or measurements in the Audited Financial Statements were adjusted as a result of the promulgation of the New Accounting Standards and Requirements. Please see "Notes to Financial Statements — III. Significant Accounting Policies, Accounting Estimates — 5. Preparation of consolidated financial statements" of the 2023 Audited Financial Statements for further information. As a result, the presentation of certain accounting items in the 2023 Audited Financial Statements may not be comparable to the financial information in the consolidated financial statements of the Guarantor for the previous periods. See "Risk Factors — Historical financial information of the Guarantor may not be indicative of its current or future results of operations."

The Audited Financial Statements have been prepared in Chinese and in English. Only the English version of the Audited Financial Statements has been included in this Offering Circular. Should there be any inconsistency between the Chinese version and the English version of the Audited Financial Statements, the Chinese version of the Audited Financial Statements shall prevail. The Chinese version of the Audited Financial Statements is available at the following website: https://iftp.chinamoney.com.cn/. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them has independently verified or checked the accuracy of the Chinese version of the Audited Financial Statements and can give no assurance that the information contained therein is accurate, truthful or complete.

SUMMARY CONSOLIDATED BALANCE SHEET DATA

	As at 31 December		
	2021	2022	2023
	(RMB'000)	(RMB'000)	(RMB'000)
Current assets:			
Cash and cash equivalents	3,238,703	4,227,465	4,877,668
Financial assets held for trading	20,000	2,976	–
Notes receivable	436,177	377,031	255,212
Accounts receivable	5,275,372	4,952,086	5,257,487
Accounts receivable financing	168,545	65,347	53,145
Prepayment	1,429,064	1,565,759	1,481,467
Other receivables	9,364,827	9,949,722	11,645,015
Inventories	2,900,780	3,254,028	3,751,767
Other current assets	856,300	383,076	339,299
Total current assets	**23,689,769**	**24,777,490**	**27,661,061**
Non-current assets:			
Long-term receivables	185,871	190,365	208,630
Long-term equity investments	1,686,702	1,834,568	1,891,120
Investment in other equity instruments	37,179	46,490	42,663
Other non-current financial assets	85,508	211,273	290,623
Investment property	776,270	755,355	732,378
Fixed assets	14,914,985	15,401,751	15,047,595
Construction in progress	19,453,790	22,682,748	24,985,132
Right of use assets	117,472	16,515	23,963
Intangible assets	3,204,519	3,135,367	3,105,552
Long-term deferred expenses	195,613	270,100	244,888
Deferred tax assets	282,384	272,604	245,989
Other non-current assets	325,737	326,466	326,653
Total non-current assets	**41,266,030**	**45,143,601**	**47,145,185**
Total assets	**64,955,799**	**69,921,091**	**74,806,246**
Current liabilities:			
Short-term loans	8,272,536	9,189,574	8,629,540
Notes payables	1,266,204	1,684,369	1,305,850
Accounts payables	1,583,018	1,557,637	1,725,436
Contract liabilities	310,942	578,135	726,072
Employee benefits payable	97,705	115,569	127,569
Taxes payable	151,361	137,032	108,453
Other payables	583,427	547,220	771,714
Non-current liabilities due within one year	9,456,259	9,357,823	7,304,268
Other current liabilities	1,752,433	5,545,716	3,334,228
Total current liabilities	**23,473,885**	**28,713,075**	**24,033,131**
Non-current liabilities:			
Long-term loans	9,564,415	8,751,469	14,960,291
Bonds payable	9,214,885	9,373,284	11,786,862
Lease liabilities	132,899	15,219	10,916
Long-term payables	4,509,619	4,730,276	3,898,453
Provision	10,089	15,430	15,614
Deferred revenue	33,696	44,137	107,450
Deferred tax liabilities	10,846	24,180	25,405
Total non-current liabilities	**23,476,449**	**22,953,993**	**30,804,990**
Total liabilities	**46,950,333**	**51,667,067**	**54,838,121**

	As at 31 December		
	2021	2022	2023
	(RMB'000)	(RMB'000)	(RMB'000)
Owners' equity (or shareholders' equity):			
Share capital	7,820,000	7,820,000	7,820,000
Other equity instruments	1,166,500	715,480	3,000,000
Including: Sustainable debt	1,166,500	715,480	3,000,000
Capital reserves	3,407,029	4,724,573	4,405,115
Other comprehensive income	-25,867	-197,172	-55,541
Special reserves	82	82	268
Surplus reserves	7,610	7,610	7,610
General risk preparedness	29,170	29,170	29,170
Undistributed profits	176,527	173,962	166,485
Total equity attributable to owners of the parent company	12,581,051	13,273,705	15,373,107
Non-controlling interests	5,424,415	4,980,318	4,595,018
Total owners' equity (or shareholders' equity)	**18,005,465**	**18,254,024**	**19,968,125**
Total liabilities and owners' equity	**64,955,799**	**69,921,091**	**74,806,246**

SUMMARY CONSOLIDATED INCOME STATEMENT DATA

	For the year ended 31 December		
	2021	2022	2023
	(RMB'000)	(RMB'000)	(RMB'000)
Total operating income	**14,663,482**	**15,814,119**	**16,532,522**
Less: Operating costs	12,885,939	13,635,752	13,981,675
Taxes and surcharge	65,038	31,497	32,392
Selling and distribution expenses	4,484	3,380	3,632
Administrative expenses	969,390	1,038,271	1,021,389
Research and development expenses	80,140	78,355	76,039
Financial expenses	1,270,079	1,374,018	1,424,780
Including: Interest expense	1,327,186	1,442,441	1,488,399
Interest income	134,591	102,518	86,362
Add: Other income	273,207	172,910	445,131
Investment income ("-" for losses)	820,218	690,505	126,191
Gains from changes in fair value ("-" for losses)	8,695	-1,263	1,263
Credit impairment loss ("-" for losses)	-33,926	-49,519	-38,443
Impairment loss of assets ("-" for losses)	-102	–	32
Gains from disposal of assets ("-" for losses)	27,889	11,109	27,309
Operating profits ("-" for losses)	**484,393**	**476,587**	**554,097**
Add: Non-operating income	23,290	18,333	27,453
Less: Non-operating expenses	16,967	32,948	29,480
Total profits before tax ("-" for total losses)	**490,716**	**461,973**	**552,070**
Less: Income tax expenses	200,506	162,766	206,597
Net profit ("-" for net loss)	**290,210**	**299,207**	**345,473**
Net profit from continuing operation ("-" for losses)	290,210	299,207	345,473
Attributable to owners of the parent company	60,374	55,580	52,523
Attributable to non-controlling interests	229,836	243,626	292,949
Net of income tax effect of other comprehensive income	38,980	-171,305	141,631
Net of income tax effect of other comprehensive income attributable to owners of the parent company	38,980	-171,305	141,631
Other comprehensive income items which will not be reclassified subsequently to profit or loss	2,726	6,983	-2,870
Changes in fair value of other equity instrument investments	2,726	6,983	2,870
Other comprehensive income items which will be reclassified subsequently to profit or loss	36,254	-178,288	144,501
Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	-1,501	–	3,974
Translation differences arising on translation of foreign currency financial statements	37,754	-178,288	140,526
Total comprehensive income	**329,190**	**127,902**	**487,104**
Total comprehensive income attributable to owners of the parent company	99,354	-115,725	194,154
Total comprehensive income attributable to non-controlling interests	229,836	243,626	292,949

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks relating to the Group, its business, the market in which the Group operates and the value of Bonds. Some risks may be unknown to the Issuer, the Guarantor or the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations or prospects of the Issuer, the Guarantor and the Group or the value of the Bonds. The Issuer and the Guarantor believe that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the ability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Bonds may be affected by some factors that may not be considered as significant risks by the Issuer, the Guarantor or the Group based on information currently available to them or which they are currently unable to anticipate. All of these factors are contingencies which may or may not occur, and none of the Issuer, the Guarantor or the Group is in a position to express a view on the likelihood of any such contingency occurring. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.

Neither the Issuer nor the Guarantor represent, that the statements below regarding the risk factors of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO THE GROUP AND ITS BUSINESSES

The Group's businesses may be affected by regional and global economic, financial and political conditions.

As a port operator, the Group carries out key port operating duties such as cargo handling, storage service and port management. Such services are required by shipping line operators for the transportation of containerised cargo by sea between overseas and regional economies. The Group is also involved in the trading of various commodities and operates in ship financing agency, bonded warehousing, international and domestic shipping and cargo freight business, as part of its trade and logistics business. The Group may be unfavourably impacted by adverse economic conditions, including uncertainties and instability in global market conditions.

There continues to be uncertainty as to the global economy in general, the decrease in consumer demand and the impact of such financial stress and uncertainty on the PRC economy. The Group's business activities are concentrated in the PRC, therefore the Group's operations, revenue, performance and future growth depend, to a large extent, on the continued growth of the markets in the PRC. The reduced demand for exports produced in the PRC, reduced levels of foreign and domestic investment in the PRC, and decreased consumer confidence, may result in a slowdown in growth in the markets of the PRC. This may lead to reduced demand for certain of the Group's products and services, which could in turn have an adverse effect on the Group's businesses, financial condition and operating results, as well as the Group's future prospects. The Group's primary port operation business and trade and logistics business may be affected by the performance and growth of regional and international trading economies. In addition, the global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions. There also remains a concern that the debt crisis in Europe will impinge upon the health of the global financial system. In addition, the U.S. government's policies may create uncertainty for the global economy and financial markets. The United States and the PRC have been involved in controversy over trade barriers that have triggered the implementation or proposed implementation of tariffs on certain imported products into the two countries. On 1 February 2025, the U.S. President Donald J.

Trump signed an executive order announcing the imposition of additional tariffs of 10 per cent. on products of China. The additional tariffs went into effect from 4 February 2025 (eastern time). On 3 March 2025, the U.S. President Donald J. Trump issued a new executive order increasing the 10 per cent. tariff on all imports from China to 20 per cent. taking effect on 4 March 2025, which might be subject to potential further changes as the executive order states that Trump may raise the tariffs further if China retaliates. For example, on 2 April 2025, the U.S. President Donald J. Trump further announced sweeping tariffs on global trade partners. The new measures include a universal 10 percent "minimum base tariff" on all imported goods along with higher reciprocal tariffs targeting certain of the United States' largest trading partners. China faces one of the steepest tariffs, with being imposed an additional 34 per cent. duty. This is on top of the existing 20 per cent. tariff introduced in the two rounds earlier, bringing the total tariff rate on Chinese goods to 54 per cent. More recently, the global financial markets also have experienced significant volatility as a result of hostilities, political or social tensions involving Russia (including the invasion of Ukraine by Russia and ensuing actions that the United States and other countries have taken or may take in the future) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets. These and other related events have had a significant impact on the global credit and financial markets. The global credit crunch has adversely affected the global shipping and trading industries, as liquidity problems in the international banking sector have reduced the availability of credit, making the financing of shipments and trade more difficult.

The military conflicts between the Russian Federation and Ukraine ("**Russia-Ukraine Conflict**") started in early 2022 and has led to further increases in the prices of oil, energy, and other commodities as well as increased volatility in the global financial markets, giving rise to regional instability. The United States, United Kingdom and other jurisdictions have imposed severe economic sanctions and export controls against Russia and Russian interests, removed Russia from the SWIFT system and have warned there may be additional sanctions and controls in response to the Russian-Ukraine Conflict. There continues to be uncertainty as to the impact of these measures and responses to them from Russia, as well as their impacts on the global financial markets and in turn the PRC financial market. The Russia-Ukraine Conflict and the international sanctions put in place as a result could materially and adversely impact macroeconomic conditions, giving rise to regional instability in the PRC and affect the Group's business, financial condition, results of operations and prospects.

Decreases in imports and exports or reduced trading patterns caused by these or other circumstances may adversely affect the business, financial condition, results of operations and prospects of the Group, including causing:

- decreased throughput and use of ancillary services;
- a negative impact on the ability of the customers of the Group to pay the Group, thus reducing the Group's cash flows;
- decreased demand for certain products which the Group trades;
- increased rates of trade credit default by customers; and
- the likelihood that one or more of the Group's banking syndicates or insurers may not honour their commitments to the Group.

Other factors impacting the performance and growth of regional and international trading economies may also affect the business of the Group. For example, the U.S. and PRC had in the past made various announcements or threats to increase tariffs on goods from the other country. Such trade dispute or potential of future trade disputes between the PRC and the U.S., or any trade restrictions, sanctions, embargoes, boycotts, trade measures, exchange controls, currency fluctuations, labour strikes, trade disputes, weather patterns, epidemics, terrorism, changes in seaborne and other transportation patterns may have an adverse effect and cause continuing uncertainty for the overall prospects of the global and international trading economies.

The Group's business and assets are substantially located in Lianyungang and may be materially and adversely affected by adverse or unfavourable events affecting Lianyungang and Lianyungang Port.

The Group mainly engages in the operation of the port of Lianyungang (the "**Lianyungang Port**"). Its trading and logistics business is also largely reliant on the facilities and operation of Lianyungang Port, and it also carries out construction engineering projects in Lianyungang Port. Therefore, its business, financial condition, results of operations and prospects may be materially and adversely affected by adverse or unfavourable events affecting Lianyungang and Lianyungang Port.

For the year ended 31 December 2023, Lianyungang's gross domestic product was approximately RMB436.36 billion, increased by 10.2 per cent. compared with the previous year. The favourable economic growth of Lianyungang has in turn driven the development of Lianyungang Port. The Group has capitalised on the steady economic growth of Lianyungang and the rapid development of Lianyungang Port, in order to grow and develop its business. However, there can be no assurance that the level of economic development in Lianyungang will continue to grow at the same rate as in the past, or at all. In the event of any slowdown in the level of economic activity in Lianyungang, the development of Lianyungang port may be adversely affected. Further, the PRC government (including the Lianyungang Municipal Government) is not an obligor and shall under no circumstances have any obligation arising out of or in relation to the Bonds or the Guarantee. See also "*Risks relating to the Bonds and the Guarantee — The PRC government has no payment or other obligations under the Bonds or the Guarantee.*"

In addition, other material adverse events including changes in the regulatory environment, changes in government development plans and policies for Lianyungang and Lianyungang Port, a decrease in investor confidence in Lianyungang and Lianyungang Port, and disasters, whether natural or otherwise, may affect the development of Lianyungang and Lianyungang Port. There are many factors influencing the PRC government's development plans and policies in relation to Lianyungang Port, such as national and regional policies affecting the development of different industries and fiscal and monetary policies. Government budget and spending are also affected by government income and the general economic conditions in the PRC and Lianyungang. Any slowdown in the economic growth in the PRC or Lianyungang may adversely affect the PRC government's development plans and policies, causing it to reduce its budget and spending on the development of Lianyungang and Lianyungang Port.

Due to the concentration of the Group's business in Lianyungang and within Lianyungang Port, the Group may not be able to effectively manage potential losses arising from the occurrence of any of the above events, which could, therefore, lead to a material and adverse effect on the Group's business, financial condition and results of operations.

The Group's businesses are subject to various laws, regulations and government policies. Any changes to laws, regulations or government policies may have a material adverse effect on the Group's business and operations.

The Group's businesses are subject to the laws, regulations and policies of the PRC. The Group's businesses may be materially and adversely affected if the Group fails to comply with the laws and regulations applicable to its businesses. In particular, the PRC government has promulgated a number of industry regulations that affect the Group's port operations. Port operators are required to obtain licenses and to comply with stringent regulations regarding, amongst other things, operational management, supervision, inspection and the loading, unloading and storage of hazardous goods. If the Ministry of Transport of the PRC or any other competent authority issues new regulations or implements policies that requires the Group to adjust its port operations, the Group's business and operations could be adversely affected. In addition, such laws, regulations and policies may be subject to changes of substance or interpretation that could adversely affect the Group's businesses. These may include tariffs, trade barriers, licences, approvals, health and safety and environmental regulations, taxation, exchange controls, employment legislation, and other matters, which may be imposed at both national and local government levels. Compliance with such laws and regulations may require the Group to incur significant

capital expenditure or may impose other obligations or liabilities which could create a substantial financial burden on it. In addition, control by the authorities over various aspects of the Group's businesses may impose significant constraints on the Group's ability to implement its business strategies, to develop or expand the Group's business operations or to maximise the Group's profitability.

The PRC government subsidies received by the Group may be reduced or cease completely, substantially reducing the Group's profit or resulting in losses for the Group.

The Group recorded net profits of RMB290.21 million, RMB299.21 million, and RMB345.47 million for the years ended 31 December 2021, 2022 and 2023, respectively. For the same periods, the Group relied substantially on its non-operating income to maintain its overall profitability. Such non-operating income included income from the disposal of assets and income in the form of government subsidies. For the years ended 31 December 2021, 2022 and 2023, the Group recorded government subsidies under other income of RMB265.92 million, RMB156.97 million and RMB433.33 million, respectively.

Decisions to provide government subsidies, grants or other forms of financial support to the Group depend on the fiscal revenue and fiscal policies of the Lianyungang Municipal Government, the Jiangsu Provincial Government and the PRC central government, which are beyond the control of the Group. There is no guarantee that the PRC government will continue to provide subsidies, grants or other forms of financial support to the Group in a timely manner or at all, or that the Group will be able to consistently sustain operating profitability or net profitability in the future.

The Group may cease to enjoy preferential tax treatment and tax exemptions, the loss of which, or a reduction in which, could reduce the Group's profits.

The Group enjoys various favourable policies in respect of VAT, enterprise income tax and cargo port management fee implemented by the Lianyungang Municipal Government. However, there is no assurance that the preferential tax treatment will not be withdrawn or revoked by the PRC government or become inapplicable before the expiry of the current exemption term. If the Group ceases to enjoy such preferential tax benefits or if the scope of the preferential treatment is scaled back, the Group's financial condition and results of operations may be adversely affected.

Further, there is no assurance that the Group will continue to receive the same preferential tax treatments or government grants, since the relevant government policies may change over time. Any loss or reduction in preferential tax treatments or government grants could have an adverse effect on the Group's results of operations, prospects and financial position.

Lianyungang SASAC can exert significant influence on the Group, and could cause the Group to make decisions or change the scope of its business activities, or impose new obligations on the Group, which may not be in the Group's best interest.

The Guarantor is 89.51 per cent. owned by Lianyungang Industrial Investment Co., Ltd., which is controlled by Lianyungang SASAC. See "*Description of the Group — Recent Developments*". Accordingly, the Lianyungang SASAC is in a position to significantly influence the Group's major business decisions and strategies, including but not limited to the scope of its business activities, investment decisions and dividend policy.

There can be no assurance that Lianyungang SASAC would always take actions that are in the Group's best interest or that aim to maximise the Group's profits. Lianyungang SASAC may use its ability to influence the Group's business and strategy in a manner beneficial to Lianyungang or the Jiangsu Province as a whole, but which may not necessarily be in the Group's best commercial interest. For example, Lianyungang SASAC may direct the transfer of existing or future assets owned by the Group and/or equity interests held by the Guarantor in its subsidiaries to other entities which are not subsidiaries of the Group. Such government directed transfer of asset or equity interests owned by the Group may be conducted at nil consideration or may not be conducted at arm's length basis reflecting such asset's fair

market value. Should such events occur, any such transfer could adversely affect the Group's financial condition, cash flows, and results of operations, which may in turn adversely affect the Guarantor's or the Issuer's ability to perform its obligations under the Bonds. In case such government directed transfers of asset or equity interests occur, potential investors should be aware that such events may not constitute an Event of Default under Condition 9(h) of the Terms and Conditions of the Bonds.

The Lianyungang SASAC may also change its policies, intention, preferences, views, expectations, projections, forecasts and opinions as a result of changes in the PRC's economic, political and social environment, its projections of population and employment growth; any such change may have a material effect on the Group's business and prospects. Any amendment, modification or repeal of existing policies of the Lianyungang SASAC could result in a modification of the existing regulatory regime which, in turn, could have a material adverse effect on the Group's financial condition and results of operations.

The Group may be involved in public interest projects, which may have a material and adverse effect on the Group's financial condition and results of operations.

The Guarantor is 89.51 per cent. owned by Lianyungang Industrial Investment Co., Ltd., which is controlled by Lianyungang SASAC. As such, it may be required from time to time to engage and participate in projects which are principally motivated by public interest considerations. Public interest projects and semi-public interest projects may not be commercially viable, and the Group may not be able to recover its investment or achieve financial returns in a commercially desirable time frame, if at all. The Group has received various financial support from the government for such government-sponsored projects. However, such financial support may not always be available due to the government's liquidity, budgeting priority and other considerations. In addition, such financial support may not be sufficient to cover the Group's investment. Furthermore, the Group has limited resources, and engagement in such projects may reduce its ability to participate in other profit-generating enterprises. The Group cannot make any assurances that it may not be involved in public interest projects in the future, and, to some extent such engagement may not be commercially profitable. There can be no assurance that the Group's results of operations, business and financial condition will not be adversely affected as a result.

The Group is exposed to risks associated when entering into contracts with the PRC government and other public organisations, and its performance may be significantly affected by government spending on infrastructure and other projects.

The Group's customers include agencies or entities owned or otherwise controlled by the PRC government. To the extent that the Group's projects are funded or paid by such agencies or entities, they may be subject to delays or changes as a result of the changes in the PRC government's budgets, or of other policy considerations. The PRC government's spending on infrastructure and other construction projects has historically been, and will continue to be, cyclical in nature and vulnerable to fluctuations in the PRC's economic conditions and changes in the PRC government's policies. The Group has exposure to the risks associated with contracting with public organisations. In addition, any disputes with PRC governmental entities and other public organisations could potentially lead to contract termination if unresolved, or may take a considerably longer period of time to resolve than disputes with counterparties in the private sector, and payments due to the Group from these entities and organisations may be delayed as a result. In some circumstances, PRC governmental entities and public organisations may require the Group to change its construction methods, equipment or other performance terms, or direct the Group to reconfigure its designs or services for the relevant project, or undertake additional obligations, or change other contractual terms, resulting in increased costs. Resolution of any disagreement with PRC governmental entities and public organisations with respect to such changes may be time-consuming and may also cause the Group to incur additional costs. Changes in governmental budgets and policies relating to the Group's projects could also result in delays in project commencement or completion, adverse changes to such projects or a withholding of, or delay in, payment to the Group. If a government entity or other public organisation terminates a contract with the Group, the Group's order book could be reduced, and the Group's business plans may be adversely affected.

The Group has substantial indebtedness as well as contingent liabilities, and may incur further additional indebtedness and contingent liabilities in the future.

The Group has relied, and expects to continue to rely, on substantial amounts of short-term and long-term borrowings to fund a significant portion of its capital requirements. As at 31 December 2023, the Group's total indebtedness (comprising short-term loans, long-term loans due within one year, bonds payable due within one year, long-term payable due within one year, short-term payable bonds, long-term loans, bonds payable and finance lease payable) amounted to RMB49,104.06 million. The level of both long-term and short-term borrowings may also continue to increase in the future as the Group continues to use external borrowings to fund its capital expenditures. Such indebtedness could have significant consequences, including the following:

- adversely affecting the Group's corporate credit rating;
- exposing the Group to risks arising from increases in interest rates;
- limiting the Group's ability to satisfy its obligations under their debts;
- increasing the Group's vulnerability to adverse general economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flow from operations to servicing and repaying such indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Group's flexibility in planning for, or reacting to, changes in its businesses and the industries in which it operates;
- placing the Group at a competitive disadvantage compared with its competitors that have less debt;
- limiting, along with the financial and other restrictive covenants of the relevant subsidiary's indebtedness, amongst other things, the Group's ability to borrow additional funds; and
- increasing the cost of additional financing.

Furthermore, if the Group is unable to comply with the restrictions and covenants in its current or future debt and other agreements, there could be a default under the terms of such agreements. In the event of a default under such agreements, the holders of the debt could terminate their commitments to lend to the Guarantor or the relevant subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered into by the Guarantor or its subsidiaries contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of debt or result in a default under other debt agreements. If any of these events occur, there is no assurance that the Group's assets and cash flow would be sufficient to repay in full all of such indebtedness, or that the Group would be able to find alternative financing on acceptable terms or at all.

Additionally, the Group's ability to meet its respective payment and other obligations under its outstanding debt depends on the Group's ability to generate cash flows in the future or to refinance such debt. There is no assurance that the Group's operations will generate sufficient cash flows from operations to satisfy its obligations under the Group's outstanding debt and to fund other liquidity needs. For the years ended 31 December 2021, 2022 and 2023, the Guarantor has experienced net cash outflow from investment activities mainly due to a decrease in dividends paid out to the Group and an increase in investment expenditure to meet the needs of the Group's construction engineering projects. If the Group is not able to generate sufficient cash flows to meet such obligations, the Group may need to refinance or

restructure its debt, reduce or delay capital investments, or seek additional equity or debt financing. A shortage of financing, or a reduction in cash generated from financing activities, could in turn impose limitations on the Group's ability to plan for, or react effectively to, changing market conditions or to expand through organic and acquisitive growth, thereby reducing the Group's competitiveness. There is no assurance that future financing will be available to the Group on acceptable terms, or at all. The Group's debt-to-asset ratio may continue to rise, which would materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group may not have access to external financing, or may not have such access on acceptable terms, and its growth prospects and future profitability may be adversely affected as a result.

The Group's core businesses require substantial capital investment. As at 31 December 2023, the Group had an amount of approximately RMB26.74 billion of outstanding bank loans and approximately RMB18.78 billion of outstanding debt securities issued in the PRC and RMB3.00 billion of perpetual bonds. The Group will continue to require additional capital resources to carry out its businesses in various sectors, in particular, its port operation, trade and logistics and construction engineering projects.

The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including:

- general economic and capital market conditions;
- changes in monetary policies with respect to bank interest rates and lending policy;
- interest rates and credit availability from banks or other lenders;
- investor confidence in the Group and success of the Group's businesses;
- the Group's ability to obtain the PRC government approvals required to access domestic or international financing;
- provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital; and
- political and economic conditions in the rest of the PRC generally.

As at 31 December 2023, the Group had credit facilities amounting to approximately RMB36,373.50 million in aggregate, of which approximately RMB12,710.30 million had not been utilised. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. If the Group is unable to obtain financing on a timely basis and at a reasonable cost, it may not be able to undertake new projects or implement them as planned. This would restrict the Group's ability to grow and, over time, may reduce the quality and reliability of the service it provides, and may adversely affect the Group's business, financial condition and results of operations. See "*Risks relating to the Group and its Businesses — The Group has substantial indebtedness as well as contingent liabilities, and may incur further additional indebtedness and contingent liabilities in the future*."

The imposition or increase in the level of trade barriers, restrictions on exports or imports or trade disputes with principal trading partners of the PRC and the Group may adversely affect the Group.

The Group is subject to risks relating to changes in trade policies, tariff regulations, embargoes or other trade restrictions adverse to its customers' businesses. Actions by governments that result in restrictions on movement of cargoes or otherwise could affect international trade and reduce the volume of

shipments. In addition, disruptions in international trade and political issues, tensions and conflicts may cause delays and interruptions to cross-border transportation and result in limitations on the Group's insurance coverage. Such policies, embargoes and other restrictions affecting the Group's ability to transport and deliver cargoes may have a material adverse effect on the Group's business, financial condition and results of operations. The Group's trading and logistics business may also be adversely affected by such trade tariffs and trade barriers.

The Group may be subject to stringent export and security requirements and its operations and business dealings may be subject to sanction risks.

As a result of increased terrorist activity and security concerns, there is a global move towards stringent inspection procedures and tighter import and export controls and security requirements. The costs associated with existing and any additional or updated security measures may adversely affect the financial condition and results of operations of the Group to the extent that the Group is unable to recover the full amount of such costs from its customers, who generally have also faced increased security-related costs. Similarly, additional security measures that require the Group to increase the scope of its screening procedures may effectively reduce the capacity of, and increase congestion at, Lianyungang Port, which may negatively affect the business, financial condition, results of operations and prospects of the Group.

The Group is required to comply with the relevant PRC customs standards in respect of the cargo handled by Lianyungang Port. When any transport vehicle, including vessels, transports imported or exported cargo for international trade, such cargo needs to clear customs, and the person in charge of the vehicle must make an accurate declaration to the customs office, submit the required paperwork for examination and accept control and examination by the customs office. The vehicle for transporting imported or exported cargo for international trade may not be released from the custody of the customs office without the office's permit. Both importers and exporters must make an accurate declaration and submit the import or export licensing documents and the relevant paperwork to the customs officials for examination. In the absence of import or export licensing documents, goods subject to import or export restrictions by the PRC government will not be released. If one of these vessels or cargo were to be released before fulfilling these requirements, a penalty may be imposed upon the Group, and it may be subject to the confiscation of income, if any, from these illegal actions, which may adversely affect the Group's business, financial condition and results of operations.

In addition, there can be no assurance that Lianyungang Port or the cargo that passes through Lianyungang Port will not be affected by breaches in security or acts of terrorism. Any security breach or act of terrorism that occurs at Lianyungang Port could result in significant losses for the Group or subject the Group to significant liability, including the risk of litigation and loss of goodwill, if it were determined that the Group did not take reasonable measures to prevent such events. Any failure by the Group in managing the costs involved in complying with these requirements could also have a material adverse effect on the Group's financial condition and business operations.

Furthermore, the Group's port operation business may be affected by trade and economic sanctions or other restrictions imposed by the United States or other governments or organisations, including the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the Hong Kong Monetary Authority, the United Nations, the European Union and their member countries. If it were determined by the relevant governments or organisations that the Group's cargo handling services were carried out in violation of any trade or economic sanctions, the Group could be subject to sanctions or other penalties by such governments or organisations, and its business, results of operations and financial condition may be materially and adversely affected. In addition, the Group may be the subject of negative media or investor attention in respect of any business activities which involve sanctioned countries, individuals or goods, which may harm the Group's reputation and could have a negative impact on the Group's business, financial condition and results of operations.

The Group, as a port operator, is reliant on the cargo declarations made by the cargo agents and permits issued by the PRC Ministry of Commerce, General Administration of Customs and Marine Safety Administration to determine the origin and destination of the cargo, and is unable to independently verify the accuracy or completeness of the declarations made by its customers in respect of the cargo. Furthermore, the trade and economic sanctions are evolving and there can be no guarantee that the Group's future operations and business dealings will not be materially and negatively impacted by any changes in the economic sanctions or their interpretation, implementation and enforcement.

If the Group is unable to obtain or renew its port operating permit or if such permit is revoked, the Group's business, financial condition and results of operations may be adversely affected.

In the PRC, conducting port operations requires approval from the PRC government. The Group's operations are pursuant to the port operation permits issued by the relevant port authorities. The Port Law of the PRC (中華人民共和國港口法) and other relevant regulations authorise the port authorities to impose penalties or even revoke the port operation permits if the port operator fails to fulfil certain specified requirements. The Group is subject to the risk that its port operating permit may be revoked or rejected for renewal by the PRC government due to various reasons. If the Group fails to obtain or renew its port operating permit, its business, financial condition and results of operations may be adversely affected.

The PRC government may adjust port handling fees in a manner which may adversely affect the Group's business, financial condition and results of operations.

The main source of revenue for port operators is that of port handling fees charged to customers, including loading and unloading services, cargo port charges and port facilities security fees. Pursuant to the Plan on Port Fees (港口收費計費辦法), the Group is obliged to follow standard fees set by the PRC government on the Group's cargo port charges and port facilities security fees. If the PRC government adjusts such standard fees in the future in ways that are adverse to the Group's business interests, or if there is any change to the current system regulating port handling fees and the Group is not able to effectively adapt to the new system, the Group's business, financial condition and results of operations may be adversely affected.

The Group's business operations are subject to workplace safety and environmental pollution risks, and compliance with workplace safety and environmental laws and regulations may require additional capital expenditure.

The Group's operations may involve hazardous materials and risky procedures which pose workplace safety and environmental pollution risks. Some of the cargo that the Group handles in its port operations and some of the products that the Group trades in may involve dangerous chemical products, therefore any mismanagement or improper handling of these chemicals in the course of loading, unloading, transporting and storing them could result in leaks, fires, explosions or a number of other potential safety incidents and environmental pollution risks. In addition, coal is also susceptible to the risk of spontaneous combustion or collapse, due to differences in quality, stockpiling time, ambient temperature and extremely harsh weather, amongst other factors. The construction of port facilities at Lianyungang Port by the Group may have an adverse environmental impact on the surrounding sea areas and thus subject the Group to more stringent governmental surveillance, inspections and regulations. The Group's operations may also be subject to breakdowns and failures of port equipment and construction equipment or improper operating procedures, which may result in accidents causing serious injuries, or even death, to the Group's employees and/or the employees of its service providers.

If the Group fails to exercise sufficient caution on safety and environmental matters, it could have a material and adverse effect upon the Group's business operations. Failure to comply with such regulations may result in fines or suspension or revocation of the Group's licences or permits to conduct

its business. The occurrence of any safety and environmental incidents could potentially subject the Group to administrative actions by environmental protection authorities or civil lawsuits. In addition, PRC laws and regulations are constantly evolving. There can be no assurance that the PRC government will not impose additional or stricter laws or regulations, which may increase the compliance costs of the Group. Given the stringent workplace safety and environmental protection laws and regulations in the PRC, rising environmental protection standards, and any applicable carbon emission reduction policies the Group may have to make additional expenditures in order to further enhance its workplace safety standards, environmental pollution prevention measures and carbon emission reduction plans, which may have an adverse effect on the Group's financial position and business operations.

The Group's businesses require substantial capital investment, and a failure to obtain sufficient liquidity could limit the Group's ability to engage in desired activities and grow its business.

The Group's businesses are generally capital intensive and require significant amounts of working capital to support their respective operations and service their debt. Continuous funding of, and access to, working capital is critical for the Group to maintain its business activities and to grow its business through investments and acquisitions of new assets. The Group's liquidity may be impaired due to circumstances it is unable to control, such as general market disruptions, increases in the prices of commodities or an operational problem that affects its suppliers or customers or the Group itself.

In addition to maintaining a cash position from operations, the Group relies on other principal sources of liquidity, for example short-term and long-term bank loans and issuance of notes in the debt capital markets. An inability to raise funds in the long-term and short-term debt markets could have a material adverse effect on the Group's liquidity. The Group's access to adequate funds to finance its activities could be impaired by factors that affect the Group in particular or the industries or geographies in which it operates. Although the Group expects the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available to the Group on acceptable terms or at all.

The Group's trading and logistics business and construction engineering business are dependent on the stable supply of raw materials and may be adversely affected by disruptions to the supply of, or price volatility relating to, such raw materials.

The Group's trading and logistics business and construction engineering business depend on reliable sources of large quantities of raw materials, the cost of which is subject to factors such as fluctuations in supply, market conditions and cost of transportation. There is no assurance that there will not be any interruption or disruption in, or change in terms of, the supply of raw materials required for the Group's businesses, or that the raw materials will be delivered in a timely manner or on acceptable terms or of an acceptable quality. If there is any interruption or disruption in the Group's supply of raw materials and the Group is unable to obtain suitable substitutes from alternative sources in a timely manner, the Group's business, financial condition and results of operations may be adversely affected.

Further, such supply is subject to price volatility caused by external conditions, including price fluctuations in commodities, fuel, food and chemicals and changes in governmental policies. There is no assurance that the Group's key suppliers will continue to provide it with raw materials on reasonable terms, or that the prices of its raw materials will remain stable in the future. In addition, the Group may not be able to transfer some or all of the cost increases in its raw materials to its customers. As a result, any increase or material fluctuation in prices of raw materials could have a material adverse effect on the Group's business, results of operations and financial condition.

Upgrading or redevelopment works or physical damage to the infrastructure and facilities in Lianyungang Port may disrupt the operations of Lianyungang Port and collection of income.

Lianyungang Port may need to undergo upgrading or redevelopment works from time to time to retain its competitiveness and may also require unforeseen maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The business and operations of Lianyungang Port may suffer some disruptions and it may not be possible to continue operations in areas affected by such upgrading or redevelopment works.

In addition, physical damage to Lianyungang Port resulting from fire, severe weather or other causes may lead to a significant disruption to the business and operations of Lianyungang Port and, together with the foregoing, may impose unforeseen costs on the Group and result in an adverse impact on the business, financial condition, results of operations and prospects of the Group.

Existing or planned supporting infrastructure near Lianyungang Port may be closed or relocated, terminated, delayed or not completed.

There is no assurance that existing or planned supporting road, highway and railway infrastructure near Lianyungang Port will be completed or will not be closed, relocated, terminated or delayed. For example, if the railway infrastructure that connects Lianyungang Port to other regions of the PRC is closed, Lianyungang may not be able to serve as a gateway for the export of goods manufactured in such other parts of the PRC, and may not be able to effectively distribute goods imported from overseas to other parts of the PRC. Such an occurrence would adversely impact the accessibility of Lianyungang and the appeal and marketability of Lianyungang Port to customers. This, in turn, could have an adverse impact on the business, financial condition, results of operations and prospects of the Group's port operation business. The Group's trading and logistics business may also be materially and adversely affected by such an occurrence.

Any reduction in the Group's operation capacity or interruption to its operations due to equipment replacement, remodelling or upgrade and any significant costs associated with replacing failed, ageing or obsolete equipment could have a material adverse effect on the Group's results of operations.

The Group's port operations rely on the proper functioning of critical pieces of complex equipment. Such equipment may require replacement, remodelling or upgrading as they age or experience unanticipated failures, any of which could result in reducing Lianyungang Port's cargo handling capacity or efficiency. There can be no assurance that the Group will not experience any material shutdowns or periods of material reductions in the cargo handling capacity of Lianyungang Port due to equipment failures. Any such reduction in Lianyungang Port's capacity or interruption to its operations could have a material adverse effect on the Group's business, financial condition and results of operations.

Moreover, if the Group's equipment ages, fails or becomes obsolete, the Group may incur additional costs to maintain, repair or replace such equipment. The cost of its replacement with new equipment could also increase due to factors beyond the Group's control. Any of these factors could cause the Group's operating margins to decline.

The Group's trading business is exposed to declines in the current and expected volumes of supply or demand for commodities and fluctuations in commodity prices.

The current and expected volumes of supply and demand for the commodities in which the Group trades vary over time based on changes in resource availability, government policies and regulations, costs of production, global and regional economic conditions, demand in end markets for products in which the commodities are used, technological developments, commodity substitutions, fluctuations in global production capacity, global and regional weather conditions and natural disasters. Furthermore, changes in current and expected supply and demand conditions affect the future prices (and thus the price curve) of each commodity.

Declines in the volumes of the commodities traded by the Group, as well as declines in the prices of commodities, could materially adversely impact the Group's business, results of operations and earnings in its trading and logistics business.

The success of the Group's trading activities depends in part on its ability to identify and take advantage of arbitrage opportunities.

Many of the commodity markets in which the Group operates are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. The Group's profitability is, in large part, dependent on its ability to identify and exploit such arbitrage opportunities. A lack of such opportunities, for example due to a prolonged period of pricing stability in a particular market, or an inability to take advantage of such opportunities when they present themselves, because of, for example, a shortage of liquidity or an inability to access required logistics assets or other operational constraints, could adversely impact the Group's business, results of operations and financial condition.

The Group is subject to the risk that its agreements with its key suppliers and key customers may be terminated or may not be renewed, as well as other counterparty risks in its trading activities.

The Group is a party to various agreements with certain key suppliers for the supply of commodities for its trading business. The Group has various spot and long-term agreements, which are an important source of commodities for the Group's trading activities and provide certainty of regular supply for the Group. The Group also has sales agreements with its key customers which account for a significant proportion of the Group's overall sales volume and revenue from its trading businesses. Any termination of such supply agreements with key suppliers or sales agreements with key customers or failure to renew such agreements at the end of their terms could have an adverse effect on the Group's business, results of operations and financial condition.

The Group's trading activities are also subject to the risk of non-performance by its suppliers and customers. For example:

- a significant increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell commodities to the Group at pre-agreed prices;

- a significant reduction in commodity prices could result in customers being unwilling or unable to honour their contractual commitments to purchase commodities from the Group at pre-agreed prices; and

- customers may take delivery of commodities from the Group but are unable to honour their payment obligations due to financial distress or any other reason.

Such failure of a counterparty or counterparties to fulfil their contractual obligations in the future may create an unintended and unmatched commodity price exposure and may adversely affect the Group's business, financial condition and results of operations.

The Group is dependent on its customers' business performance, their continuing outsourcing of logistics operations and the demand for international freight forwarding services.

As a logistics service provider, the Group is primarily engaged in providing services to manufacturers, retailers and other customers to serve their requirements along their supply chains. The Group is

therefore dependent on its customers' business performance and developments in their markets and industries. Any decline in the customers' business performance may lead to a corresponding decrease in the demand for the Group's integrated logistics and international freight forwarding services. In addition, as the Group serves as a third-party logistics provider for its customers, changes in their outsourcing decisions could materially and adversely affect the Group's business, financial condition and results of operations; for example, customers may change their supply chain strategies and decide to reduce their outsourcing of logistics operations and perform certain or all of the operations themselves. Adverse developments in the business performance and outsourcing decisions of the Group's customers could therefore materially and adversely affect the Group's business, financial condition and results of operations.

The Group may not be able to complete its construction projects on time, within budget, or at all.

The Group's construction projects require substantial capital expenditures prior to and during the construction period. The progress and costs for a development project may be materially and adversely affected by many factors beyond the Group's control, including the following:

- delays in obtaining necessary licences, permits or approvals from government agencies and authorities;
- changes in government policies or in applicable laws or regulations;
- delays in or increased costs of relocation of existing residents or demolition of existing structures;
- shortages of materials, equipment, contractors and skilled labour;
- labour disputes;
- construction accidents;
- disputes with or delays caused by the Group's contractors and sub-contractors;
- delays in the construction of supporting infrastructure or completing land clearing work by local government authorities;
- adverse weather conditions and natural disasters, including earthquakes, ice storms and other natural hazards;
- changes in market conditions;
- unforeseen engineering, design, environmental, structural or geographic problems;
- discovery of historic and cultural relics on the construction site; and
- widespread diseases or epidemics, including COVID-19, SARS, H5N1 flu, H7N9 flu, H1N1 flu and other diseases.

Any of these factors may lead to construction delays or increased costs, may require changes to planned specifications or may ultimately result in delays of the project. Construction delays or failure to complete the construction of a project according to its planned specifications, schedule or budget as a result of the above factors may result in increased costs, harm to the Group's reputation, loss of or delay in recognition of revenues and lower returns. If a development project is not completed on time, the Group may be required to increase its investment in such project other parties in the contract may be entitled to damages for late delivery or, under certain circumstances, may terminate the purchase contract and claim damages.

The Group cannot provide assurance that it will not experience any significant delays in the completion of its engineering construction projects in the future or that it will not be subject to any liabilities for any such delays. There can be no assurance that the Group will not experience any delays or other issues with respect to any of its projects. Any of these may disrupt the Group's project schedules and result in violation of the applicable regulations, which could have a material adverse impact on the Group's reputation, business, prospects, financial condition and results of operations.

Moreover, further regulatory changes, competition, inability to procure governmental approvals or required changes in project development practice could occur at any stage of the planning and construction process. The Group may not be able to complete projects currently under construction and the Group may find itself liable to customers for losses suffered by them.

The Group relies on information technology systems for its business, and any information technology system limitations or failures could adversely affect its business, financial condition and results of operations.

The Group's business depends on the integration and performance of the business, accounting and other data processing systems amongst the members of the Group. If the Group's systems cannot adapt with increased demand or otherwise fail to perform, the Group could experience unanticipated disruptions in business, slower response and limitations on its ability to monitor and manage data and risk exposures, control financial and operational conditions, keep accurate records, and prevent any data privacy issues. These consequences could result in operating outages, poor operating performance, financial losses, and the intervention of regulatory authorities.

There is also no assurance that the Group's systems would not experience future systems failures and delays, or the measures taken by the Group to reduce the risk of system disruptions are adequate. If internet traffic or communication volumes increase unexpectedly or other unanticipated events occur, the Group may need to expand and upgrade the Group's technology, systems and network infrastructure. There can be no assurance that the Group will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade the Group's systems and infrastructure to accommodate any increases in a timely manner.

The Group may not successfully implement its growth strategy.

In connection with the implementation of its business growth, the Group's strategy will, to some extent, depend on the identification of attractive projects, obtaining required approvals from relevant regulatory authorities in the PRC, and the availability and cost of financing. The Group's ability to continue to develop its business will depend on it being able to identify favourable opportunities, reach agreements with potential joint venture partners on commercial and technical terms satisfactory to the Group, and to enter into binding contracts with such parties, and to obtain financing to fund the projects. While the Group is experienced in conducting such negotiations, the success of negotiations with respect to any particular project cannot be assured. In addition, the Group may not successfully integrate newly acquired operations with its existing operations. Each project will also require certain government consents and approvals as part of the development process. There can be no assurance as to the timing and completion of any particular investment or joint venture arrangement or as to the availability of attractive investment opportunities.

There can also be no assurance that the Group's future projects will provide terms that are equivalent to, or as favourable as, the Group's existing projects. Failure to develop new projects will adversely affect the Group's growth prospects.

The Group may not successfully manage its growth.

As the Group continues to grow, the Group will need to improve its managerial, technical and operational knowledge and allocation of resources, to implement an effective information management system and to strengthen management control across its businesses. In order to fund the Group's ongoing operations and future growth, the Group will need to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, the Group will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. The Group may develop or invest in new businesses ancillary to or related to the Group's existing businesses and such diversification may place significant demands on the Group's management and resources, as the Group may not have the experience or expertise necessary for the successful development of such new businesses. The Group may undertake potential acquisitions or enter into new strategic alliances, corporation agreements, memoranda of understanding and partnerships as part of its future business expansion plans, if suitable opportunities in the market arise. However, the Group may not successfully identify new acquisition opportunities or opportunities on favourable or acceptable terms to the Group. The Group may not be able to integrate successfully the acquired business into the Group or deal with difficulties, such as the loss of middle management and junior staff, failure to detect and rectify business, operational or financial issues of the acquired business, and to derive any synergies from such acquisitions, leading to increases in costs, time and resources. There can be no assurance that the Group will be able to manage its growth successfully or that its expansion plans will not adversely affect the Group's existing operations and thereby have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may face risks related to its joint ventures.

The Group may conduct some of its businesses through non-wholly-owned subsidiaries, associated companies and jointly controlled entities in which it shares control (in whole or in part) with strategic or business partners. Cooperation and agreement between the Group's joint venture partners and the Group on its existing or any future projects are important factors for the smooth operation and financial success of such projects. The Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements; or (iii) experience financial or other difficulties. Further, the Group may not be able to control the decision-making process of the joint ventures if it does not have majority control of the joint venture, and may only have the ability to influence certain material decisions through contractual provisions or representatives. Also, there can be no assurance that any of these strategic or business partners will not terminate their relationships with the Group in the future. These occurrences may in turn affect the business, financial condition, results of operations and prospects of the Group.

The Group may fail to obtain or renew required government approvals, permits and licences for its operating activities.

The Group is required to obtain certain government approvals, permits and licences for its operating activities across its respective business segments. The Group's ability to carry on its business across its respective business segments is therefore subject to its ability to obtain, and the PRC government's decision to issue, renew and not revoke, such requisite approvals, permits and licences.

The Group from time to time acquires land and properties for its business operations. According to applicable PRC laws, the granting of land use rights is customarily conducted through a public tender and bidding process. A number of factors are taken into consideration when the government determines the granting of land use rights, such as the reputation, track record and financial conditions of the bidders and project budgeting. Granting of property ownership certificates is also subject to a number of conditions and procedures and sometimes requires documents and co-operation provided by contractors and third

parties. Many of these factors are beyond the Group's control. As at the date of this Offering Circular, the Group has obtained the necessary land use rights and property ownership for the relevant land parcels and properties on which the Group carries out its operations.

As a company engaged in infrastructure construction, the Group needs to obtain a number of approvals, certificates, licenses and permits from different governmental authorities and to comply with extensive procedural requirements in order to carry on its business activities under PRC laws and regulations. For example, the Group is required to obtain a project approval and environmental assessment approval before it is permitted to commence construction of a project. As a project progresses, the Group needs to receive a land use right certificate (土地使用權證), construction land planning permit (建設用地規劃許可證), construction project planning permit (建設工程規劃許可證) and construction permit (建築工程施工許可證). Governmental authorities in the PRC have broad discretion in implementing and enforcing applicable laws and regulations and in determining the grant of approvals, licences, permits and certificates necessary for the Group to conduct its business. As at the date of this Offering Circular, the Group has obtained the necessary approvals, licences and permits from the relevant PRC governmental authorities for its projects under construction.

There can be no assurance that the Group will be able to renew its existing approvals, permits and licences on commercially reasonable terms in a timely manner, or at all, or that such approvals, permits and licences will not be revoked by the relevant authorities. The Group could be subject to fines or penalties imposed by the relevant government authorities, or required to cease the construction or operation of certain of the Group's projects due to non-compliance with the terms of the government approvals, permits and licences. Any such fines, penalties or orders for the cessation of construction or operation could materially and adversely affect the Group's business, financial condition and results of operations.

The Group's business is subject to extensive government regulation and unforeseeable changes in rules and regulations by the PRC government.

Certain of the Group's businesses are highly regulated. As a result, the Group may face significant constraints on its flexibility and ability to expand its business operations or to maximise its profitability. In addition, the regulations and policies applicable to the Group's business may change from time to time. Changes in regulations and policies may adversely affect the Group's operations. The cost of complying with government regulations may become substantial. Although the Group has obtained all the approvals required to conduct its present operations, a failure or delay in obtaining any additional regulatory approvals required in the future could harm the Group's business and financial results.

In particular, the PRC is undergoing rapid economic development, and government regulations and policies are regularly promulgated to address such development. For example, unfavourable changes in PRC government policies that affect the port operation and management industries could adversely affect the Group's port operation business and, in turn, its results of operations or financial condition.

The Group is reliant on independent contractors, sub-contractors and other service providers.

The Group engages independent third-party contractors and subcontractors and other service providers to provide various services including construction, transportation, storage and other services. There is no assurance that such independent third-party contractors or subcontractors will perform their obligations under the respective contracts. Failure by such third-party contractors, sub-contractors or other service providers to perform such obligation may result in material disruption to the Group's operations and significant losses of revenue and increases in costs to the Group. Furthermore, there is no assurance that the services rendered by such service providers engaged by the Group will be satisfactory. The Group is also exposed to the risk that such service providers may require additional capital to complete an engagement in excess of the price originally tendered and the Group may have to bear additional costs as

a result. Furthermore, there is a risk that the Group's service providers may experience financial or other difficulties which may affect their ability to discharge their obligations, thus delaying the completion of the Group's projects, impacting the operation of certain businesses or resulting in additional costs for the Group. The timely performance by these service providers may also be affected by natural and human factors such as natural disasters, strikes and other industrial or labour disturbances, terrorism, restraints of government, civil disturbances, accidents or breakages of machinery or equipment, failure of suppliers, interruption or delays in transportation, all of which are beyond the control of the Group. Any of these factors could materially and adversely affect the business, financial condition and results of operations of the Group.

Labour shortages, labour disputes or increases in labour costs as well as increases in material costs of any third-party contractors engaged for the Group's projects could materially and adversely affect the Group's business, prospects and results of operations.

The Group relies on third-party contractors to carry out certain port operations and construction. Many aspects of these operations are labour intensive. As such, labour shortages, labour disputes or increases in labour costs of third-party contractors could materially and adversely affect the Group's business, prospects and results of operations. Industrial action or other labour unrest could directly or indirectly prevent or hinder the development progress, and, if not resolved in a timely manner, could lead to delays in completing the Group's projects. These actions are beyond the Group's foreseeability or control. There can be no assurance that labour unrest will not affect general labour market conditions or result in changes to labour laws. In recent years, work stoppages, employee suicide and other similar events in certain cities in the PRC have prompted the PRC government to amend labour laws to increase the protection of employees' rights. Increasing awareness of labour protection, as well as increases in minimum wages is likely to increase the labour costs afforded by PRC enterprises in general, including those contractors participating in the Group's projects.

As a result of economic growth and the boom in the construction industry in the PRC, other than wages, the price of construction materials and building equipment have also substantially increased in recent years. Under the terms of most of the Group's construction contracts, contractors may adjust contract prices to cover increases in the cost of construction materials. In order to maintain relationships with contractors, the Group may agree to bear a greater share of increased material costs than it is contractually obligated to bear. The Group is also exposed to the price volatility of labour and construction materials to the extent that it periodically enters into new construction contracts or renews existing construction contracts on different terms during the life of a project or, if it chooses, hires construction workers directly or purchases construction materials directly from suppliers. If the Group is unable to pass on any increase in the cost of labour, construction materials or building equipment to either its sub-contractors or to its customers, the Group's contracting business' prospects, financial condition and results of operations may be materially and adversely affected. As the Group is responsible for making progress payments to its third-party contractors, any increase in the labour costs and material costs of those third-party contractors may negatively affect the Group's cash flow, which could materially and adversely affect the Group's business, prospects and results of operations.

The Group's results of operations may be susceptible to material fluctuations of interest rates.

The Group has substantial indebtedness outstanding. Much of the Group's indebtedness bears interest that accrues at interest rates linked to the benchmark loan prime rate published by the PBOC. Any material fluctuation in the benchmark loan prime rate may have a material impact on the Group's interest expenses and payables under its bank loans and, in turn, affect its results of operations. The PRC government from time to time adjusts interest rates in implementation of the PRC government's economic and monetary policies. The PBOC has adjusted the benchmark one-year lending rate a number of times in the past in response to the changing PRC and global financial and economic conditions. In October 2024, the PBOC reduced the one-year loan prime rate from 3.35 per cent. to 3.10 per cent., and

the five-year rate from 3.85 per cent. to 3.6 per cent. Due to the size of the Group's borrowings, its results of operations will be materially affected by the effective interest rate of these borrowings. There is also no assurance that PBOC will not raise the benchmark loan prime rate further or otherwise discourage bank lending, or that the Group's business, results of operations and financial position will not be materially and adversely affected as a result.

The Group's operations are subject to natural disasters, strikes and stoppages, outbreaks of contagious diseases, acts of war and terrorist attacks.

Natural disasters, catastrophes or other events could result in severe personal injuries, property damage and environmental damage, which may curtail the Group's operations, cause delays in estimated completion dates for projects and materially and adversely affect its cash flows and, accordingly, adversely affect its ability to service debts. The Group's operations are exposed to potential natural disasters including, but not limited to, typhoons, storms, floods and earthquakes. If Lianyungang Port is damaged by severe weather or any other disaster, accident, catastrophe or other such events, the Group's operations may be significantly interrupted. Such events may also materially disrupt trade and affect the Group's logistics services. The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses effectively, thereby reducing its revenues. Risks of substantial costs and liabilities are inherent in the Group's principal operations and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons.

The Group may also experience disruptions to its operations due to strikes, labour disputes or other labour unrest, which may adversely affect its business, financial condition, results of operations and prospects. Any disruptions of transportation services due to strikes (such as strikes by truckers), or other events could also impair customers' ability to use Lianyungang Port. In addition, any labour interruptions in any of the ports that serve as starting points or final destinations for trade lanes calling at Lianyungang Port could lower the shipping volume passing through Lianyungang Port. Such disruptions could adversely affect the business, financial condition, results of operations and prospects of the Group.

In particular, the Group's operations are subject to outbreaks of epidemics such as Middle East Respiratory Syndrome (MERS), Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, human swine flu (also known as Influenza A (H1N1)), H7N9, Zika Virus Disease or COVID-19 which may have a material adverse impact on the economic and social condition in the affected regions.

Acts of war and terrorist attacks may cause damage or disruption to Lianyungang Port, the Group, its employees, subcontractors, operations, equipment and facilities, as well as to its markets, any of which could impact its public image and revenue. The potential for wars or terrorist attacks may also create uncertainty and cause its business to suffer in ways that the Group cannot currently predict. Any of these may have a material and adverse effect on the Group's business, results of operations and financial condition.

The Group faces litigation risks in the course of its business.

In the ordinary course of the Group's business, claims from suppliers, customers, third-party contractors and other service providers, joint venture partners and other parties may be brought against the Group or by the Group in connection with its business activities from time to time; for example, claims for alleged breaches of contracts and liabilities for defects, delays, injuries or damage. The claims can involve actual damages and liquidated damages, and may involve significant amounts.

Both claims brought against the Group and by the Group, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings which could also be disruptive to the Group's normal business operations. The results of these legal proceedings are often difficult to

predict and the amounts ultimately realised from such claims by the Group could differ from the provisions included in the Group's financial statements. Moreover, legal proceedings resulting in judgments or findings against the Group may harm its reputation, cause economic losses and affect its business prospects. Such claims could therefore have a material and adverse impact on the Group's financial condition, results of operations and cash flow.

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties.

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, which would in turn affect its reputation. Such misconduct could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- engaging in improper activities such as offering bribes to counterparties in return for any type of benefits or gains;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner or at all. Certain senior officials of the Group had been subject to investigations and charges relating to corruption and bribery in the past, whether during their term of office or after they have left the Group. These senior officials under such investigations have currently left all their positions within the Group and are no longer employed by the Group in any capacity. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective in all cases. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity and damage to the public image of the Group.

The Group has in the past been, and will from time to time be, subject to inspections, audits, investigations and supervision by various governmental, supervisory and other authorities. They have in the past provided, and will continue to provide, findings, guidance and recommendations. The Group pays great attention to such guidance and recommendations and seeks to continue to strengthen its internal control and risk management mechanisms. However, the Group could still suffer from negative publicity, reputational damage, monetary losses or litigation damages as a result of the misconduct of its employees.

The Group is subject to risks relating to accidents or other hazards which may not be covered by insurance.

The Group maintains insurance coverage for risks in most of its businesses, including damage to property and assets, employee insurance and third-party liability, where insurance is available on what it considers to be reasonable commercial terms. The insurance coverage maintained by the Group may not fully indemnify it for all potential losses, damages or liabilities relating to property or business operations, particularly those arising from or as a result of war, civil unrest, terrorism, pollution, fraud, professional negligence and acts of God. If the Group suffers any losses, damage or liabilities in the course of its operations arising from events for which it does not have any or adequate insurance cover, it may not have sufficient funds to cover any such losses, damage or liabilities or to replace any property that has been destroyed.

There may not be any insurance coverage available for certain accidents or liabilities incurred (or that may be incurred) in the course of hazardous operations. In addition, the Group's insurers may become impaired and become unable to meet claims. The occurrence of any of the above events and the resulting payment the Group makes to cover any losses, damage or liabilities may have a material adverse effect on its reputation, business, results of operations and financial condition. Further, notwithstanding the Group's insurance coverage, any damage to the Group's buildings, facilities, equipment, or other properties as a result of occurrences such as fire, flood, water damage, explosions, power losses, typhoons and other natural disasters may have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, while every care is taken by the Group and its employees in the selection and supervision of its independent contractors, accidents and other incidents, such as theft, may occur from time to time. Such accidents or incidents may expose the Group to liability or other claims by its customers and other third parties. Although the Group believes that it has adequate insurance arrangements to cover such eventualities, it is possible that certain accidents or incidents are not covered by these arrangements, which could adversely affect the business, financial condition and results of operations of the Group. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors.

The Group's continued success largely depends on its senior management and other key personnel.

The Group's continued success depends heavily on its current senior management team, including its executive officers and other skilled managerial and technical personnel. The Group's businesses and financial condition may suffer if it loses the services of its key personnel and is not able to recruit quality replacements. Furthermore, as the Group's businesses continue to grow, it will need to recruit and train additional qualified personnel. If the Group fails to attract and retain qualified personnel, the Group's businesses and financial condition and long-term prospects may also be adversely affected. According to "Notice of the Municipal Government on the Appointment and Removal of Comrade Xue Fei and Others" (Lian Zheng Fa [2025] No. 5) (《市政府關於薛飛等同志職務任免的通知》(連政發[2025]5號)) released by the Lianyungang Municipal Government, Mr. Yang Long resigned and ceased to serve as Chairman of the Board of Directors of the Guarantor on 6 January 2025. As at the date of this Offering Circular, the Lianyungang Municipal Government has yet to appoint Mr. Yang Long's successor and the position of Chairman of the Board of Directors of the Guarantor is currently vacant. Although the Municipal Party Committee Organization Department (市委組織部) had announced on behalf of the Lianyungang Municipal Party Committee that Mr. Wang Guochao, the Vice-chairman of the Board of Directors and President of the Guarantor, will be fully responsible for coordinating the Guarantor's business operations, and according to the articles of association of the Guarantor, the vacancy of the position of the Chairman of the Board of Directors of the Guarantor will not affect the convening of board meetings and/or the voting of the board of directors, there is no guarantee that the Group's businesses and financial conditions will not be adversely affected as a result of such vacancy and arrangement.

The Group may not effectively implement risk management and internal control policies and procedures to manage its financial risks.

Financial risks are inherent in the Group's businesses. Although systems and procedures are in place to identify and report, on a timely basis, the liquidity, foreign exchange, interest rate and credit risks arising from the activities of its businesses, there can be no assurance that these systems and procedures will prevent any loss that affects the Group's financial condition. In addition, many of the current systems have a significant manual component. There are additional risks inherent in any manual risk management system, including human error. The reliability of the systems and the information generated from them depends on, *inter alia*, the configuration and design of the systems, the built-in system control features and the internal control measures surrounding them. Any failure of internal controls could have a material adverse effect on the Group's businesses, results of operations and financial condition.

Any failure to maintain an effective quality control system could have an adverse effect on the Group's business and operations.

The Group relies heavily on its quality control systems to ensure the safety and quality of its projects and products. Therefore, it needs to maintain an effective quality control system for its businesses and operational activities. However, the effectiveness of the Group's quality control system depends significantly on a number of factors, including the design of the system, the related training programme, as well as its ability to ensure that the Group's and the subcontractors' employees adhere to its quality control policies and guidelines. There is no assurance that the quality of construction carried out by the Group will always meet the required standards. Any failure or deterioration of the Group's quality control systems could result in defects in its projects or products, which in turn may subject the Group to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. Furthermore, if any of such claims were ultimately successful, the Group could be required to pay substantial monetary damages or penalties. Although the Group believes that its quality control systems have been functioning properly, there can be no assurance that failures in its quality control systems will not occur in the future, and any such failure could have an adverse effect on the Group's business and operations.

The Group is subject to fluctuations in exchange rates.

A substantial portion of the transactions of the Group are denominated in Renminbi, and the functional currency of the Group's financial statements is Renminbi. The Group's overseas operations are denominated in U.S. dollars or other foreign currencies. Any devaluation of the U.S. dollar or other applicable foreign currency against the Renminbi may adversely affect the value of the Group's overseas assets and overseas operations, although the Group currently does not have significant overseas assets and overseas operations. Furthermore, the Bonds will be denominated in U.S. dollars and the Guarantor is required to settle all payments of principal and interest under the Guarantee in U.S. dollars. Therefore, the devaluation of the Renminbi against the U.S. dollar may also adversely affect the Guarantor's ability to perform its obligations under the Guarantee.

The value of the Renminbi is subject to changes in the PRC's governmental policies and to international economic and political developments. There can be no assurance that such exchange rate will remain stable against the U.S. dollar or other foreign currencies in the market. The Group has payment obligations arising from its trading activities overseas and debt obligations, both of which are denominated in foreign currencies. In this regard, depreciation of the Renminbi against the United States dollar or any such other relevant foreign currencies could have an adverse effect on the Group's business, financial condition and results of operations. Any volatility of the Renminbi exchange rate in the future may materially affect the Group's business, financial condition, operating results and future prospects, and any devaluation of Renminbi against the U.S. dollar will increase the amount of Renminbi the Group would need to service its obligations denominated in U.S. dollars or other relevant currencies.

The Group faces competition in the markets in which it operates, which may adversely affect its business and results of operations.

The Group believes that the port operation, trading and logistics and construction engineering industries in the PRC are in a market-oriented open-competition environment. The Group's competition comes from various sources, including large state-owned enterprises of the PRC, privately-owned domestic companies, and leading international companies, in Jiangsu Province in particular. As a result of the PRC's accession to the World Trade Organization, the PRC government has opened up domestic markets to foreign competition, and foreign invested companies are now allowed to participate in various types of port or construction projects. The Group also competes with both local and international companies in capturing new business opportunities in the PRC. Some of these companies have significant financial resources, marketing and other capabilities. In the PRC, some of the local companies have extensive local knowledge and business relationships and a longer operational track record in the relevant local markets than the Group. The international companies are able to capitalise on their overseas experience to compete in the PRC markets. The Group's market position depends on its ability to anticipate and respond to various competitive factors, including pricing strategies adopted by competitors, changes in customer preferences, availability of capital and financing resources and the introduction of new or improved products and services. There can be no assurance that the Group's current or potential competitors will not offer services or products comparable or superior to those that it offers at the same or lower prices, or adapt more quickly than the Group does to evolving industry trends or changing market conditions. The Group may lose its customers to its competitors if, among other things, it fails to keep its prices at competitive levels or to sustain and upgrade its capacity and technology. Increased competition may result in price reductions, reduced profit margins and loss of market share.

The Guarantor published and may continue to publish interim financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular.

The Guarantor from time to time issues debt securities in the domestic capital markets in the PRC. According to applicable PRC securities regulations, the Guarantor needs to publish its quarterly, semi-annual and annual financial information to satisfy its continuing disclosure obligations relating to its debt securities issued in the domestic capital markets. After the Bonds are issued, the Guarantor is obligated by the terms of the Bonds, among others, to provide holders of the Bonds with its audited financial statements and certain unaudited interim financial statements. The quarterly and semi-annual financial information published by the Group in the PRC is normally derived from the Group's management accounts which have not been audited or reviewed by independent auditors. As such, this financial information published in the PRC should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited or reviewed information. The Guarantor is not responsible to holders of the Bonds for the unaudited and unreviewed financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information.

Historical financial information of the Guarantor may not be indicative of its current or future results of operations.

The Guarantor's consolidated historical financial information included in this Offering Circular may not be indicative of its future financial results. The historical financial information of the Guarantor is sometimes adjusted or restated to address subsequent changes in accounting standards, the Guarantor's accounting policies and/or applicable laws and regulations with retrospective impact on the Guarantor's financial reporting or to reflect the comments provided by the Group's independent auditors during the course of their audit or review in subsequent financial periods. For example, see the discussion on the implementation of the New Accounting Standards and Requirements as described in "*Important Notice — Presentation of Financial Information*". Such adjustment or restatement may cause discrepancies

between the financial information with respect to a particular period or date contained in the Guarantor's historical financial statements and that contained in its future financial statements. Furthermore, the financial information is not intended to represent or predict the results of operations of any future periods. The Guarantor's future results of operations may change materially if its future growth does not follow the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC environmental rules and regulations and the domestic and international competitive landscape of the industries in which the Group operates its businesses. In addition, the future results of operations of the Guarantor may also fluctuate or change materially due to the business model of the Guarantor and the accounting treatments applied thereto. For example, see the discussion in "*Description of the Group — Recent Developments — Yard Construction Projects under the Group's Port Operation Business Segment*". Since historical financial information of the Guarantor may not be indicative of its current or future results of operations, there is no assurance that the Group will not record an operating loss in the future, which may have an adverse effect on the Group's financial condition, results of operations and prospects.

Certain facts and statistics in this Offering Circular are derived from publications not independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them.

This Offering Circular contains facts and statistics relating to the economy of the PRC, Lianyungang and the industries in which the Group operates. While the Issuer and the Guarantor have taken reasonable care to select reliable information sources and ensure that the facts and statistics relating to the PRC, Lianyungang and the industries in which the Group operates presented are accurately extracted from such sources, such facts and statistics have not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them and, therefore, none of them makes any representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon.

The consolidated financial statements of the Group have been prepared and presented in accordance with PRC GAAP, which are different from IFRS in certain respects.

The consolidated financial statements of the Group included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. Each investor should consult its own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

Public corporate disclosure about the Guarantor may be limited.

As the Guarantor's equity securities are not listed on any stock exchange, there may be less information about it publicly available than is regularly made available by listed companies. The Guarantor is currently not subject to requirements to produce and maintain public information relating to its business or to publicly publish financial information or other information that would be required if it did have an equity listing in Hong Kong or elsewhere. Ongoing requirements imposed on the Guarantor relating to the issue of the Bonds are not as stringent as those which would apply to a primary or secondary equity listing. The Guarantor is also not subject to, and will not become subject to by virtue of the listing of the Bonds, the requirements that apply to companies with a primary or secondary equity listing in Hong Kong or elsewhere, including corporate governance standards, restrictions on directors' dealings in securities,

controls on connected party transactions, requirements for notification and, in some cases, approval of major acquisitions and disposals, conditions on further debt and equity issuance and certain other ongoing disclosure requirements. In addition, there is limited historical information available in relation to the Group's business. Accordingly, investors should exercise caution in reviewing the historical financial information presented to them and implying or extrapolating trends based thereon.

The Group's results of operations may fluctuate from period to period.

The Group's results of operations may fluctuate from period to period as a result of a number of factors, such as general economic conditions, local market conditions and demands, government policies and incentives measures in business areas where the Group operates, the Group's ability to develop and complete projects on time, as well as its accounting policies for revenue recognition. In addition, the Group's results of operations are also affected by the Group's ability to develop and complete engineering construction projects on time, as well as its accounting policies for revenue recognition.

As a result, the Group's results of operations may fluctuate from period to period. The Group's results of operations for any period may not be directly comparable with other periods and therefore may not be a useful indicator of its performance in the future.

The Guarantor's independent auditor, Suya Jincheng, has been subject to investigations, adverse regulatory decisions, warnings and penalties issued by relevant PRC authorities in recent years and may continue to be involved in investigations initiated by relevant PRC authorities from time to time.

Suya Jincheng, the Guarantor's independent auditor that issued the Audited Financial Statements, is supervised and regulated by PRC regulatory authorities, including the CSRC and MOF.

Suya Jincheng has been the subject of various regulatory investigations by the CSRC in recent years in connection with its provision of audit/review services for certain PRC companies. As a result of such investigations, the CSRC has issued warning notices and regulatory letters to Suya Jincheng and certain employees of Suya Jincheng. In recent years, Suya Jincheng has also faced administrative penalties in connection with their audit and/or review services for certain PRC companies. In particular, Suya Jincheng was suspended from engaging in securities services for six months starting from 23 September 2024 to 22 March 2025 (the "**Business Suspension**"), following an administrative penalty imposed by the CSRC in September 2024. As confirmed by Suya Jincheng, as at the date of this Offering Circular, Suya Jincheng has resumed securities services.

Suya Jincheng has confirmed that the warnings, enforcement actions, administrative penalties and/or criminal liabilities against them, including the Business Suspension (together, the "**Penalties**"), are unrelated to the Group, the Suya Jincheng team serving as the Guarantor's independent auditors and the audit and/or review work performed by Suya Jincheng for the Group. Suya Jincheng has also confirmed that these Penalties do not restrict Suya Jincheng from providing audit, review or other services in connection with the offering of the Bonds, nor do they have any material adverse effect on the issuance of the Bonds. Suya Jincheng has further confirmed that the auditors who participate in the offering of the Bonds are neither the subject of, nor involved in, the Penalties, and these auditors continue to be qualified to provide audit, review and other services under applicable PRC laws, rules, guidelines and applicable regulatory requirements and industry standards. In addition, Suya Jincheng has confirmed that its audit work for the Guarantor in respect of the issuance of the Bonds, including the audit reports in respect of the Audited Financial Statements included elsewhere in this Offering Circular, remains valid and effective. Moreover, Suya Jincheng has confirmed that its office's registration as an accounting firm, its ability to provide comfort letters for capital market transactions (including in respect of the issuance of the Bonds) and the qualification of the auditors who participate in the issuance of the Bonds are not affected by the Penalties in any way.

However, there can be no assurance that the relevant PRC authorities would not carry out any review of Suya Jincheng's past audit, review and/or other assurance work conducted in relation to other companies

or even in relation to the Group. There can be no assurance that there will not be prolonged or broadened investigations conducted by the CSRC or its local offices against Suya Jincheng, including in relation to the Business Suspension, nor can there be any assurance that further negative news about Suya Jincheng would not have a material and adverse effect on the Group.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Changes in the PRC's economic, political and social conditions as well as governmental policies could affect the Group's businesses, financial condition and results of operations.

A substantial part of the Group's revenue is derived from the PRC and the growth of the Group's businesses depends significantly on the continuation of economic development and growth in the PRC. The PRC's economy differs from the economies of most developed countries in many respects, including the economic structure, level of government involvement, level of development, growth rate, control of capital investment, control of foreign exchange and allocation of resources. The PRC's economy has been transitioning from a planned economy to a more market-oriented economy. For the past three decades, the PRC government has implemented economic reform measures to emphasise the utilisation of market forces in economic development. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. As a result, the Group may not continue to benefit from all, or any, of these measures. In addition, the Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on the Group's current or future businesses, financial condition and results of operations.

The economy of the PRC experienced rapid growth over the past 30 years. There has been a slowdown in the growth of the PRC's GDP in recent years and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. In addition, in December 2023, Moody's changed its outlook on China's long-term foreign-currency issuer default rating to "negative" from "stable", reflecting Moody's expectation that economy-wide debt in the PRC will continue to rise as potential growth slows. As a result of this change in the sovereign rating outlook, Moody's has placed a number of PRC issuers on credit watch and there is no guarantee there will not be further similarly adverse ratings developments in the future.

The future performance of the PRC's economy is not only affected by the economic and monetary policies of the PRC government, but has been, and in the future will continue to be, materially affected by geo-political, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation, and the availability and cost of capital and credit.

The International Monetary Fund's forecast for global economic growth is 3.3 per cent. in 2025. However, there are a number of uncertainties ahead. The ongoing trade dispute between the PRC and the United States and the increase in tariffs that the United States have imposed and may further impose on Chinese imports have contributed to increased market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices, a fall in the value of the Pound sterling, an increase in exchange rates between the Pound sterling and the Euro and/or greater volatility of markets in general due to the increased uncertainty.

The implications for the world and the Group are significant. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the interplay of U.S. fiscal and monetary policies, and aggressive quantitative easing programmes in Japan and Europe may lead to more

volatile global capital flows, which could in turn impact global growth. Third, financial market volatility and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on the Group's businesses, financial condition and results of operations.

Economic growth in the PRC has also historically been accompanied by periods of high inflation. Increasing inflation rates were caused by many factors beyond the Group's control, such as rising production and labour costs, high lending levels, changes in national and international governmental policies and regulations as well as movements in exchange rates and interest rates. It is impossible to accurately predict future inflationary trends. If inflation rates rise beyond the Group's expectations, the Group may be unable to increase the price of its services and products in amounts that are sufficient to cover its increasing operating costs. Further inflationary pressures within the PRC may have a material adverse effect on the Group's businesses, financial condition or results of operations.

Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and a slowing economy. Inflation rates within the PRC have been on a downward trend in recent years. A prolonged period of deflation may result in falling profits, closure of plants and shrinking employment and incomes by companies and individuals, any of which could adversely affect the Group's businesses, financial condition or results of operations.

To the extent uncertainty regarding the economic outlook negatively impacts consumer confidence and consumer credit factors globally, the Group's businesses and results of operations could be materially and adversely affected.

Under the EIT, the Issuer or any of the offshore members of the Group may be classified as a "resident enterprise" of the PRC, which could result in unfavourable tax consequences to its financial condition and the Bondholders.

Under the Enterprise Income Tax Law (the "**EIT**"), an enterprise established outside the PRC with a "de facto management organisation" located within the PRC will be considered a "resident enterprise" and consequently will be treated in a manner similar to a Chinese enterprise for EIT purposes. The implementing rules of the EIT define "de facto management" as "substantial and overall management and control over the production and operations, personnel, accounting and properties" of the enterprise. However, it is still unclear how the PRC tax authorities will determine whether an entity will be classified as a "resident enterprise".

If the PRC tax authorities determine that the Issuer or any of the offshore members of the Group is a "resident enterprise" for PRC enterprise income tax purposes, a number of unfavourable PRC tax consequences could follow. For example, the Issuer or the relevant offshore member of the Group may be subject to EIT at a rate of 25 per cent. on its worldwide taxable income as well as EIT reporting obligations. This would mean that income such as interest from any investment of any portion of the offering proceeds and other income sourced from outside the PRC would be subject to EIT at a rate of 25 per cent.

If the Issuer is considered a "resident enterprise", interest payable to certain "non-resident enterprise" Bondholders may be treated as income derived from sources within the PRC and be subject to withholding tax at a rate of 10 per cent. or a lower rate for holders who qualify for the benefits of a double-taxation treaty with the PRC, and capital gains realised by the Bondholders may be treated as income derived from sources within the PRC and be subject to a 10 per cent. withholding tax. For example, for Bondholders that reside in Hong Kong, according to the Arrangement between the PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排), the withholding tax rate is up to 7 per cent. on the payments of interest and certain other amounts on the Bonds.

If the Issuer is required under the EIT to withhold tax on its interest payable to the Bondholders who are "non-resident enterprises", it will be required to pay such additional amounts as will result in receipt by a Bondholder of such amounts as would have been received by such Bondholder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds and could have a material adverse effect on the Issuer's ability to pay interest on, and repay the principal amount and premium (if any) of, the Bonds, as well as their profitability and cash flow. The requirement to pay such additional amounts may, in certain circumstances, also give rise to a right of the Issuer to redeem all the Bonds at 100 per cent. of their principal amount plus accrued and unpaid interest to the date of redemption. For more information, see "*Terms and Conditions of the Bonds — Taxation*".

The PRC government could amend or revise the taxation laws, rules and regulations to impose stricter tax requirements, higher tax rates or apply the EIT or any subsequent changes in PRC tax laws, rules or regulations retroactively. If such changes occur or are applied retroactively, there could be a material adverse effect on the Group's business, financial condition and results of operations.

In addition, according to the Interim Regulation of the People's Republic of China on Value Added Tax (2017 Revision), which took effect on 19 November 2017, and the Circular or Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax ("**Circular 36**") issued by the Ministry of Finance and the State Administration of Taxation, which took effect on 1 May 2016, entities and individuals providing services within the PRC are subject to value-added tax ("**VAT**"). The services are treated as being sold within the PRC where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. Circular 36 further clarifies that "loans" refer to the activity of lending capital for another's use and receiving interest income thereon.

Based on the definition of "loans" under Circular 36, the issuance of the Bonds is likely to be treated as a "loan" provided by the Bondholders to the Issuer, which thus shall be regarded as financial services for VAT purposes. In general, income derived from the provision of loans will not be subject to VAT in the PRC if neither the Issuer nor the Bondholders is within the PRC. However, it is uncertain whether a foreign incorporated company which is deemed to be a PRC resident enterprise would be regarded as being within the PRC. In the event that the Issuer is deemed to be a PRC resident enterprise and is deemed to be within the PRC by the PRC tax authorities, the Bondholders may be deemed to be providing financial services to the Issuer within the PRC, and consequently, the amount of interest on the Bonds payable by the Issuer to any non-resident Bondholders may be subject to VAT at the rate of 6.0 per cent. plus related surcharges.

As at the date of this Offering Circular, the Issuer confirms that it has not been treated as a PRC resident enterprise by the PRC tax authorities. As a result, it is expected that, in practice it will not be required to withhold VAT or local levies from interest payments to Bondholders.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise by the PRC tax authorities in future. Pursuant to the EIT, Individual Income Tax Law of the PRC, the Business Tax Laws and the VAT reform detailed above, the Issuer may need to withhold EIT or individual income tax (should such tax apply) from the payments of interest in respect of the Bonds for any non-PRC-resident Bondholders and the Issuer may need to withhold business tax or VAT (should such tax apply) from the payments of interest in respect of the Bonds for any Bondholders located outside of the PRC.

No PRC stamp duty will be imposed on non-PRC Bondholders either upon issuance of the Bonds or upon a subsequent transfer of the Bonds to the extent that the register of holders of the Bondholders is maintained outside the PRC and the issuance and the sale of the Bondholders is made outside the PRC.

Any occurrence of force majeure events, natural disasters, contagious disease outbreaks or other adverse incidents in the PRC may materially and adversely affect the Group's businesses, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, may materially and adversely affect the Group's businesses and results of operations. An outbreak of an epidemic or contagious disease such as severe acute respiratory syndrome, the influenza A/H1N1 virus or the COVID-19 pandemic could result in a widespread health crisis and restrict the level of business activities in affected areas, which may in turn adversely affect the Group's businesses. Moreover, the PRC has experienced natural disasters such as earthquakes, floods and droughts in the past few years. As the Group's businesses are dependent on economic conditions in the PRC as a whole, any future occurrence of severe natural disasters in the PRC may adversely affect its economy and, in turn, the Group's businesses and results of operations. There is no assurance that any future occurrence of natural disasters or outbreak of avian influenza, severe acute respiratory syndrome, swine influenza or other epidemics or the measures taken by the PRC government or other countries in response to such events will not seriously disrupt the Group's operations or those of the Group's business partners or prospective investors in the Group's, which may have a material adverse effect on the Group's results of operations.

The Group's labour costs may increase for reasons such as the implementation of the PRC Labour Contract Law or inflation in the PRC.

The PRC Labour Contract Law (中華人民共和國勞動合同法) became effective on 1 January 2008 in the PRC and was amended on 28 December 2012 and became effective on 1 July 2013. It imposes more stringent requirements on employers in relation to entry into fixed-term employment contracts and dismissal of employees. Pursuant to the PRC Labour Contract Law, the employer is required to make a compensation payment to a fixed-term contract employee when the term of their employment contract expires, unless the employee does not agree to renew the contract even though the conditions offered by the employer for renewal are the same as or are better than those stipulated in the current employment contract. In general, the amount of compensation payment is equal to the monthly wage of the employee multiplied by the number of full years that the employee has worked for the employer. A minimum wage requirement has also been incorporated into the PRC Labour Contract Law. In addition, unless otherwise prohibited by the PRC Labour Contract Law or objected to by the employees themselves, the employer is also required to enter into non-fixed-term employment contracts with employees who have previously entered into fixed-term employment contracts for two consecutive terms.

In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid annual leave ranging from 5 to 15 days, depending on the length of the employees' service. Employees who consent to waive such annual leave at the request of employers shall be compensated an amount equal to three times their normal daily salaries for each day being waived. Under the National Leisure and Tourism Outline 2013–2020 (民旅遊休閒綱要2013–2020) which became effective on 2 February 2013, regulations on paid annual leave of employees shall have been implemented on a general basis by 2020. As a result of the PRC Labour Contract Law, the Regulations on Paid Annual Leave for Employees and the National Leisure and Tourism Outline 2013– 2020, the Group's labour costs (inclusive of those incurred by contractors) may increase. Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees' employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non fixed-term employment contracts under the PRC Labour Contract Law without cause. In the event the Group decides to significantly change or decrease its workforce, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group's businesses, financial condition and results of operations.

Further, if there is a shortage of labour or for any reason the labour cost in the PRC rises significantly, the costs of production of the Group's products are likely to increase. This may in turn affect the selling prices of the products, which may then affect the demand of such products and thereby adversely affect the Group's sales and financial condition. Increase in costs of other components required for production of the products may cause similar adverse effects, particularly if the Group is unable to identify and employ other appropriate means to reduce the costs of production. In such circumstances, the profit margin may decrease and the financial results may be adversely affected.

In addition, it is impossible to accurately predict future inflationary trends in the PRC. If inflation rates rise beyond the Group's expectations, this can increase the costs of labour and the costs of raw materials the Group must purchase for production. Rising labour costs may increase the Group's operating costs and partially erode the cost advantage of the Group's PRC-based operations and therefore negatively impact the Group's profitability.

The PRC legal system is continuously evolving and has uncertainties and the legal protections available to investors may be limited.

Most companies in the Group are incorporated in the PRC and most of the Group's businesses are conducted in the PRC. Hence, the Group's operations are principally governed by PRC laws and regulations. The PRC legal system is based on written statutes. Prior court decisions can only be cited as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters, such as the issuance and trading of securities, shareholder rights, foreign investment, corporate organisation and governance, commerce, taxation and trade with a view to developing a comprehensive system of commercial laws. However, due to the fact that these laws and regulations have not been fully developed and because of the limited volume of published cases and their non-binding nature, the interpretation of PRC laws and regulations still involves a significant degree of uncertainty and is less developed than those applicable to companies incorporated in Hong Kong, the United States, the United Kingdom and other developed countries or regions.

On 1 January 2006, substantial amendments to the PRC Company Law (中華人民共和國公司法) and the PRC Securities Law (中華人民共和國證券法) came into effect. Since then, the PRC Company Law was further amended on 28 December 2013 (and came into effect on 1 March 2014) and on 26 October 2018 (and came into effect on the same day) and the PRC Securities Law was further amended on 29 June 2013, 31 August 2014 and 28 December 2019 (and came into effect on 1 March 2020). As a result, the State Council and the China Securities Regulatory Commission (the "**CSRC**") may revise the special regulations and mandatory provisions and adopt new rules and regulations to implement and to reflect the amendments to the PRC Company Law and the PRC Securities Law. There is no assurance that any revision of the current rules and regulations or the adoption of new rules and regulations by the State Council and the CSRC will not have an adverse effect on the rights of the Bondholders.

It may be difficult to enforce any judgments obtained from non-PRC courts against the Group in the PRC.

The Terms and Conditions of the Bonds and the transaction documents are governed by English law, and the Issuer and the Guarantor have submitted to the exclusive jurisdiction of the Hong Kong courts. However, most companies in the Group are incorporated in the PRC and a substantial amount of the Group's assets and companies are located in the PRC.

It is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most other jurisdictions.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**"). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Mainland, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the "**Judicial Interpretation**"). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

Unlike other bonds issued in the international capital markets where holders of such bonds would typically not be required to submit to an exclusive jurisdiction, the Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Thus, the Bondholders' ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the Mainland consider that the enforcement of such judgment is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland. While it is expected that the relevant People's Courts of the Mainland will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

The Group is subject to restrictions on the remittance of Renminbi into and out of the PRC and governmental controls on currency conversion and may be affected by the risks relating to fluctuations in exchange rates in the future.

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of currency out of the PRC. A substantial part of the Group's gross revenue is denominated in Renminbi, a portion of which may need to be converted into other currencies in order to meet the Group's foreign currency obligations, such as payments of dividends, and payments of principal and interests under the Bonds or other foreign currency denominated debt, if any. For example, a portion of the Group's borrowings are denominated in U.S. dollar and other foreign currencies.

Under existing PRC laws and regulations on foreign exchange, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE provided that certain procedural requirements are complied with. Approval from, or registration with, competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. More restrictions and extensive vetting processes have been put in place by SAFE to regulate cross-border transactions under the capital account, such as the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving Authenticity and Compliance Review (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知). The PRC government may, at its discretion, take measures to restrict access to foreign currencies for current account and capital account transactions under certain circumstances. If the foreign exchange control system prevents the Group from obtaining sufficient foreign currencies to satisfy the Group's foreign currency demands, the Group may not be able to make interest payments and/or principal repayment to the Bondholders or holders of other foreign currency denominated debt, if any. In addition, there can be no assurance that new laws or regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of the PRC.

The proceeds from the offering of the Bonds will be received in U.S. dollars. As a result, any appreciation of Renminbi against the U.S. dollar or any other foreign currencies may result in the decrease in the value of the Group's foreign currency-denominated assets and the Group's proceeds from the offering of the Bonds. Conversely, any depreciation of Renminbi may adversely affect the Group's ability to service the Bonds.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, changes in PRC's and international political and economic conditions. On 21 July 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. From 21 July 2005 to 17 March 2014, the floating band of interbank spot foreign exchange market trading price of Renminbi against the U.S. dollar was gradually widened from 0.3 per cent. to 2 per cent. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. On 11 December 2015, the China Foreign Exchange Trade System ("**CFETS**"), a sub-institutional organisation of PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs Renminbi against 24 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. Further to the PBOC's adjustment on 11 August 2015, the value of Renminbi depreciated significantly against the U.S. dollar. In recent years, Renminbi has experienced further fluctuations and volatility in value against the U.S. dollar. In August 2019, the PBOC set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate.

There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in further appreciation or depreciation of the Renminbi against the U.S. dollar. There can be no assurance that the Renminbi will not experience significant appreciation or depreciation against the U.S. dollar in the future. In the event of material fluctuations in the exchange rates of the U.S. dollar against Renminbi, the Group's ability to pay dividends in foreign currencies may be materially and adversely affected. Such fluctuations may also cause the Group to incur foreign exchange losses and affect the relative value of any dividends distributed by its PRC subsidiaries. In addition, appreciation or depreciation in the value of Renminbi relative to the U.S. dollar may affect the Group's financial results in U.S. dollars without giving effect to any underlying change in its businesses or results of operations.

The PRC government has no payment or other obligations under the Bonds or the Guarantee.

The PRC government is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds, the Guarantee, the Trust Deed or the Agency Agreement in lieu of the Issuer or the Guarantor. This position has been reinforced by the Notice of the Ministry of Finance on Issues concerning Regulating the Investment and Financing Behaviours of Financial Enterprises for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知) ("**Circular 23**") promulgated on 28 March 2018 and took effect on the same day, and the Circular 706 promulgated on 11 May 2018 and took effect on the same day and the Notice on the Requirements relating to the Foreign Debt Issuance Filings and Registrations Application of local State-Owned Enterprises (關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) issued by the NDRC on 6 June 2019 which emphasised that local state-owned enterprises shall bear the responsibility for the repayment of foreign debt as independent legal persons, and local governments and their departments shall not pay the foreign debt of local state-owned enterprises directly or by committing to the payment of the foreign debt with financial funds, nor shall they provide guarantees for the issuance of foreign debt by local state-owned enterprises.

The PRC government as the ultimate equity holder of the Guarantor only has limited liability in the form of its equity contribution in the Guarantor. As such, the PRC government does not have any payment or

other obligations under the Bonds, the Guarantee, the Trust Deed or the Agency Agreement. The Bonds are solely to be repaid by the Issuer (failing whom, the Guarantor) as an obligor under the relevant transaction documents and as an independent legal person.

Therefore, investors should base their investment decision only on the financial condition of the Issuer, the Guarantor and the Group and base any perceived credit risk associated with an investment in the Bonds only on the Group's own financial information reflected in its financial statements.

RISKS RELATING TO THE BONDS AND THE GUARANTEE

The Bonds and the Guarantee will be unsecured obligations.

The Bonds and the Guarantee will be unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Bonds and payment under the Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;

- there is a default in payment under the Issuer's or the Guarantor's secured indebtedness or other unsecured indebtedness; or

- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's (as the case may be) assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Bonds.

The Bonds may not be a suitable investment for all investors seeking exposure to green, social or sustainable projects or assets.

The Group has developed its sustainable finance framework (the "**Sustainable Finance Framework**") and intends to adopt certain obligations with respect to the issue of the Bonds as described in the section entitled "*Sustainable Finance Framework*". An amount at least equivalent to the net proceeds from the offering of the Bonds will be allocated, in whole or in part, to refinance the Eligible Sustainable Projects as further described in the Sustainable Finance Framework. Other than information on the Sustainable Finance Framework disclosed under the section titled "*Sustainable Finance Framework*", any framework, certification or second party opinion and/or public reporting will not be incorporated by reference in and shall not form part of this Offering Circular and none of the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them makes any representation as to the suitability or contents thereof. The Group cannot guarantee that it will be able to comply with the obligations as set out in the Sustainable Finance Framework. However, it will not be an event of default under the Terms and Conditions of the Bonds if the Group fails to comply with such obligations. Such failure may affect the value of the Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets. Therefore, the Bonds may not be a suitable investment for all investors seeking exposure to green, social or sustainable assets.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" and therefore no assurance can be provided to potential investors that the Eligible Sustainable Projects (as defined in the Sustainable Finance Framework) will continue to meet the relevant eligibility criteria or meet all investor expectations regarding environmental and social impact. Although applicable green, social or sustainable projects are expected to be selected in accordance with the categories recognised in various principles described in the Sustainable Finance Framework and are expected to be developed in accordance with applicable legislation and standards,

there can be no guarantee that adverse social and/or environmental developments will not occur during the design, construction, commissioning and/or operation of any such Eligible Sustainable Projects. In addition, where any negative impacts are insufficiently mitigated, green, social or sustainable projects may become controversial, and/or may be criticised by activist groups or other stakeholders. In connection with the issue of the Bonds, the Group has engaged Sustainable Fitch, an independent firm that specialises in rating environmental and corporate governance performance, to review the Sustainable Finance Framework and to provide a second party opinion (the "**Second-Party Opinion**") on the Sustainable Finance Framework's alignment with, amongst others, the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines released by the International Capital Market Association and the Loan Market Association, the Loan Syndications and Trading Association and Asia Pacific Loan Market Association Green Loan Principles and Social Loan Principles. The Second Party Opinion is available at the following website: https://www.sustainablefitch.com/infrastructure-project-finance/lianyungang-port-group-co-ltd-second-party-opinion-07-04-2025. The Second-Party Opinion is not incorporated into and shall not form part of this Offering Circular. The Second-Party Opinion may not reflect the potential impact of all risks related to the Bonds, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Bonds. The Second-Party Opinion is not a recommendation to buy, sell or hold securities and is only current as at its date of issue and is subject to certain disclaimers set out therein, and may be updated, suspended or withdrawn at any time. The Second-Party Opinion is for information purposes only and none of the Issuer, the Guarantor, the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them accepts any form of liability for the substance of the Second-Party Opinion and/or any liability for loss arising from the use of the Second-Party Opinion and/or information provided in them.

No assurance can be provided with respect to the suitability or reliability that the Bonds will conform to the Sustainable Finance Framework. None of the independent assurance provider, the Joint Lead Managers, the Sustainable Finance Advisor, the Trustee or the Agents or any director, officer, employee, representative, agent, adviser or affiliate of any such person or any person who controls any of them has undertaken, or is responsible for, any assessment of the eligibility of projects within the definition of Eligible Sustainable Projects or the monitoring of the use of proceeds from the offering of the Bonds. Each potential investor of the Bonds should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of the Bonds should be based upon such investigation as it deems necessary.

It is the Issuer's intention to allocate an amount at least equivalent to the net proceeds received from the offering of the Bonds, in whole or in part, to refinance the Eligible Sustainable Projects in accordance with the Sustainable Finance Framework. However, although the Issuer has agreed to certain reporting and use of proceeds obligations in connection with certain eligible criteria, its failure to comply with such obligations does not constitute a breach or an event of default under the Bonds. A withdrawal of the Second-Party Opinion or any failure to use the net proceeds in connection with such Eligible Sustainable Projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to the Bonds, may affect the value and/or trading price of the Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green, social or sustainable projects. In the event that the Bonds are included in any dedicated "green", "environmental", "sustainable" or other equivalently-labelled index, no representation or assurance is given by the company or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

In addition, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds was published in the Official

Journal of the European Union on 30 November 2023 (the "**EU Green Bond Regulation**"). The EU Green Bond Regulation, which entered into force on 20 December 2023 and has applied since 21 December 2024, introduces: (i) a voluntary label (the "**European Green Bond Standard**") for issuers of green use of proceeds bonds where the proceeds will be invested in economic activities aligned with the EU Taxonomy; (ii) optional disclosure templates for bonds marketed as environmentally sustainable and for sustainability-linked bonds; and (iii) establishes a system to register and supervise external reviewers of green bonds aligned with the European Green Bond Standard. Any Bonds issued will not be aligned with such European Green Bond Standard and are intended to comply with the criteria and processes set out in the Sustainable Finance Framework only.

It is not clear at this stage the impact which the EU Green Bond Regulation may have on investor demand for, and pricing of, green use of proceeds bonds (such as the Bonds) that do not meet such standard. It could reduce demand and liquidity for the Bonds and their price. Whilst the EU Green Bond Regulation provides a supervisory regime for external reviewers of green bonds aligned with the European Green Bond Standard, any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer, the Guarantor or any of their respective affiliate) made available in connection with an issue of the Bonds will not be subject to regulatory oversight.

The Group is subject to risks relating to environmental, social and governance ("ESG") matters that could materially adversely affect the Group's reputation, business, financial condition and results of operation.

The Group is subject to a variety of risks, including reputational risk, associated with ESG matters. Adverse incidents with respect to ESG activities could impact the Group's reputation and relationships with investors, all of which could materially adversely affect the Group's business and results of operations. For example, the Group may be subject to allegations of greenwashing (for example, over-stating the credentials or environmental benefits of its projects, or not delivering on commitments made). The Group's expectations, estimates and aspirational statements regarding ESG matters, including the potential environmental impacts of the Group's projects and initiatives, involve known and unknown risks, uncertainties and other factors beyond its control that could cause the actual results to be different from such expectations, estimates and aspirational statements. As a result, there can be no assurance that the Group's ESG initiatives, including the use of proceeds from the Bonds and any further issuances of sustainable bonds, will not be subject to heightened scrutiny or public commentary in the future. Such scrutiny or public commentary could materially adversely affect the Group's reputation, business, financial condition and results of operations and, in particular, could create legal and reputational risks.

The Bonds are not linked to the performance of the Eligible Sustainable Projects described in "Sustainable Finance Framework", do not benefit from any arrangements to enhance the performance of the Bonds or any contractual rights derived solely from the intended use of proceeds.

The performance of the Bonds is not linked to the performance of the Eligible Sustainable Projects in accordance with the criteria described in "*Sustainable Finance Framework*" or the performance of the Issuer or the Guarantor in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Eligible Sustainable Projects. Consequently, neither payments of principal and/or interest on the Bonds nor any rights of the Bondholders shall depend on the performance of the Eligible Sustainable Projects or the performance of the Issuer or the Guarantor in respect of any such environmental or similar targets. Holders of the Bonds shall have no preferential rights or priority against the assets of any Eligible Sustainable Projects nor benefit from any arrangements to enhance the performance of the Bonds.

The obligations of the Guarantor under the Guarantee will be structurally subordinated to the liabilities and obligations of its subsidiaries.

The Issuer was established by the Guarantor specifically for the purpose of issuing the debt and hybrid securities. The Issuer does not have substantial business operations and its ability to make payments under the Bonds will depend on its receipt of timely payments from the Guarantor under the loan arrangement between them.

The Guarantee will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Guarantor's existing and future subsidiaries, whether or not secured. The Guarantor's obligations under the Guarantee will not be guaranteed by any of the Guarantor's subsidiaries, and the Guarantor's ability to make payments under the Guarantee depends partly on the receipt of dividends, distributions, interest or advances from its subsidiaries. The ability of such subsidiaries to pay dividends to the Guarantor is subject to various restrictions under applicable laws. The Guarantor's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Guarantee or make any funds available therefore, whether by dividends, loans or other payments. The Guarantor's right to receive assets of any of the Guarantor's subsidiaries, upon that subsidiary's liquidation or reorganisation, will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Guarantor are creditors of that subsidiary). Consequently, the Guarantee will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Guarantor's subsidiaries and any subsidiaries that the Guarantor may in the future acquire or establish. The outstanding indebtedness of the subsidiaries of the Guarantor may also contain covenants restricting the ability of such subsidiaries to pay dividends in certain circumstances for so long as such indebtedness remains outstanding. Moreover, the Guarantor's percentage interests in its subsidiaries and joint ventures could be reduced in the future.

The Guarantee will be the Guarantor's unsecured obligations and will (i) rank equally in right of payment with all the Guarantor's other present and future unsubordinated and unsecured indebtedness; and (ii) be effectively subordinated to all of the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations. Accordingly, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds, these assets will be available to pay obligations on the Guarantee only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Bondholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Bonds then outstanding would remain unpaid.

If the Guarantor fails to complete the SAFE registration in connection with the Guarantee, there may be hurdles for cross-border payment under the Guarantee.

The Guarantor, as a PRC-incorporated company, is required to obtain approvals and/or registrations before the issuance of such Bonds or within the required period after such creation and issuance in order to guarantee any indebtedness incurred by a foreign entity under any bond issuance, including its foreign incorporated subsidiary. As at the date of this Offering Circular, the approvals and/or registrations will be issued or completed pursuant to the Provisions on Foreign Exchange Administration of Cross-border Guarantee (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 (the "**Foreign Exchange Cross-border Guarantee Rules**"), the Operational Guidelines on Foreign Exchange Administration of Cross-border Guarantee (跨境擔保外匯管理操作指引) promulgated by SAFE on 12 May 2014 (the "**SAFE Guidelines**"), and other relevant regulations.

There is no assurance that the Guarantor will be able to complete the registration of the Guarantee with SAFE within the prescribed timeframe or at all. Under the Terms and Conditions of the Bonds,

Bondholders may require the Issuer to redeem the Bonds in the event that the Guarantee is not filed within a specified timeframe. Bondholders who do not exercise such redemption option should note that before requisite registrations and/or approvals of the Guarantee given by the Guarantor are completed, it is uncertain whether the Guarantee given by the Guarantor can be enforced in practice. Although the failure to register does not render the Guarantee ineffective or invalid under the Foreign Exchange Cross-border Guarantee Rules, SAFE may impose penalties on the Guarantor if the Guarantor fails to complete the SAFE registration. Further, there may be hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of SAFE registration in connection with the Guarantee in order to effect such remittance. Prior to the performance or discharge of its obligations under the Guarantee, the Guarantor is also required to complete a verification process with banks for each remittance under the Guarantee.

The interpretation of the Foreign Exchange Cross-border Guarantee Rules and the SAFE Guidelines may involve uncertainty, which may adversely affect the practical enforceability of the Guarantee given by the Guarantor in the PRC. In addition, the administration of the Foreign Exchange Cross-border Guarantee Rules and SAFE Guidelines may be subject to a certain degree of executive and policy discretion by SAFE.

Any failure to complete the relevant filings under the NDRC Administrative Measures within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the Bondholders.

The NDRC issued the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (《國家發展改革委關於推進企業發行外債備案登記制管理改革的通知》) (Fa Gai Wai Zi [2015] No. 2044) (the "**NDRC Circular**") on 14 September 2015, which ceased to be effective on 10 February 2023. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a maturity of more than one year issued outside the PRC with the NDRC prior to the issue of the securities.

On 5 January 2023, the NDRC issued the NDRC Administrative Measures, which came into effect on 10 February 2023. On 9 February 2023, NDRC published the frequently asked questions on the NDRC Administrative Measures and its responses (the "**FAQs**"), which provided further clarifications on the practical implications of certain provisions in the NDRC Administrative Measures. The Guarantor has obtained the Enterprise Foreign Debt Examination and Registration Certificate on 18 September 2024, which remains in full force and effect as at the date of this Offering Circular, and shall comply with the provisions relating to foreign debt risk management and interim and ex-post supervision under the NDRC Administrative Measures.

If the Guarantor fails to report relevant information according to the NDRC Administrative Measures, the examination and registration authorities shall, depending on the seriousness of the circumstances, impose disciplinary measures such as interviews and public warnings on the Guarantor concerned and its principal responsible person, etc.

Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. The Issuer undertakes to file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the Issue Date in accordance with the NDRC Administrative Measures.

The Issuer may not be able to redeem the Bonds upon the due date for redemption thereof.

On the Maturity Date, the Bonds will be redeemed at their principal amount, or following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Bonds), the Issuer may, at the option of any Bondholder, be required to redeem all, but not some only, of such holder's Bonds. On the Maturity

Date or if such an event was to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The source of funds for any such redemption would be available cash of the Group or third-party financing. However, the Issuer or the Guarantor may not have enough available funds at the time of the occurrence of any Relevant Event to redeem the outstanding Bonds. If an event constituting a Relevant Event occurs at a time when the Issuer is prohibited from redeeming the Bonds by the terms of its other debt instruments, the Issuer may seek the consent of the investors of such debt instruments under such indebtedness to redeem the Bonds or may attempt to refinance the debt instruments that contain such prohibition. If such a consent to repay such debt instruments is not obtained, the Issuer may be unable to redeem the Bonds. In addition, the Issuer's failure to redeem the outstanding Bonds on the Maturity Date would constitute an event of default under the Bonds. The event of default may, in turn, constitute an event of default under other debt instruments, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If the Issuer's other debt instruments were to be accelerated, it may not have sufficient funds to redeem the Bonds and repay those debt instruments.

The ability to redeem the Bonds on the Maturity Date or in any such event may also be limited by the terms of other debt instruments. Certain events constituting a Relevant Event under the Bonds may also constitute an event of default under certain of the Issuer, the Guarantor or their respective subsidiaries' debt instruments, requiring repurchase or repayment of such debt instruments. In addition, future debt of the Issuer or the Guarantor may also: (1) prohibit the Issuer from redeeming the Bonds in the event of a Relevant Event; (2) provide that a Relevant Event is a default; or (3) require the repurchase or repayment of such debt upon a Relevant Event. Moreover, the exercise by the Bondholders of their right to require the Issuer to redeem the Bonds could cause a default (even if the Relevant Event itself does not) under the Issuer, the Guarantor or their respective subsidiaries' other indebtedness, due to the financial effect of the redemption on all of them. The Issuer's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness of the Issuer, the Guarantor or other members of the Group.

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in their respective debt agreements (if any), or the Bonds, there could be a default under the terms of these agreements, or the Bonds, which could cause repayment of the debt of the Issuer or the Guarantor to be accelerated.

Certain debt agreements entered into by members of the Group may contain operational and financial restrictions that prohibit any member of the Group from incurring additional indebtedness, restrict such member of the Group from creating security or granting guarantees or prohibit such member of the Group from changing its business and corporate structure, or amending its articles of association unless they obtain the lender's prior consent. If the Issuer, the Guarantor or any member of the Group is unable to comply with the restrictions and covenants in the Bonds (in the case of the Issuer and the Guarantor), or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, the Guarantor or the relevant member of the Group, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, those debt agreements may contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer, the Guarantor or the relevant member of the Group under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements, including the Bonds. If any of these events occur, there can be no assurance that there would be sufficient assets and cash flows to repay in full all of the indebtedness of the Issuer, the Guarantor or relevant member of the Group, or that it would be able to find alternative financing. Even if the Issuer, the Guarantor or the relevant member of the Group could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer, the Guarantor or the relevant member of the Group.

The Issuer may issue additional bonds in the future.

The Issuer may, from time to time, and without the consent of the Bondholders, create and issue further bonds (see "*Terms and Conditions of the Bonds — Further Issues*") or otherwise raise additional capital

through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

The Bonds may not be a suitable investment for all investors.

The Bonds will be complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured, appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Bonds unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Bonds. Financial institution investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The Bonds may not be suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;

(iv) understand thoroughly the Terms and Conditions of the Bonds and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand the tax consequence of the purchase, ownership and disposition of the Bonds; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and the ability to bear the applicable risks.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There can be no assurance that these developments will not occur in the future.

Changes in market interest rates may adversely affect the value of the Bonds.

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Bonds will carry a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer less than their investment.

Developments in other markets may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the global economy, including credit and financial markets, has experienced significant volatility and disruptions. For example, the current conflict between Ukraine and Russia has created extreme volatility in the capital markets and is expected to have further global economic consequences. If similar developments occur in the international financial markets, the market price of the Bonds could be adversely affected.

An active trading market for the Bonds may not develop.

The Bonds will be a new issue of securities for which there is currently no trading market. There can be no assurance as to the liquidity of the Bonds or that an active trading market for the Bonds will develop or be sustained. No assurance can be given as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. Bondholders should note that they may need to hold their Bonds until maturity as there may not be an active secondary market for the Bonds. The Joint Lead Managers are not obligated to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to, or exempt from, registration under the Securities Act.

The Bonds are redeemable in the event of certain withholding taxes being applicable.

Although pursuant to the Terms and Conditions of the Bonds, the Issuer and the Guarantor are required to gross up payments on account of any withholding taxes or deductions, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any final judgment or order of a court of competent jurisdiction), which change or amendment becomes effective on or after 15 April 2025 where the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obligated to pay Additional

Tax Amounts and such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it.

The insolvency laws of Hong Kong and the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Bonds are familiar.

As the Issuer and the Guarantor are incorporated under the laws of Hong Kong and the PRC respectively, any insolvency proceeding relating to the Issuer or the Guarantor would likely involve Hong Kong or the PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

Exchange rate risks and exchange controls may result in a Bondholder receiving less interest or principal than expected.

The Bonds will be denominated and payable in U.S. dollar. An investor who measures investment returns by reference to a currency other than U.S. dollar would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, among other things, economic, political and other factors over which the Group has no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

The Issuer will pay principal and interest on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if a Bondholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollar would decrease (i) the Investor's Currency equivalent yield on the Bonds; (ii) the Investor's Currency equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency equivalent market value of the Bonds.

Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a Bondholder may receive less interest or principal than expected, or no interest or principal.

The rating of the Bonds may not reflect all risks and may be changed at any time, which may adversely affect the market price of the Bonds.

The Bonds are expected to be rated "BBB" by Fitch, upon issuance. Fitch has assigned a corporate rating of "BBB (stable)" to the Guarantor. The Guarantor was also assigned a credit rating of AA+ by China Chengxin International Credit Rating Co, Ltd (CCXI)/Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. The ratings represent opinions of the rating agency and its assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Bonds and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Bonds. Such rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold the Bonds. The ratings may be lowered or withdrawn by the rating agency at any time. No assurance can be given that a rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by an assigning rating agency. Any decline in the financial position of the Issuer, the Guarantor, or any of its subsidiaries may impair the ability of the Issuer or the Guarantor to make payments to the Bondholders under the Bonds and/or result in the rating of the Bonds being lowered, suspended or withdrawn entirely. If the rating initially assigned to the

Bonds is subsequently lowered or withdrawn for any reason, no person or entity will be obliged to provide any additional credit enhancement with respect to the Bonds. Neither the Guarantor nor the Issuer is obliged to inform the holders of the Bonds if the ratings are lowered or withdrawn. A suspension, downgrade or withdrawal of the rating of the Bonds at any time may materially and adversely affect the market price of the Bonds and the Issuer's and the Guarantor's ability to access debt capital markets.

Any downgrading of the Guarantor's corporate ratings, or those of its subsidiaries, by rating agencies could adversely affect the Group's business and liquidity.

Any adverse revision to the Guarantor's corporate ratings, or those of its subsidiaries, for domestic and international debt by rating agencies such as Fitch may adversely affect the Group's business, its financial performance and the trading price of the Bonds. Further, the Group's ability to obtain financing or to gain access to capital markets may also be limited, thereby lowering its liquidity.

The Trust Deed and the Terms and Conditions of the Bonds contain limited restrictive operating covenants and no financial covenants.

The Terms and Conditions of the Bonds contain a negative pledge at Condition 4(a) of the Terms and Conditions of the Bonds. Except for the above, the Trust Deed and the Terms and Conditions of the Bonds do not contain any other restrictive financial or operating covenants or restrictions, including covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase or repayment of securities by the Issuer or the Guarantor. The Trust Deed and the Terms and Conditions of the Bonds do not contain any covenants or provisions that require the Issuer or the Guarantor to achieve or maintain any minimum financial results relating to its financial position or results of operations. The ability of the Issuer and/or the Guarantor to recapitalise, incur additional debt and take other actions that are not limited by the terms of the Trust Deed or the Terms and Conditions of the Bonds could have the effect of diminishing the ability of the Issuer to make payments on the Bonds when due.

The Trustee may request holders of the Bonds to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances, including without limitation giving of notice to the Issuer and the Guarantor pursuant to Condition 9 of the Terms and Conditions of the Bonds and taking of any step and/or action and/or the instituting of any proceeding pursuant to Condition 13 of the Terms and Conditions of the Bonds, the Trustee may, at its sole discretion, request holders of the Bonds to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of holders of the Bonds. The Trustee shall not be obliged to take any such steps and/or actions and/or institute any such proceedings if not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing an indemnity and/or security and/ or pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take any step and/or action and/or to institute any proceeding, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed or the Terms and Conditions of the Bonds and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable laws and regulations, it will be for the holders of the Bonds to take such steps and/or actions and/or to institute such proceedings directly.

Decisions that may be made on behalf of all holders of the Bonds may be adverse to the interests of individual holders of the Bonds. Modifications and waivers may be made in respect of the Terms and Conditions of the Bonds, the Agency Agreement, the Deed of Guarantee and the Trust Deed by the Trustee or less than all of the holders of the Bonds.

The Terms and Conditions of the Bonds contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions will permit defined majorities to

bind all holders of the Bonds including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of individual Bondholders.

The Terms and Conditions of the Bonds also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the Terms and Conditions of the Bonds or any of the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the Issuer or the Guarantor, of any of the Terms and Conditions of the Bonds or any of the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee that is in the opinion of the Trustee not materially prejudicial to the interest of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer, failing whom the Guarantor, to the Bondholders as soon as practicable.

A change in English law which governs the Bonds may adversely affect holders of the Bonds.

The Terms and Conditions of the Bonds will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Bonds and any such change could materially adversely impact the value of any Bonds affected by it.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

The Issuer and the Guarantor will be subject to reporting obligations in respect of the Bonds to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed to.

The Bonds will initially be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System.

The Bonds will initially be represented by a Global Certificate. Such Global Certificate will be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Bonds. Euroclear and Clearstream will maintain records of the beneficial interests in the Global Certificate.

While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream. While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream to appoint appropriate proxies.

Bonds which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The specified denominations of the Bonds will be U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive certificate in respect of such holding of Bonds (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to a specified denomination. If definitive certificates are issued, Bondholders should be aware that Bonds with aggregate principal amounts that are not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

USE OF PROCEEDS

The gross proceeds from the offering of the Bonds will be U.S.$310,000,000. The Issuer intends to use the net proceeds (being the gross proceeds from the offering of the Bonds after deducting underwriting commissions and other estimated expenses payable in connection with the offering of the Bonds) to refinance the Guarantor's medium to long term offshore indebtedness due in June 2025.

An amount at least equivalent to the net proceeds from the offering of the Bonds will be allocated, in whole or in part, to refinance the Eligible Sustainable Projects in accordance with the Sustainable Finance Framework. See "*Sustainable Finance Framework*" for more details.

SUSTAINABLE FINANCE FRAMEWORK

None of the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them accepts any responsibility for any losses howsoever arising, directly or indirectly, from the Sustainable Finance Framework or its contents including for any social, environmental, and sustainability assessment of any securities issued as sustainable bonds or makes any representation or warranty or assurance (i) whether such securities will meet any investor expectations or requirements regarding such "green", "social", "sustainable", or similar labels, (ii) whether the net proceeds of the issuance of the Bonds will be used to finance, refinance and/or invest in relevant eligible green, social or sustainable projects, or (iii) as to the characteristics of relevant eligible green, social or sustainable projects in which the proceeds of the Bonds are applied or invested.

Any second-party opinions issued provide opinions on certain environmental and related considerations and are not intended to address any credit, market, or other aspects of an investment in any securities, including without limitation, market price, marketability, investor preference, or suitability of any security.

Any second-party opinion is a statement of opinion, not a statement of fact. Second-party opinions are not, nor should be deemed to be, a recommendation by the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them or any other person to buy, sell or hold any securities. No representation or assurance is given by the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them as to the suitability or reliability of the second-party opinions or any other opinion or certification of any third party made available in connection with any issue of securities issued as sustainable bonds under the Sustainable Finance Framework, nor is any such opinion or certification a recommendation by any of the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them to buy, sell or hold any such securities. Furthermore, any second-party opinion is for information purposes only and none of the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them accepts any form of liability for the substance of any second-party opinion and/or any liability for loss arising from the use of any second-party opinion and/or the information provided in each of it. The Sustainable Finance Advisor, the Joint Lead Managers, the Trustee and the Agents have not undertaken, nor are responsible for, any assessment of the eligibility of the assets within the definition of eligible sustainable assets or the monitoring of the use of proceeds from the offering of the Bonds. In the event any such securities are, or are intended to be, listed, or admitted to trading on a dedicated "green", "social", "sustainable", or other equivalently labelled segment of a stock exchange or securities market, no representation or assurance is given by the Sustainable Finance Advisor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them that such listing or admission will be obtained or maintained for the lifetime of the securities.

Investors should refer to the Sustainable Finance Framework and the Second-Party Opinion for information and should determine for themselves the relevance of the information contained in this Offering Circular regarding the use of proceeds and its investment in the Bonds should be based upon such investigation as it deems necessary. The Second Party Opinion is available at the following website: https://www.sustainablefitch.com/infrastructure-project-finance/lianyungang-port-group-co-ltd-second-party-opinion-07-04-2025. The Second-Party Opinion is not incorporated into and shall not form part of this Offering Circular. The information in the Sustainable Finance Framework and the Second-Party Opinion has not been verified.

The Second-Party Opinion provided in respect of the Sustainable Finance Framework or any of the above reports or verification assessments are not incorporated in, or form part of, this Offering Circular and should not be relied upon in connection with making any investment decision with respect to the Bonds.

This Sustainable Finance Framework covers energy efficiency, pollution prevention and control, and sustainable water and wastewater management and has been developed to demonstrate the Group's intention to issue green, social or sustainable bonds and loans (the "**Sustainable Financing Instruments**") and to utilise such Sustainable Financing Instruments to fund eligible green and social projects that conform to the sustainable finance principles listed below:

— With respect to bonds, bonds issued under this Sustainable Finance Framework will be aligned with the Green Bond Principles ("**GBP**") 2021 (with June 2022 Appendix 1), the Social Bond Principles ("**SBP**") 2023 (with June 2023 Appendix 1) and the Sustainability Bond Guidelines ("**SBG**") 2021 released by the International Capital Market Association ("**ICMA**"), or as they may subsequently be updated.

— With respect to loans, loans issued under this Sustainable Finance Framework will be aligned with the Green Loan Principles ("**GLP**") 2023 and the Social Loan Principles ("**SLP**") 2023 released by the Loan Market Association ("**LMA**"), the Asia Pacific Loan Market Association ("**APLMA**") and the Loan Syndications and Trading Association ("**LSTA**") or as they may subsequently be updated.

In aligning with the above principles and guidelines, the Group's Sustainable Finance Framework is presented through the four core components of the GBP, SBP, SBG, GLP and SLP as well as their recommendation for external review, and the four core components include: (1) Use of Proceeds; (2) Process for Evaluation and Selection; (3) Management of Proceeds; and (4) Reporting, as set out in this Sustainable Financing Framework.

Bond(s) and loans issued under the Sustainable Finance Framework may take the form of public transactions or private placements, in bearer or registered format, and may take the form of senior unsecured or subordinated issuances. Such bonds and loans entered into under the Sustainable Finance Framework will be standard recourse-to-the-issuer obligations and investors will not bear the credit risk of the underlying allocated eligible asset exposures.

1. USE OF PROCEEDS

The Group will allocate an amount at least equivalent to the net proceeds of the Sustainable Financing Instruments issued under the Sustainable Finance Framework, in whole or in part, on financing and/or refinancing eligible green and/or social projects. A maximum 36-month look-back period would apply for refinanced projects. The Group will use its best endeavors to deploy an equivalent amount of the net financing proceeds from the Sustainable Financing Instruments within 36 months. The expected proceed allocation ratio will be 70 per cent. on green projects and 30 per cent. on social projects. Within each project category, proceeds allocated to each project will be equal.

Eligible Sustainable Projects refer to projects under the below categories and the examples of eligible projects are for demonstration only. The Group's selected Eligible Sustainable Projects include but not limited to the below examples.

A. Eligible Green Project Categories

Eligible Green Project Categories & UNSDG Alignment	Eligibility Criteria	Example of Eligible Green Projects
Energy Efficiency 	• Clean renewable energy, such as solar-powered electricity for 100 per cent. of operational electricity demand, with quantifiable annual carbon reduction; • Technological innovations, such as the industrial 4.0 technologies that include automated guided vehicle (AGV) robots and intelligent elevators to achieve energy-efficiency optimisation in logistics sorting and transportation; and • Digital energy management systems to monitor and optimise energy consumption in real time.	Lianyungang International Automobile Green Intelligent Logistics Center Project • This project is the most intelligent and intensive automobile logistics center in the national port industry and the first to achieve zero carbon emissions for operation of the center. It can park 5,200 commercial vehicles at the same time and has an annual turnover capacity of 180,000 vehicles. Solar green electricity is installed on the roof, with an annual power generation of 1 million kWh to supply electricity for the logistics center and other operations at the terminal. 16 elevators and 48 AGV robots are installed to automatically classify and sort vehicles and prepare goods, greatly improving operational efficiency and saving 2 days compared to the traditional manual vehicle preparation process.
Pollution Prevention and Control 	• This green use of proceeds cover investments in the construction and operation of air film warehouse projects. • The Group commits to using air film materials that can last over 20 years and recyclable materials for eligible projects.	Single-unit general bulk cargo yard air film warehouse project • This project is the largest single-unit general bulk cargo yard air film warehouse in China. The project is equipped with advanced monitoring sensors and dust reduction and other safety and environmental protection facilities. It has designed indoor supporting projects including 2 substations and 4 sets of diesel generator sets, which can realize the "living" of bulk cargo in the air film warehouse. While effectively solving dust pollution, it also reduces the risks of cargo pollution and loss.
Clean Transportation 	• This green use of proceeds cover investments related to the procurement of fully or pure electric tugboats, which have zero tailpipe CO_2 emissions. • The Group expects eligible electric tugboat projects to reduce the emissions of CO_2 and air pollutants, such as NO_x, SO_x, and particulate matter, compared to diesel-powered tugboats.	Lianyungang Port Pure Electric Tugboat Industry Demonstration Base Project • This project is the first of its kind in China. The pure electric tugboat uses lithium iron phosphate battery pack as the power source, which can be fully charged in 2 hours at the dock. It has the advantages of zero emission of atmospheric pollutants, no pollution, low noise and low energy consumption. It solves the problem of insufficient horsepower and can achieve the effect of using a 5,400 horsepower conventional tugboat, replacing the traditional high-power fuel tugboat.

B. Eligible Social Project Categories

Eligible Social Project Categories & UNSDG Alignment	Eligibility Criteria	Example of Eligible Social Projects
Food Security 	• This social use of proceeds cover projects that improve access to safe and adequate food at an affordable cost. • Eligible projects will support reduction in grain loss during transit and in carbon emissions compared to traditional road or rail transportation. • The Group expects eligible projects to enhance food security by ensuring a stable food supply. • The target group is the general public, as the objective is to ensure food security.	Open-top container grain transport train project • Lianyungang Port is committed to building the "five centers" of the main port area, among which the Lianyungang International Grain Distribution Center is planned to be completed and put into use in 2025. The total grain storage capacity of Lianyungang Port will reach 500,000 tons, and the annual throughput capacity will be increased to 5.8 million tons. This project is the first open-top container grain transport train in the country. Compared with traditional railway grain containers, this container transportation mode has the characteristics of high full load rate, high logistics timeliness, easy supervision, zero loss, etc., and has broad application scenarios such as road-rail transport and rail-water transport.

C. Exclusion Criteria

Based on the latest International Finance Corporation ("**IFC**") Exclusion List, the Group has added the following activities to the Exclusion List. In any case, Eligible Sustainable Projects under the Sustainable Finance Framework will exclude the following activities from consideration for eligibility:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, polychlorinated biphenyls (PCBs), wildlife or products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 per cent.
- Drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length.

- Production or activities involving harmful or exploitative forms of forced labour/harmful child labour.

- Commercial logging operations for use in primary tropical moist forest.

- Production of wood or other forestry products other than from sustainably managed forests.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

The Group has set up a sustainable port construction work group ("**SPCWG**") which is responsible for making sure that proceeds from the Sustainable Financing Instruments or an equivalent amount will be allocated to the eligible projects under the Sustainable Finance Framework directly or indirectly. At the same time, the SPCWG will also be responsible for manging any future updates of the Sustainable Finance Framework, including any expansion of requirements of use of proceeds. The SPCWG consists of members from various departments of the Group, including the (i) Financial Management Department, (ii) Strategic Investment Department, (iii) Engineering Department, and (iv) Audit Department.

The SPCWG contains representatives with sustainability expertise and will follow guidance on sustainable, recyclable and low-carbon development from top-level documents such as "Lianyungang Port Group Sustainable Development Plan During 14th Five-Year", "Lianyungang Port Group Implementation Plan for Building Near-Zero-Carbon Ports", "Lianyungang Port Group Environment Protection Development Planning and Implementation Plan", in combination of the Group's development strategies and relevant working plans when discussing and selecting sustainable projects under eligibility and exclusion criteria defined in the Sustainable Finance Framework and extracted above. SPCWG will then screen projects based on Feasibility Report and submit the selected projects to the President's office. The projects that are approved by the President's office will become Eligible Sustainable Projects.

SPCWG will make sure the Eligible Sustainable Projects comply with the use of proceeds section of the Sustainable Finance Framework, applicable environmental guidelines which are applicable to the Group as well as all applicable national and international environmental standards and local laws and regulations. All projects will undergo an environmental survey in order to make sure they have effective pollutant control, energy saving and environment protection measures. The survey should contain the following contents: the impact on surrounding air, surface and groundwater, and actual energy consumption.

3. MANAGEMENT OF PROCEEDS

The Group intends to allocate, over time, an amount equal to the net proceeds to finance or refinance Eligible Sustainable Projects directly or indirectly, selected in accordance with the eligibility criteria, and using the evaluation and selection process outlined above.

The net proceeds from each Sustainable Financing Instrument will be managed by Group's finance team and the proceeds from each Sustainable Financing Instrument will be deposited in general funding accounts and will be exclusively used for eligible projects financing and refinancing. It is Group's intention to deploy proceeds of each sustainable finance transaction to Eligible Sustainable Projects within 3 years.

The Group will monitor the net proceeds of all outstanding sustainable bond transactions, which includes appropriately tracking the proceeds and adjusting the balance of net proceeds to match allocations to Eligible Sustainable Projects. Any balance of issuance proceeds which are not yet

allocated to Eligible Sustainable Projects will be held for short term time deposits or other short term wealth management products. The Group will disclose to investors the types of temporary placement they use for unallocated proceeds.

The Group's directors, supervisors and senior management personnel shall be diligent and responsible, supervise the Group to regulate the use of proceeds from Sustainable Financing Instruments, and consciously maintain the safety of the raised funds. They shall not participate in, assist or condone the Group's unauthorized or disguised changes to the use of raised funds. The controlling shareholder and actual controller of the Group shall not directly or indirectly occupy or misappropriate the funds raised from the Sustainable Financing Instruments, and shall not use the raised funds to obtain illegitimate benefits. The Group is committed to not investing unallocated proceeds to any high pollution activities or any projects that are in conflict with the eligibility criteria under the Sustainable Finance Framework.

During the life of the Sustainable Financing Instruments issued, if the designated Eligible Sustainable Projects cease to fulfil the eligibility criteria, the net proceeds or an amount equal to these net proceeds will be re-allocated to replacement Eligible Sustainable Projects that comply with the eligibility criteria, as soon as reasonably practicable. The Group strives to maintain an amount of Eligible Sustainable Projects at least equal of the total net proceeds of all Sustainable Financing Instruments outstanding.

Additionally, if any material and critical controversies emerge in relation to a specific project, the Group commits to substitute that project with an alternative Eligible Sustainable Project.

4. REPORTING

The Group will provide information on the allocation of the net proceeds from each Sustainable Financing Instrument or equivalent amount and environment impact report publicly available in the Issuer's website (or official WeChat account or any other official platforms of the Issuer) or in the Group's annual report. Such information will be provided on an annual basis until all the net proceeds or an amount equal to these net proceeds have been allocated and in the event of any material changes until the relevant maturity date. The SPCWG will review and approve the allocation and impact reports.

The information disclosed will include, but not limited to the following details:

A. Allocation Reporting

- Share of financing vs. refinancing
- List of eligible green and social projects
- Allocation of the proceeds among five categories covered under the Sustainable Finance Framework (There will be no such disclosure if the use of proceeds is used for refinancing)
- The proportion of the proceeds allocated to refinancing of existing eligible green and social projects, with clarification on which investment or project portfolios will be refinanced
- Information on unallocated proceeds will be reported on aggregated Sustainable Financing Instrument portfolio basis

B. Impact Reporting

The Group will provide reports on the environmental and social benefits of Eligible Sustainable Projects.

C. External Review

The Group has engaged Sustainable Fitch, an independent firm that specialises in rating environmental and corporate governance performance, as external reviewer to evaluate the appropriateness of the Sustainable Finance Framework, and alignment with the sustainable finance principles listed above. The assessment result document(s) will be available on Group's website (or official WeChat account or any other official platforms of the Group). The Group commits to report on the impact of the Eligible Sustainable Projects annually.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to modification and other than the words in italics, is the text of the terms and conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of the U.S.$310,000,000 4.85 per cent. guaranteed bonds due 2028 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 of these terms and conditions (these "**Conditions**") and to be consolidated and forming a single series therewith) was authorised by a resolution of the board of directors of Shanhai (Hong Kong) International Investments Limited (the "**Issuer**") passed on 27 March 2025 and the guarantee of the Bonds was authorised by a resolution of the board of directors of Lianyungang Port Group Co., Ltd. (連雲港港口集團有限公司) (the "**Guarantor**") passed on 17 June 2024, a supplemental resolution of the board of directors of the Guarantor passed on 18 March 2025 and the controlling shareholder's resolutions of the Guarantor passed on 1 January 2025. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the "**Trust Deed**") dated on or about 24 April 2025 between the Issuer, the Guarantor and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) (the "**Trustee**", which expression shall, where the context so permits, include its successor(s) and all other persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Bonds. These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds have the benefit of a deed of guarantee (as amended and/or supplemented from time to time, the "**Deed of Guarantee**") dated on or about 24 April 2025 executed by the Guarantor and the Trustee relating to the Bonds. An agency agreement (as amended and/or supplemented from time to time, the "**Agency Agreement**") dated on or about 24 April 2025 relating to the Bonds has been entered into between the Issuer, the Guarantor, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as the principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent appointed from time to time in connection with the Bonds), as the registrar (the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as the transfer agent (the "**Transfer Agent**", which expression shall include any successor or additional transfer agent appointed from time to time in connection with the Bonds) and any other agents named in it. Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available (i) for inspection at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the principal office of the Trustee (being at the date of issue of the Bonds at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) and at the specified office of the Principal Paying Agent and (ii) electronically to a requesting Bondholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent, as the case may be. "**Paying Agents**" means any paying agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds and includes the Principal Paying Agent and "**Agents**" means the Principal Paying Agent, any other Paying Agents, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds including their respective successors. The Bondholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Guarantee and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in registered form in the specified denomination of U.S.$200,000 and in integral multiples of U.S.$1,000 in excess thereof (each a "**Specified Denomination**").

The Bonds are represented by registered certificates (the "**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by transfer and registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "**Bondholder**" and, in respect of a Bond, "**holder**" mean the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

*Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. The Conditions are modified by certain provisions contained in the Global Certificate while any of the Bonds are represented by the Global Certificate. See "Summary of Provisions relating to the Bonds in Global Form".*

Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

2 TRANSFERS OF BONDS AND DELIVERY OF NEW CERTIFICATES

(a) **Transfer:** A holding of Bonds may, subject to Conditions 2(d) and 2(e) and the relevant provisions of the Agency Agreement, be transferred in whole or in part in the Specified Denomination as provided by Condition 1 upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered in the Register.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

(b) **Delivery of New Certificates:** Each new Certificate to be issued upon transfer of Bonds pursuant to Condition 2(a) shall be made available for delivery within seven business days (as defined below) of receipt by the Registrar, or as the case may be, any Transfer Agent, of a duly completed and signed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds will not be entitled to receive physical delivery of the Certificates.

(c) **Transfer or Exercise Free of Charge:** Certificates, on transfer, shall be issued and registered without charge to the relevant Bondholder by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the relevant Bondholder of any tax, duty or other governmental charges that may be imposed in relation to them (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar or the Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the relevant Transfer Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.

(d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the due date for redemption of that Bond, (ii) after a Put Exercise Notice has been deposited in respect of such Bond pursuant to Condition 6(c), or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)).

(e) **Regulations:** All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of Bonds scheduled to the Agency Agreement. Each of the Issuer and the Registrar may change the regulations from time to time, with the prior written approval of the Trustee and (in the case of any change proposed by the Issuer) of the Trustee, the Transfer Agent and the Registrar. A copy of the current regulations will be mailed (free of charge to the Bondholder and at the expense of the Issuer, failing whom the Guarantor) by the Registrar to any Bondholder following written request and is available for inspection by any Bondholder at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the specified office of the Registrar following prior written request and proof of holding and identity to the satisfaction of the Registrar.

3 GUARANTEE AND STATUS

(a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. Its obligations in that respect (the "**Guarantee**") are contained in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

(b) **Status:** The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

4 COVENANTS

(a) **Negative Pledge:** So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of the Principal Subsidiaries (other than any Listed Subsidiary and a Subsidiary of a Listed Subsidiary) will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

(b) **Undertakings relating to the Guarantee:** The Guarantor undertakes to file or cause to be filed with the State Administration of Foreign Exchange of the PRC ("**SAFE**") or its local counterparts the Guarantee within the prescribed timeframe after the Issue Date in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). The Guarantor shall (i) use all reasonable endeavours to complete the Cross-Border Security Registration and obtain from SAFE or its local counterparts a registration certificate or any other document evidencing the completion of the Cross-Border Security Registration by the Registration Deadline and (ii) comply with all applicable PRC laws and regulations in relation to the Deed of Guarantee.

(c) **Undertakings relating to NDRC:** The Guarantor undertakes to file or cause to be filed with the National Development and Reform Commission of the PRC (the "**NDRC**") or its local counterparts the requisite information and documents in relation to the issue of the Bonds within the prescribed timeframes after the Issue Date, including but not limited to the filing with the NDRC or its local counterparts of the requisite information and documents relating to the issue of the Bonds within 10 PRC Business Days after the Issue Date (the "**NDRC Post-issue Filing**") and complying with all applicable PRC laws and regulations in relation to the NDRC Post-issue Filing, in accordance with the Administrative Measures for the Review and Registration of Medium- and Long- Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC and

effective from 10 February 2023, and any implementation rules, regulations, certificates, circulars, notices or policies in connection therewith issued by the NDRC from time to time.

(d) **Notification of Completion of the NDRC Post-issue Filing and the Cross-Border Security Registration:** The Guarantor shall on or before the Registration Deadline, provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the completion of the NDRC Post-issue Filing and the Cross-Border Security Registration; and (ii) copies of the relevant documents evidencing due filing with the NDRC or its local counterparts (if any) and the relevant SAFE registration certificate (or any other document evidencing the completion of registration issued by SAFE or its local counterparts) setting out the particulars of registration, each certified in English by an Authorised Signatory of the Guarantor as being a true and complete copy of the original (the items specified in (i) and (ii) together, the "**Registration and Filing Documents**").

In addition, the Guarantor shall procure that, within 10 PRC Business Days after the documents comprising the Registration and Filing Documents are delivered to the Trustee, the Issuer gives notice to the Bondholders (in accordance with Condition 16) confirming the completion of the NDRC Post-issue Filing and the Cross-Border Security Registration.

The Trustee may rely conclusively on the Registration and Filing Documents and shall have no obligation or duty to monitor or ensure or assist with the NDRC Post-issue Filing or the registration of the Guarantee with SAFE on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-issue Filing or the Cross Border Security Registration and/or the Registration and Filing Documents or to translate or procure any translation of any of the foregoing or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing and/or the Cross-Border Security Registration, and shall not be liable to the Bondholders, the Issuer, the Guarantor or any other person for not doing so.

(e) **Financial Statements:** So long as any Bond remains outstanding, the Issuer and the Guarantor shall furnish the Trustee with a Compliance Certificate of each of the Issuer and the Guarantor (on which the Trustee may rely conclusively as to such compliance and shall not be liable to any Bondholder, the Issuer, the Guarantor or any other person for such reliance) at the same time as the provision of the Guarantor Audited Financial Reports by the Guarantor, and the Guarantor shall furnish the Trustee with (i) a copy of the relevant Guarantor Audited Financial Reports within 180 days of the end of each Relevant Period prepared in accordance with PRC GAAP (audited by a nationally recognised firm of independent accountants) and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) a nationally recognised firm of independent accountants or (B) a professional translation service provider and checked and confirmed by a nationally recognised firm of independent accountants; and (ii) a copy of the Guarantor Unaudited Semi-Annual Financial Statements within 120 days of the end of each Relevant Period prepared on a basis consistent with the Guarantor Audited Financial Reports and if such statements shall be in the Chinese language, together with an English translation of the same and translated by (A) a nationally recognised firm of independent accountants or (B) a professional translation service provider and checked and confirmed by a nationally recognised firm of independent accountants.

The Trustee shall have no obligation to review or verify any such translation and shall be entitled to rely conclusively on each such translation furnished to it pursuant to this Condition 4(e) as an accurate and complete translation of the original and shall not be responsible or liable to any Bondholder, the Issuer, the Guarantor or any other person for so doing.

(f) **Definitions:** In these Conditions:

"**Compliance Certificate**" means a certificate of the Issuer or the Guarantor, as the case may be, signed by an Authorised Signatory of the Issuer or the Guarantor, as the case may be, that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or the Guarantor, as the case may be, as at a date (the "**Certification Date**") not more than seven days before the date of the certificate that:

(i) no Event of Default (as defined in Condition 9) or Potential Event of Default (as defined in the Trust Deed) has occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and

(ii) the Issuer or the Guarantor (as the case may be) has complied with all its covenants and obligations under the Trust Deed, the Bonds and, in the case of the Guarantor, the Deed of Guarantee or, in the event of non-compliance, giving details of it;

"**Guarantor Audited Financial Reports**" means, for a Relevant Period, the annual audited consolidated income statement, balance sheet and cashflow statements of the Guarantor and its consolidated subsidiaries, together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them, prepared in accordance with the applicable PRC GAAP or other internationally recognised generally accepted accounting principles;

"**Guarantor Unaudited Semi-Annual Financial Statements**" means, for a Relevant Period, the unaudited and unreviewed consolidated income statement, balance sheet and cashflow statements of the Guarantor and its consolidated subsidiaries, prepared on a basis consistent with the Guarantor Audited Financial Reports;

"**Issue Date**" means 24 April 2025;

"**Listed Subsidiary**" means, at any time, any Subsidiary of the Guarantor, the ordinary voting shares of which are at such time listed or dealt in or traded on a recognised stock exchange;

"**PRC**" means the People's Republic of China, and for the purpose of these Conditions only, excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**PRC Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in the PRC;

"**PRC GAAP**" means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC from time to time;

"**Principal Subsidiary**" means any Subsidiary of the Guarantor:

(a) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement, is at least five per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Guarantor and its Subsidiaries; or

(b) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet, are at least five per cent. of the amount which equals the amount included in the consolidated total assets of the Guarantor and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Guarantor and its Subsidiaries, including by the investment of the Guarantor in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor and after adjustment for minority interests; or

(c) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary; the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued, unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (a) or (b) above of this definition;

provided that, in relation to paragraphs (a) and (b) above of this definition:

(i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are available be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(ii) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue or total assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by the Guarantor;

(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue or total assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantor; and

(iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor.

A certificate signed by an Authorised Signatory of the Guarantor stating that, in his/her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

"**Registration Deadline**" means the day falling 90 PRC Business Days after the Issue Date;

"**Relevant Indebtedness**" means any indebtedness incurred outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock certificates or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter market or other securities market with a maturity of more than one year (which, for the avoidance of doubt, does not include bilateral loans, syndicated loans or club deal loans);

"**Relevant Period**" means, (i) in relation to the Guarantor Audited Financial Reports, each period of twelve months ending on the last day of the Guarantor's financial year (being 31 December of that financial year) and, (ii) in relation to the Guarantor Unaudited Semi-Annual Financial Statements, each period of six months ending on the last day of the first half of the Guarantor's financial year (being 30 June of that financial year); and

a "**Subsidiary**" of any person means (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

5 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.85 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.$24.25 per Calculation Amount (as defined below) on 24 April and 24 October in each year (each an "**Interest Payment Date**"), commencing on 24 October 2025.

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the date on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the date falling seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholder under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per U.S.$1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall (save as provided above in relation to equal instalments) be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 REDEMPTION AND PURCHASE

(a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 24 April 2028. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) **Redemption for Taxation Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent and subject to compliance with any other applicable provisions set out in the Trust Deed and/or the Agency Agreement, at their principal amount together with interest accrued to but excluding the date fixed for redemption, if the Issuer and/or the Guarantor (as the case may be) satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in Condition 8) as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any final judgment or order of a court of competent jurisdiction), which change or amendment becomes effective on or after 15 April 2025, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee:

(i) a certificate in English signed by an Authorised Signatory of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it; and

(ii) an opinion addressed to and in form and substance satisfactory to the Trustee of independent tax or legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment or statement.

The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively upon such certificate and opinion (without further investigation or enquiry and without liability to the Issuer, the Bondholders or any other person) as satisfactory and sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event the same shall be conclusive and binding on the Bondholders.

All Bonds in respect of which any notice of redemption is given under this Condition 6(b) shall be redeemed on the date specified in such notice in accordance with this Condition 6(b).

(c) **Redemption for Relevant Events:** At any time following the occurrence of a Relevant Event, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration or No Filing Event) of their principal amount, together with interest accrued and unpaid to but excluding such Put Settlement Date. In order to exercise such right, the holder of the relevant Bond must deposit at the specified office of the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of the Principal Paying Agent or any other Paying Agent (a "**Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to the Bondholders by the Issuer in accordance with Condition 16.

The "**Put Settlement Date**" shall be the fourteenth day or, if such day is not a Payment Business Day (as defined in Condition 7(f)), the next following Payment Business Day after the expiry of such period of 30 days as referred to above. A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice in writing to the Bondholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 6(c).

Neither the Trustee nor the Agents shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred or to calculate or verify any calculations of any amounts payable under any notice of redemption or Put Exercise Notice and shall not be liable to any Bondholder, the Issuer, the Guarantor or any other person for not doing so.

In this Condition 6:

a "**Change of Control**" occurs when:

(i) (A) Lianyungang SASAC, (B) Jiangsu SASAC and (C) any other person(s) directly or indirectly Controlled by the central government of the PRC together cease to directly or indirectly hold or own 75 per cent. or more of the issued share capital of the Guarantor; or

(ii) the Issuer ceases to be a directly or indirectly wholly-owned Subsidiary of the Guarantor.

"**Control**" means with respect to a person (where applicable) (i) the ownership, acquisition or control of more than 50 per cent. of the voting rights of the issued share capital or issued shares of a person, whether obtained directly or indirectly; (ii) the possession, directly or indirectly, of the power to nominate or designate all or a majority of the members then in the office of such person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, shares, the possession of voting rights, contract or otherwise; or (iii) the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such person. For the

avoidance of doubt, a person is deemed to Control another person so long as it fulfils one of the three foregoing requirements, and the term "**Controlled**" has meanings correlative to the foregoing;

"**Jiangsu SASAC**" means the State-owned Assets Supervision and Administration Commission of the People's Government of Jiangsu Province or its successor;

"**Lianyungang SASAC**" means the State-owned Assets Supervision and Administration Commission of the People's Government of Lianyungang Municipality or its successor;

a "**No Registration or No Filing Event**" occurs when the Registration and Filing Documents relating to the Cross-Border Security Registration are not delivered to the Trustee in accordance with Condition 4(d) by the Registration Deadline;

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, fund, state, agency of a state (in each case whether or not being a separate legal entity); and

a "**Relevant Event**" means a Change of Control or a No Registration or No Filing Event.

So long as the Bonds are represented by the Global Certificate, a right of a Bondholder to redemption of the Bonds following the occurrence of a Relevant Event will be effected in accordance with the rules and procedures of the relevant clearing systems.

(d) **Notices of Redemption:** All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b) and any Put Exercise Notice given by a Bondholder pursuant to Condition 6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

(e) **Purchase:** The Issuer, the Guarantor and their respective Subsidiaries may at any time purchase the Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the Bondholders to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating quorums at meetings of the Bondholders or, among other things, for the purposes of Conditions 9, 12(a) and 13.

(f) **Cancellation:** All Certificates representing Bonds redeemed or purchased by or on behalf of the Issuer, the Guarantor and their respective Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged.

7 PAYMENTS

(a) **Method of Payment:**

(i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Principal Paying Agent or any other Paying Agent if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii) below.

(ii) Interest on each Bond shall be paid on the due date to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in U.S. dollars by wire transfer to the registered account of the Bondholder. For the purposes of this Condition 7(a), a Bondholder's "**registered account**" means the U.S. dollar denominated account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the Record Date.

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A. or any other clearing system through which the Bonds are held, each payment in respect of the Global Certificate will be made to the person shown as the Bondholder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

(b) **Payments subject to Fiscal Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) if applicable, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payment Initiation:** Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal or premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Appointment of Agents:** The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Agent and to appoint additional or other Agents in accordance with the Agency Agreement, provided that the Issuer and the Guarantor shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by the stock exchange on which the Bonds may be listed, in each case, as approved in writing by the Trustee.

Notice of any such change or any change of any specified office of an Agent shall promptly be given by the Issuer or the Guarantor to the Bondholders in accordance with Condition 16.

(e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

(f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**Payment Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are generally open for business and settlement of U.S. dollar payments in New York City, Hong Kong and the place in which the specified office of the Principal Paying Agent is located and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the rate applicable on 15 April 2025 (the "**Applicable Rate**"), the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amount which would otherwise have been receivable by them had no such withholding or deduction been required.

If (a) the Issuer is required to make any deduction or withholding by or within Hong Kong, or (b) the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding by or within the PRC in excess of the Applicable Rate, then the Issuer (or the Guarantor, as the case may be) shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond (or the Guarantee, as the case may be):

(i) **Other Connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Hong Kong (in the case of payments made by the Issuer) or the PRC (in the case of payments made by the Issuer or the Guarantor) other than the mere holding of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority; or

(ii) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days (as if such last day were a Payment Business Day).

"**Relevant Date**" in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, assessments, governmental charges, withholding or other payment referred to in this Condition 8 or in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, the Bondholders or any other person to pay such tax, duty, assessments, governmental charges, withholding or other payment in any jurisdiction or responsible to provide any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in relation to the Bonds without deduction or withholding for or on account of any such tax, duty, assessments, governmental charges, withholding or other payment imposed by or in any jurisdiction.

9 EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued and unpaid interest:

(a) **Non-Payment:** there has been a failure to pay (i) the principal of or any premium (if any) on any of the Bonds when due or (ii) the interest on any of the Bonds within 14 days after the due date for such payment; or

(b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations under the Bonds, the Trust Deed or the Deed of Guarantee (other than where it gives rise to a right of redemption pursuant to Condition 6(c)), which default is in the opinion of the Trustee incapable of remedy or, if such default is in the opinion of the Trustee capable of remedy, such default is not remedied within 45 days after notice of such default shall have been given to the Issuer or the Guarantor (as the case may be) by the Trustee; or

(c) **Cross-acceleration:** (i) any other present or future indebtedness of the Issuer or the Guarantor or any of their respective Subsidiaries for or in respect of moneys borrowed or raised (for the avoidance of doubt, excluding such payment obligations, trade debts, liabilities or other indebtedness which do not have the commercial effect of a borrowing) becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (for the avoidance of doubt, excluding such payment obligations, trade debts, liabilities or other indebtedness which do not have the commercial effect of a borrowing) provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds U.S.$30,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(c) operates); or

(d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Issuer or the Guarantor or any Principal Subsidiary and is not discharged or stayed within 45 days; or

(e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any Principal Subsidiary on the whole or any material part of its assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 45 days; or

(f) **Insolvency:** the Issuer or the Guarantor or any Principal Subsidiary is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt, or unable to pay its debts as and when such debts fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the Issuer, the Guarantor or any Principal Subsidiary; or

(g) **Winding-up:** an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding-up or dissolution of the Issuer or the Guarantor or any Principal Subsidiary, or the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Bondholders, or (B) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor

and/or any of its Subsidiaries, in any combination; (ii) in the case of a solvent winding-up of any such Principal Subsidiary or (iii) in the case of any disposal or sale of such Principal Subsidiary to any other person on arms' length terms for market consideration, where the proceeds (whether in cash or otherwise) resulting from such disposal or sale are transferred to or vested in the Issuer, the Guarantor and/or any of its Subsidiaries, in any combination; or

(h) **Nationalisation:** (i) any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Principal Subsidiary or (ii) the Issuer, the Guarantor or any Principal Subsidiary is prevented by any such person from exercising normal control over all or a material part of its undertaking, assets and revenues, except for, in the case of (i) or (ii), any government-directed asset or equity transfer of any Principal Subsidiary which would not materially and adversely affect the Issuer's or the Guarantor's ability to perform their respective obligations under the Bonds, the Trust Deed or the Deed of Guarantee; or

(i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds, the Trust Deed and the Deed of Guarantee, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done, other than where failure to do such action or achieve such condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) gives rise to a right of redemption pursuant to Condition 6(c); or

(j) **Illegality:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, the Trust Deed and/or the Deed of Guarantee; or

(k) **Unenforceability of Guarantee:** the Guarantee becomes unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or

(l) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 9(d) to 9(g) (both inclusive).

10 PRESCRIPTION

Claims against the Issuer or the Guarantor for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to the Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity, pre-funding and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

(a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing the Bondholders whatever the aggregate principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel the Deed of Guarantee (other than pursuant to Condition 12(b)), in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting and whether or not they voted, at which such resolution was passed).

The Trust Deed provides that a resolution (A) in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding or (B) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. A written resolution and/or resolution passed by Electronic Consent will be binding on all Bondholders whether or not they participated in such written resolution and/or resolution passed by Electronic Consent, as the case may be.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A. or the Alternative Clearing System, a resolution passed by Electronic Consent (as defined in the Trust Deed)

shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held.

(b) **Modification and Waiver:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the Issuer or the Guarantor, of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer, failing whom the Guarantor, to the Bondholders as soon as practicable thereafter in accordance with Condition 16.

(c) **Entitlement of the Trustee:** In connection with the performance and exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 12) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the interests of, or be responsible for, the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantor or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 ENFORCEMENT

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement, the Bonds and/or the Deed of Guarantee (as the case may be), but it need not take any such steps and/or actions or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement, the Deed of Guarantee and/or these Conditions and in respect of the Bonds and payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and to be paid or reimbursed for its fees, costs, expenses and indemnity payments and for liabilities incurred by it in priority to the claims of the Bondholders. The Trustee, the Agents and their respective affiliates are entitled to enter into business transactions with the Issuer, the Guarantor and/or any entity related (directly or indirectly) to the Issuer or the Guarantor without accounting for any profit.

The Trustee and each Agent may accept and shall be entitled to rely conclusively, without liability to Bondholders, the Issuer, the Guarantor or any other person, on any report, confirmation, certificate or information from or any advice or opinion of any legal counsels, accountants, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee and the Agents may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer, the Guarantor and the Bondholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Deed of Guarantee, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction or certification, to seek directions from the Bondholders by way of Extraordinary Resolution or clarification of any directions, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction or certification as a result of seeking such directions or clarification from the Bondholders or in the event that no such directions or clarification is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Neither the Trustee nor any of the Agents shall be under any obligation to monitor or ascertain whether any Event of Default, Potential Event of Default (as defined in the Trust Deed) or Relevant Event has occurred or monitor compliance by the Issuer or the Guarantor with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions, and shall not be liable to the holders, the Issuer, the Guarantor or any other person for not doing so.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and their respective Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

15 FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing for complying with the requirements set out in these Conditions in relation to the NDRC Post-issue Filing and the Cross-Border Security Registration) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include

(unless the context requires otherwise) any further bonds issued pursuant to this Condition 15 and consolidated and forming a single series with the Bonds. Any further bonds consolidated and forming a single series with the outstanding Bonds shall be constituted by a deed supplemental to the Trust Deed and be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee.

16 NOTICES

Notices to the holders of the Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, Sunday or public holiday) after the date of mailing. The Issuer, failing whom the Guarantor, shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A. or any other clearing system, any notice to the holders of the Bonds shall be validly given by the delivery of such notice to the relevant clearing system, for communication by such clearing system to the entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act and is without prejudice to the rights of the Bondholders as set out in Condition 13.

18 GOVERNING LAW AND JURISDICTION

(a) **Governing Law:** The Trust Deed, the Agency Agreement, the Deed of Guarantee and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Deed of Guarantee, the Trust Deed or the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Deed of Guarantee, the Trust Deed or the Agency Agreement ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has irrevocably submitted to the exclusive jurisdiction of such courts and irrevocably waived any objection to any Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Agent for Service of Process:** The Guarantor irrevocably appoints the Issuer as its authorised agent in Hong Kong to receive service of process in any Proceedings in Hong Kong based on any of the Bonds, the Deed of Guarantee, the Trust Deed or the Agency Agreement. Such service shall be deemed completed on delivery to the Issuer (whether or not it is forwarded to and received by the Guarantor). If for any reason the Issuer ceases to have a place of business in Hong Kong, each of the Issuer and the Guarantor shall promptly appoint a new agent in Hong Kong to accept service of process and deliver to the Trustee a copy of the agent's acceptance of that appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) **Waiver of Immunity:** Each of the Issuer and the Guarantor has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate will contain provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Terms and Conditions of the Bonds set out in this Offering Circular. Terms defined in the Terms and Conditions of the Bonds have the same meaning in the paragraphs below. The following is a summary of those provisions.

The Bonds will be evidenced by the Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream.

PROMISE TO PAY

Under the Global Certificate, the Issuer promises to pay such principal, interest and such other sums and additional amounts (if any) as may be payable under the Terms and Conditions on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Bonds.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except for 25 December and 1 January.

CALCULATION OF INTEREST

So long as the Bonds are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Bonds from and including the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Terms and Conditions of the Bonds, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by such Global Certificate.

EXCHANGE OF BONDS EVIDENCED BY GLOBAL CERTIFICATES

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Paying Agent and the Registrar (an "**Alternative Clearing System**") through which the Bonds are held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

MEETINGS

For the purposes of any meeting of Bondholders, each holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.$1,000 in principal amount of the Bonds.

NOTICES

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear and Clearstream or any Alternative Clearing System, notices to holders of the Bonds may be given by their being delivered to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds rather than by publication as required by the Terms and Conditions of the Bonds and shall be deemed to have been given on the date of delivery to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System.

ISSUER'S REDEMPTION

Any option of the Issuer provided for in the Terms and Conditions of the Bonds shall be exercised by the Issuer giving notice to the Bondholders and to Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System) (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Terms and Conditions of the Bonds.

BONDHOLDER'S REDEMPTION

The Bondholder's redemption options in Condition 6(c) of the Terms and Conditions of the Bonds may be exercised by the holder of the Global Certificate giving notice to the Principal Paying Agent of the principal amount of Bonds in respect of which the relevant option is exercised and presenting the Global Certificate for endorsement or exercise within the time limits specified in the Terms and Conditions of the Bonds.

Notice of exercise received within the time limits specified in the Terms and Conditions of the Bonds by the Principal Paying Agent from or on behalf of a holder of a book-entry interest in the relevant Bonds will be accepted by the Issuer as having been given by the holder as to the principal amount of Bonds in respect of which it is given (but without double counting), and whether or not the Global Certificate is presented for endorsement therewith.

TRANSFERS

Transfers of beneficial interests in the Bonds will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

CANCELLATION

On cancellation of any Bond represented by the Global Certificate that is required by the Terms and Conditions of the Bonds to be cancelled (other than upon its redemption), the Issuer acknowledges that details of such cancellation shall be entered in the records of the relevant Clearing Systems in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System, as the case may be) and, upon any such entry being made, the principal amount of the Bonds recorded in the records of the relevant Clearing Systems and represented by the Global Certificate shall be reduced by the aggregate principal amount of the Bonds so cancelled.

TRUSTEE'S POWERS

In considering the interests of the Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system or clearing systems, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

The Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness (both current and non-current portions), total equity and total capitalisation of the Guarantor as at 31 December 2023 and adjusted to give effect to the issue of the Bonds. The table should be read in conjunction with the Audited Financial Statements and the related notes included elsewhere in this Offering Circular.

	As at 31 December 2023			
	Actual		As adjusted	
	(RMB'000) (audited)	(USD'000) [(1)] (unaudited)	(RMB'000) (unaudited)	(USD'000) [(1)] (unaudited)
Current indebtedness				
Short-term loans	8,629,539.93	1,215,445.28	8,629,539.93	1,215,445.28
Long-term loans due within one year	1,301,999.29	183,382.76	1,301,999.29	183,382.76
Bonds payable due within one year	4,560,000.00	642,262.57	4,560,000.00	642,262.57
Long-term payable due within one year	1,263,944.10	178,022.80	1,263,944.10	178,022.80
Short-term payable bonds	3,155,750.00	444,478.09	3,155,750.00	444,478.09
Total current indebtedness	**18,911,233.32**	**2,663,591.50**	**18,911,233.32**	**2,663,591.50**
Non-current indebtedness				
Long-term loans	14,960,291.44	2,107,112.98	14,960,291.44	2,107,112.98
Bonds payable	11,786,862.01	1,660,144.79	11,786,862.01	1,660,144.79
Finance lease payable	3,445,673.06	485,312.90	3,445,673.06	485,312.90
Bonds to be issued [(2)]	–	–	2,200,969.00	310,000.00
Total non-current indebtedness	**30,192,826.51**	**4,252,570.67**	**32,393,795.51**	**4,562,570.67**
Total indebtedness [(3)]	**49,104,059.83**	**6,916,162.17**	**51,305,028.83**	**7,226,162.17**
Total owner's equity	**19,968,125.24**	**2,812,451.62**	**19,968,125.24**	**2,812,451.62**
Total capitalisation [(4)]	**69,072,185.07**	**9,728,613.79**	**71,273,154.07**	**10,038,613.79**

Notes:

(1) The translation of Renminbi amounts into US dollar amounts has been made at the rate of RMB7.0999 to U.S.$1.00, the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 29 December 2023.

(2) This amount represents the aggregate principal amount of the Bonds to be issued before deducting the commissions and other expenses payable in connection with the offering of the Bonds.

(3) Total indebtedness equals the sum of current indebtedness and non-current indebtedness.

(4) Total capitalisation equals the sum of total indebtedness and total owner's equity.

Since 31 December 2023, the Group has entered into additional financing arrangements and incurred indebtedness to replenish its working capital, to finance its business development and for other general corporate purposes. Except as otherwise disclosed in this Offering Circular, there has been no material adverse change in the Guarantor's consolidated capitalisation and indebtedness since 31 December 2023.

DESCRIPTION OF THE ISSUER

OVERVIEW

The Issuer was incorporated on 12 October 2016 and is registered as a limited liability company under the laws of Hong Kong (Hong Kong business registration number 66767618). The registered office of the Issuer is located at Room 1401, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong. The Issuer is a wholly owned subsidiary of Shanhai (Hong Kong) Investment & Development Company Limited, which is in turn a wholly owned subsidiary of the Guarantor.

SHARE CAPITAL

As at the date of this Offering Circular, the Issuer has an issued share capital of HK$1,000 and U.S.$9,999,872 comprising 10,000,872 shares in issue. The shares of the Issuer are wholly owned by Shanhai (Hong Kong) Investment & Development Company Limited.

None of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought as at the date of this Offering Circular.

BUSINESS ACTIVITIES

Since the date of its incorporation and as at the date of this Offering Circular, the Issuer has not engaged in any material activities other than the issue of the U.S.$300,000,000 3.875 per cent. guaranteed bonds due 2020, the U.S.$400,000,000 4.10 per cent. guaranteed bonds due 2022, and the issue of the U.S.$310,000,000 5.0 per cent. Guaranteed Green Bonds due 2025.

As at the date of this Offering Circular, the Issuer does not have any employees and has no subsidiaries.

DIRECTORS OF THE ISSUER

The directors of the Issuer as at the date of this Offering Circular are Mr. Chen Shibin (陳士彬) and Mr. Li Xupeng (李旭鵬).

FINANCIAL STATEMENTS

The Issuer's financial statements are prepared in accordance with Hong Kong Financial Reporting Standards.

DESCRIPTION OF THE GROUP

OVERVIEW

The Guarantor (formerly known as Lianyungang Port Authority) was established in 1990 by the Lianyungang Municipal Government and has been the primary operator of Lianyungang Port since its establishment. In 2023, Lianyungang Port ranked 10th among seaports in China in terms of annual container traffic. Located in Lianyungang, a coastal city on the eastern coast of China in northern Jiangsu Province, Lianyungang Port was listed as one of the 27 primary ports in China and one of the 11 international hub ports in the National Comprehensive Three-dimensional Transportation Network Planning Outline (國家綜合立體交通網規劃綱要) issued in February 2021 by the Central Committee of the Communist Party of China and the State Council. As the port operator established to operate and develop Lianyungang Port, port operation is the fundamental business of the Group, providing the foundation for the Group to expand its businesses into other segments such as trade and logistics, construction engineering and other ancillary businesses. Serving as one of the most important operating platforms of Lianyungang City, the Group is the leading port operator in Lianyungang and has made substantial contribution to the promotion of Lianyungang Municipal Government's strategic plan of "Develop with Ports". The Guarantor also participates in major national investment projects on behalf of Jiangsu Province and Lianyungang City. As at 31 December 2023, the Guarantor had 96 subsidiaries. Lianyungang Port Company, one of the Guarantor's directly controlled subsidiaries, is a listed company with its shares listed on the Shanghai Stock Exchange. As at the date of this Offering Circular, the Guarantor is 89.51 per cent. owned by Lianyungang Industrial Investment Co., Ltd., and ultimately controlled by Lianyungang Municipal Government.

The Guarantor was recognised in 2016 by China Enterprise Confederation (中國企業聯合會) as one of the top 50 logistics service companies in the PRC in terms of operating income in 2015. The Group achieved a major milestone in its corporate history in 2012 when it was awarded the "Best Integrated Service Group in China Award (中國綜合服務最佳港務集團)" by the China Cargo Industry Awards Organising Committee (中國貨運業大獎組委會) and was recognised as an outstanding example in the areas of science and technology as well as low-carbon construction by the Ministry of Transport of the PRC. In 2019, the Group was awarded China Port Association News Promotion Contribution Award (中國港口協會新聞宣傳突出貢獻獎), Excellent Work Safety Unit in Lianyungang City in 2019 (連雲港市2019年度安全生產優秀單位), Advanced Unit of Quality Control Work in Lianyungang City in 2019 (2019年度連雲港市品質管制工作先進單位) and Lianyungang City Service Industry Statistics Advanced Unit in 2019 (2019年度連雲港市服務業統計先進單位). In 2020, the Group was awarded "13th Five-Year Plan" Excellent Unit of Chinese Enterprise Culture Construction ("十三五"中國企業文化建設優秀單位), National Multimodal Transport Demonstration Project Award (國家多式聯運示範工程獎), Excellent Service Units for Epidemic Prevention and Control and Work Resumption in 2020 (2020年度疫情防控和復工復產優秀服務單位) and Lianyungang City 2020 Major Reform and Innovation Award for Promoting High-quality Development (連雲港市2020年度推進高品質發展重大改革創新獎). In 2022, the Group was recognized as one of the Top 30 Key Logistics Enterprises in Jiangsu Province (江蘇省重點物流企業30強), Top 100 Service Enterprises in Jiangsu (江蘇服務業百強企業) and Lianyungang Mayor Quality Award (連雲港市市長品質獎). In 2023, the Group was awarded Outstanding Contribution Unit for Epidemic Prevention and Control at Waterway Ports in the City (全市水路口岸疫情防控突出貢獻單位).

The Group's business comprises the following business segments:

- **port operation:** as a port operator, the Group carries out key port operating duties such as cargo handling, storage service and port management;

- **trade and logistics:** the Group engages in trading of various commodities, primarily including iron ore, iron powder, steel, coke, alloy iron, chrome ore, chemicals, non-ferrous ore and calcined

petroleum coke, among others. The Group also operates in ship financing agency, bonded warehousing, international and domestic shipping and cargo freight business as part of its trade and logistics business;

- **construction engineering:** the Group engages in the construction of piers and seawalls, sea bank protection, dredging and land reclamation; and

- **other ancillary businesses:** the Group also engages in leasing of ships and other assets, goods management services, agency business, communications, supplies, real estate and others.

For the years ended 31 December 2021, 2022 and 2023, the Group's operating income was approximately RMB14,663.48 million, RMB15,814.12 million and RMB16,532.52 million, respectively. During the same periods, the Group recorded operating profits of RMB484.39 million, RMB476.59 million and RMB554.10 million, respectively, and a net profit of RMB290.21 million, RMB299.21 million and RMB345.47 million, respectively.

The table below sets forth the Group's operating income by business segments for the indicated periods:

	For the year ended 31 December					
	2021		2022		2023	
	Amount	per cent.	Amount	per cent.	Amount	per cent.
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Port operation	3,682.39	25.11	4,124.69	26.08	4,384.20	26.52
Trade and logistics	8,008.89	54.62	8,362.82	52.88	8,507.01	51.46
Construction engineering	2,032.77	13.86	2,427.56	15.35	2,698.39	16.32
Other ancillary businesses	939.43	6.41	899.05	5.69	942.93	5.70
Total operating income	**14,663.48**	**100.00**	**15,814.12**	**100.00**	**16,532.53**	**100.00**

LIANYUNGANG AND LIANYUNGANG PORT

Lianyungang is a coastal city located on the eastern coast of China in northern Jiangsu Province. It is well connected to other parts of China, Asia and Europe through the New Eurasian Continental Bridge and has played a key role in China's economic development. In addition, Lianyungang is bordered by Northeast Asia in the east and China's central and western regions as well as Central Asia and Europe in the west. As the intersection of various key traffic lines including the east-west Longhai-Lan-Xin Line (隴海蘭新線) (the "**Longhai Line**"), Lian-Huo highway (連霍高速公路), north-south Tong-San highway (同三高速公路) and the Coastal railway (沿海鐵路), Lianyungang Port was listed as one of the 27 primary ports in China and one of the 11 international hub ports in the National Comprehensive Three-dimensional Transportation Network Planning Outline (國家綜合立體交通網規劃綱要) issued in February 2021 by the Central Committee of the Communist Party of China and the State Council. China places strategic importance on Lianyungang and has included it within various governmental strategies and initiatives, such as the strategy of "Yangtze River Delta Integration" (長三角一體化), the PRC government's "Belt and Road" initiative (一帶一路合作倡議), the "National East-West Regional Cooperation Demonstration Zone" (國家東中西區域合作示範區), and the "East and West New Heights Opening" (東西雙向開放新高地). Thanks to the above policies, Lianyungang has become an important point of economic growth in Eastern China and one of the leading regions in China in terms of speed of economic development. Lianyungang has gradually developed into an important economic growth driver in East China and one of the fastest growing regions in China. For the year ended 31 December 2023, Lianyungang's gross domestic product was approximately RMB436.36 billion, increased by 10.2 per cent. compared with the previous year. As at 31 December 2023, Lianyungang had 21 10,000-ton productive inland river berths and a total designed annual capacity of 8.0 million tonnes.

As at 31 December 2023, Lianyungang Port was a Class I port and was the largest seaport in Jiangsu with 300,000-tonne waterways arranged in a herringbone shape, allowing 300,000-tonne ships to navigate between Lianyungang and Xuwei port areas. As at 31 December 2023, Lianyungang Port had 63 productive berths, with an annual designed capacity of approximately 156 million tonnes, allowing an annual container traffic capacity of 3.25 million TEUs, a maximum berthing capacity for bulk cargoes of 400,000-tonne and a maximum berthing capacity for containers of 10,000-tonne. Such productive berths are able to handle various types of cargoes including containers, coal, coke, minerals, bulk grains, alumina, bulk chemical fertilisers and liquid chemical products. The Group is also accelerating the construction of a crude oil pier, LNG receiving station, liquid bulk cargo berths and large specialized dry bulk cargo berths. For the years ended 31 December 2021, 2022 and 2023, Lianyungang Port had an aggregate throughput of approximately 277.1 million tonnes, 300.2 million tonnes and 321.5 million tonnes, respectively, and 5.0 million TEUs, 5.5 million TEUs and 6.1 million TEUs, respectively.

Lianyungang Port is one of the few ports in the PRC with a comprehensive combined sea-railway transportation system. Lianyungang is well-connected to various parts of China and central and northern Asia by railway. As at 31 December 2023, a Central Asia and China-Europe international logistics and transport corridor had been formed covering five transit ports, six high-quality liner routes and more than 100 international freight stations. Further, the integrated operation pattern of the 'three nodes' of the China-Kazakhstan logistics base, the Khorgos-Dongmen anhydrous port in Kazakhstan, and the Aktau Container Hub continues to be promoted. For the year ended 31 December 2023, the transportation volume by Lianyungang's sea-rail transportation system amounted to 854,012 TEUs.

As at 31 December 2023, Lianyungang Port served 98 container routes (including 54 foreign trade routes, 8 foreign trade domestic feeder routes, 22 domestic trade routes and 14 inland waterway routes), 29 general cargo ro-ro routes and 2 China-Korea passenger and cargo liner routes, and more than 300 monthly flights. Lianyungang Port has established navigational relations with ports in more than 160 countries and regions. Over 20 reputable shipping companies, such as China COSCO Shipping Corporation Limited, Shanghai SITC Container Lines Co., CMA CGM Group and Maersk, have set up container ship routes from Lianyungang Port to Japan, South Korea, Western North America, and Central East and Southeast Asia; ro-ro off ship routes from Lianyungang Port to Durban, Lagos, Tema in South Africa, Dubai, Kuwait, Doha, Jeddah, Algiers in the Red Sea and Mediterranean, Singapore, India, Malaysia and Thailand; passenger and cargo liner routes from Lianyungang Port to Pyeongtaek and Inchon of South Korea; groceries routes from Lianyungang Port to Persian Gulf, Red Sea Gulf of Aden, Mediterranean Sea, Europe, America, North America, Southeast Asia and North Africa. The Group believes that Lianyungang Port is one of the most important international transport hubs in the PRC, a key distribution centre for domestic and overseas goods in the PRC and the gateway for Jiangsu Province.

RECENT DEVELOPMENTS

Change in Shareholder of the Guarantor

In November 2024, pursuant to the Reply of the Municipal Government on the Equity Transfer and Capital Contribution of Lianyungang Industrial Investment Co., Ltd. (Lian Zhengfu [2024] No. 47) (市政府關於連雲港市產業投資有限公司股權劃轉出資的批覆(連政覆 [2024] 47號)), the Lianyungang Municipal Government made an announcement regarding the transfer of 89.51 per cent. of the equity interest of the Guarantor held by Lianyungang Port Holding Group Co., Ltd (連雲港港口控股集團有限公司) ("**Lianyungang Port Holding Group**") to Lianyungang Industrial Investment Co., Ltd. at nil consideration. On 22 November 2024, the Guarantor further announced the completion of such transfer and Lianyungang Industrial Investment Co., Ltd. subsequently became the direct shareholder of the Guarantor. As at the date of this Offering Circular, the Guarantor is directly held by China Development Fund Co., Ltd. and Lianyungang Industrial Investment Co., Ltd. as to 10.49 per cent. and 89.51 per cent. of equity interest, respectively. Lianyungang Industrial Investment Co., Ltd. is directly held by Lianyungang Port Holding Group and Lianyungang SASAC as to 56.95 per cent. and 43.05 per cent. of equity interest, respectively. As Lianyungang Port Holding Group is directly held by Lianyungang SASAC as to 92.56 per cent. of equity interest, Lianyungang SASAC remains the de facto controlling shareholder of the Guarantor. See "*Description of the Group — Corporate Structure*".

Transfer of a Subsidiary's Equity Interest Held by the Guarantor

In August 2024, the Guarantor entered into an agreement with Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司) ("**Shanghai International Port**") to transfer 18.00 per cent. of the equity interest of its subsidiary Lianyungang Port Company to Shanghai International Port at a total consideration of approximately RMB743.64 million. On 29 March 2025, the Guarantor obtained the Decision on Non-Prohibition of Anti-Monopoly Review of Concentration of Business Operators (經營者集中反壟斷審查不予禁止決定書) (Decision No. 2025 [199]) issued by the State Administration for Market Regulation, a decision on non-prohibition of the transfer of 18.00 per cent. of equity interest in Lianyungang Port Company held by the Guarantor to Shanghai International Port. The Guarantor will proceed to apply to the Shanghai Stock Exchange for compliance review. As at the date of this Offering Circular, the equity transfer is not completed. Upon the completion of such transfer, the Guarantor and Shanghai International Port will hold 40.76 per cent. and 18.00 per cent., respectively, of the equity interest of Lianyungang Port Company, and Shanghai International Port will become the second largest shareholder of Lianyungang Port Company. See "*Description of the Group — Competitive Strengths — The Group has benefitted from coordinating with the development of the Yangtze River Delta and promoting comprehensive strategic cooperation with Shanghai International Port*".

Financial Performance as at and for the Nine Months Ended 30 September 2024

The Guarantor prepared its unaudited and unreviewed consolidated financial results as at and for the nine months ended 30 September 2024 (the "**September 2024 Financial Information**") in accordance with applicable regulations in the PRC. The September 2024 Financial Information is not incorporated into the Offering Circular. Investors are cautioned against placing undue reliance on any information disclosed in the September 2024 Financial Information since none of such information has been subject to any audit or review by the Guarantor's auditors and there is no assurance that such unaudited and unreviewed financial information has the same quality as the information reported in the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2021, 2022 and 2023 included elsewhere in the Offering Circular. The September 2024 Financial Information should not be taken as indicative of the Guarantor's financial results for the full year ending 31 December 2024. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness and sufficiency of such unaudited and unreviewed consolidated financial results.

As at 30 September 2024, the Group's accounts receivable financing significantly increased as compared with 31 December 2023, primarily due to the increase in balance of notes receivable of the major banks. As at 30 September 2024, the Group's investment property significantly increased as compared with 31 December 2023, primarily due to an adjustment in accounting of leased land from intangible assets to investment property. As at 30 September 2024, the Group's non-current liabilities due within one year significantly increased as compared with 31 December 2023, primarily due to maturity of long-term indebtedness. For the nine months ended 30 September 2024, the Group's taxes and surcharges significantly increased as compared with the corresponding period in 2023, primarily due to the preferential policy of exemption of property and land tax during the pandemic, and the resumption of property and land tax payments. For the nine months ended 30 September 2024, the Group's non-operating income significantly decreased as compared with the corresponding period in 2023, primarily due to the SASAC's requirements to clear long-outstanding accounts payable, to which the Guarantor transferred such long-outstanding accounts payable that need not be settled to non-operating income.

Resignation of the Chairman of the Board of Directors of the Guarantor

According to the "Notice of the Municipal Government on the Appointment and Removal of Comrade Xue Fei and Others" (Lian Zheng Fa [2025] No. 5) (《市政府關於薛飛等同志職務任免的通知》(連政發[2025] 5號)) released by the Lianyungang Municipal Government, Mr. Yang Long resigned and ceased to serve as Chairman of the Board of Directors of the Guarantor on 6 January 2025. As at the date of this Offering Circular, the Lianyungang Municipal Government has yet to appoint Mr. Yang Long's successor and the position of Chairman of the Board of Directors of the Guarantor is currently vacant. The

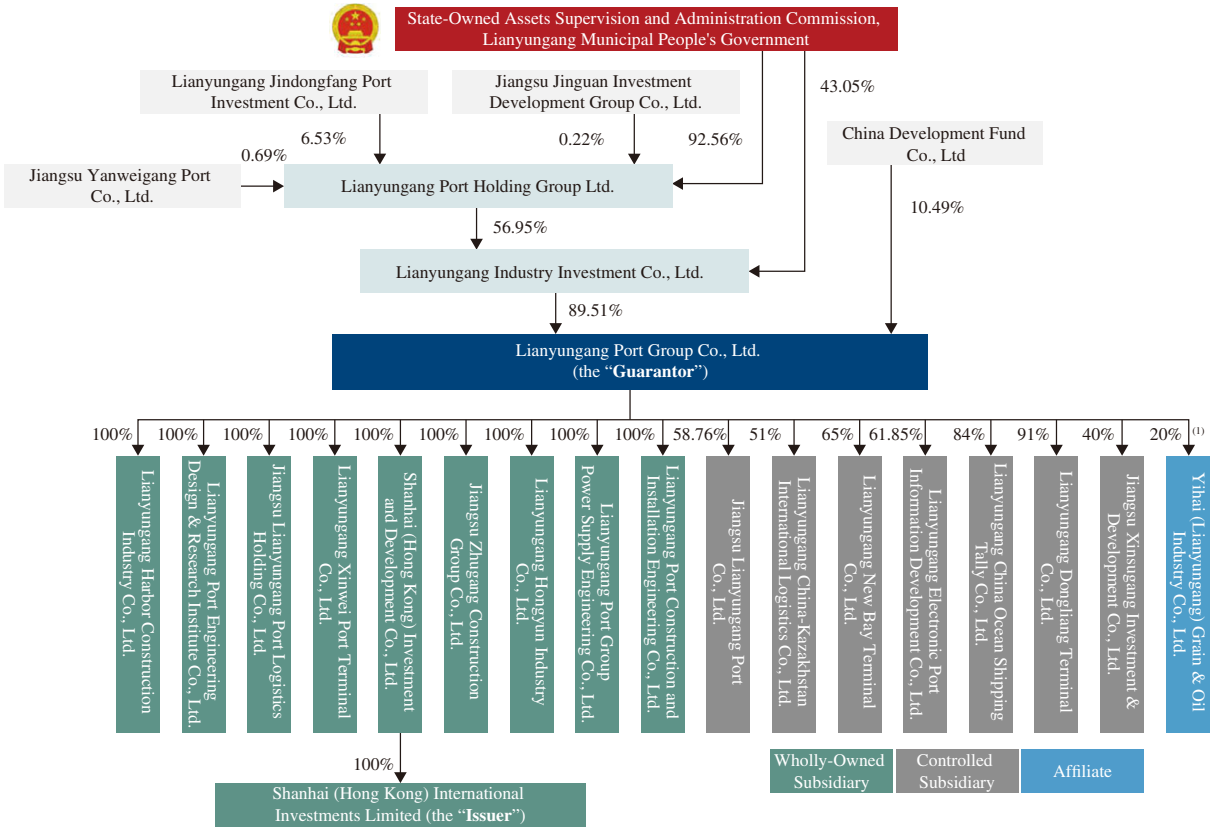
Lianyungang Municipal Party Committee shall select the new Chairman of the Board of Directors of the Guarantor, and the Lianyungang Municipal Government shall proceed to perform appointment procedures in accordance with the Guarantor's constituting documents and the relevant PRC laws and regulations. In the meantime, considering the need for the Guarantor to maintain normal day-to-day operations, the Lianyungang Municipal Party Committee Organization Department (連雲港市委組織部) announced on behalf of the Lianyungang Municipal Party Committee that Mr. Wang Guochao, the Vice-chairman of the Board of Directors and President of the Guarantor, will be fully responsible for coordinating the Guarantor's business operations. According to the articles of association of the Guarantor, the vacancy of the position of the Chairman of the Board of Directors of the Guarantor will not affect the convening of board meetings and/or the voting of the board of directors.

Yard Construction Projects under the Group's Port Operation Business Segment

As at September 2024, the Group commenced yard construction projects as a supplement to its port operation business segment. Such projects include Phase I of Dadi Work Zone Storage Yard (大堤作業區堆場一期工程) (360,000 square meters), Yuanda Cargo Yard Project (遠大貨場工程) (200,000 square meters), Phase I of Xugoudong Work Zone Storage Yard (墟溝東作業區物流場站工程) (260,000 square meters), and Lianyungang Bonded Logistics Center (連雲港保稅區物流中心) (337,200 square meters of general cargo yard, 64,000 square meters of loaded container yard, and 107,200 square meters of empty container yard).

CORPORATE STRUCTURE

The following chart sets forth the corporate structure of the Guarantor and a simplified chart of its key subsidiaries and affiliates as at the date of this Offering Circular:



Notes:

(1) Yihai (Lianyungang) Grain & Oil Industry Co., Ltd. is not a consolidated subsidiary of the Guarantor, but an affiliate.

CORPORATE HISTORY AND MILESTONES

The table below sets out the Group's major corporate milestones:

Time	Milestone Event
1933	Lianyungang Port was established as an estuary port for the Longhai Railway.
1990	Lianyungang Port Authority, the predecessor of the Guarantor, was incorporated.
2002	Lianyungang Port Authority was transferred to the administration of the Lianyungang Municipal Government.
2003	The Guarantor was renamed and reorganised as a state-owned conglomerate, comprising Lianyungang Port Authority, eight subsidiaries and 13 other companies (including Lianyungang New Oriental Container Terminal Co., Ltd. (連雲港新東方集裝箱碼頭有限公司)) in which it has a shareholding interest.
2007	Lianyungang Port Company was listed on the Shanghai Stock Exchange with stock code 601008.
2008	Lianyungang Port's throughput reached 100 million tonnes and its container throughput reached 3 million TEUs. The Guarantor converted its capital reserve of RMB2.5 billion into share capital, increasing its paid-in capital from RMB1 billion to RMB3.5 billion.
2010	The Guarantor increased its registered capital by RMB1 billion to RMB4.5 billion by converting its capital reserve of RMB920 million and undistributed earnings of RMB80 million into share capital.
2012	A 250,000-tonne waterway was put into operation in Lianyungang Port; the Guarantor was awarded the "Best Integrated Service Group in China Award" by the China Cargo Industry Awards Organising Committee and was recognised as a demonstration zone in the areas of science and technology as well as low carbon construction by the Ministry of Transport of the PRC.
2013	Lianyungang Port's throughput reached 200 million tonnes and container throughput reached 5 million TEUs. On 27 September 2013, the Lianyungang Municipal Government made in-kind contributions to the Guarantor in the form of 16 sea area use rights and 6 land parcels, increasing the registered capital of the Guarantor from RMB4.5 billion to RMB6 billion.

Time	Milestone Event
2014	Lianyungang Municipal Government made two capital injections to the Guarantor with 16 sea area use rights and 70 land use rights, increasing the registered capital of the Guarantor from RMB6.0 billion to RMB7.0 billion.
2015	With the integration of assets and resources of the Guarantor and the port related assets of Jiangsu Fangyang Group Co., Ltd. (江蘇方洋集團有限公司), Jiangsu Golden Oriental Group Co., Ltd. (江蘇金東方集團有限公司), Jiangsu Jinguan Investment Development Group Co., Ltd. (江蘇金灌投資發展集團有限公司) and Jiangsu Yanwei Port Co., Ltd. (江蘇燕尾港港口有限公司), Lianyungang Port Holding Group was established. On 21 December 2015, the Guarantor's shareholder changed from the Lianyungang SASAC to Lianyungang Port Holding Group, with Lianyungang SASAC remaining the actual controller of the Guarantor.
2016	Phase I of the 300,000-tonne waterway project was completed in Lianyungang Port.
2017	China Development Fund Co., Ltd. invested in the Group, with RMB820 million in cash as capital contribution with an investment period of 20 years. Immediately after such capital contribution, Lianyungang Port Holding Group and China Development Fund Co., Ltd. held 89.51 per cent. and 10.49 per cent. of equity interest in the Guarantor, respectively. After the expiry of the 20-year investment period, it was agreed that the China Development Fund Co., Ltd. would withdraw its investment and a corresponding amount of the Guarantor's registered capital would be decreased.
2018	The State Council approved the integration and optimization of the Lianyungang Export Processing Zone to the Lianyungang Comprehensive Bonded Zone with a planned area of 2.97 square kilometres.
2019	The State Council approved the establishment of the China (Jiangsu) Pilot Free Trade Zone, of which the Lianyungang area is 20.27 square kilometres, consisting of the Lianyungang Port, Lianyungang Economic and Technological Development Zone and part of Lianyun District of Lianyungang.
2020	The cargo handling capacity of Lianyungang Port reached 252 million tonnes, having increased by 3.28 per cent. as compared to the previous year.

Time	Milestone Event
2021	Lianyungang Port was listed as one of the 27 primary ports in China and recognized as an international hub port by the National Comprehensive Three-dimensional Transportation Network Planning Outline.
2023	The cargo handling capacity of Lianyungang Port exceeded 320 million tonnes, having increased by 6.68 per cent. as compared to the previous year. In June 2023, UTK (烏茲別克斯坦鐵路集裝箱公司) and Lianyungang Port Holding Group signed a memorandum of understanding.
2024	In November 2024, pursuant to the Reply of the Municipal Government on the Equity Transfer and Capital Contribution of Lianyungang Industrial Investment Co., Ltd. (Lian Zhengfu [2024] No. 47) (市政府關於連雲港市產業投資有限公司股權劃轉出資的批覆(連政覆 [2024] 47號)), the Lianyungang Municipal Government transferred 89.51 per cent. of the equity interest of the Guarantor held by Lianyungang Port Holding Group to Lianyungang Industrial Investment Co., Ltd. at nil consideration and Lianyungang Industrial Investment Co., Ltd. subsequently became the direct shareholder of the Guarantor. In June 2024, KTX's international multimodal freight train (韓國鐵道公社國際多式聯運班列) made its maiden departure from Lianyungang Port. In September 2024, the Guarantor signed agreements and launched initiatives at the Xi'an Silk Road International Exposition (西安絲博會), marking the kickoff of the Aktau Container Hub Port Project (阿克套港集裝箱樞紐項目) and a new stage of cooperation in the Trans-Caspian International Transport Route. In December 2024, the first purely electric tugboat in South China was launched in Lianyungang Port.

AWARDS AND HONOURS

The Group has received numerous awards and honours for its achievements, including the following:

- In 2019, the Group was named Excellent Unit of Corporate Culture Construction in 70 Years of New China (新中國70年企業文化建設優秀單位) by China Enterprise Culture Research Association (中國企業文化研究會).

- In 2019, the Group was awarded the 16th China Freight Industry Golden Wheel Award with Best Window Service Container Terminal (中國貨運業金輪獎最佳窗口服務集裝箱碼頭) by China Aviation Weekly (中國航務週刊).

- In 2019, the Shanghai Cooperation Organisation (Lianyungang) International Logistics Park ("SCO (Lianyungang) International Logistics Park") was named National Excellent Logistics Park (全國優秀物流園區) by China Federation of Logistics and Purchasing (中國物流與採購聯合會).

- In 2019, SCO (Lianyungang) International Logistics Park was named 5A-level Logistics Enterprise of China Federation of Logistics and Purchasing (中國物流與採購聯合會5A級物流企業) by China Federation of Logistics and Purchasing (中國物流與採購聯合會).

- In 2019, Breakwater Project in Xuwei Port Area of Lianyungang Port was awarded 2018– 2019 National Quality Engineering Award (2018–2019年度國家優質工程獎) by China Construction Enterprise Management Association (中國施工企業管理協會).

- In 2019, the Group was awarded Excellent Work Safety Unit in Lianyungang City in 2019 (連雲港市2019年度安全生產優秀單位) by Lianyungang Emergency Management Bureau (連雲港市應急管理局).

- In 2019, the Group was named Advanced Unit of Quality Control Work in Lianyungang City in 2019 (2019年度連雲港市質量管理工作先進單位) by Lianyungang Quality Association (連雲港市質量協會).

- In 2020, the Group was awarded National Multimodal Transport Demonstration Project Award (國家多式聯運示範工程獎) by Ministry of Transport of the People's Republic of China (中華人民共和國交通運輸部) and National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會).

- In 2020, the Group was named Advanced Unit of Safety Production in 2019 (2019年度連雲港市安全生產先進單位) by Lianyungang Municipal Committee of the Communist Party of China (中共連雲港市委) and Lianyungang Municipal Government (連雲港市人民政府).

- In 2020, the Group was named the "13th Five-Year Plan" Excellent Unit of Chinese Enterprise Culture Construction ("十三五"中國企業文化建設優秀單位) by China Enterprise Culture Research Association (中國企業文化研究會).

- In 2020, the Group was awarded Jiangsu Province Enterprise Culture Outstanding Achievement Award (江蘇省企業文化優秀成果獎) by Jiangsu Provincial Economic and Trade Commission (江蘇省經貿委), Jiangsu Provincial Industrial Economic Federation (江蘇省工業經濟聯合會), Jiangsu Provincial Enterprise Confederation (江蘇省企業聯合會) and Jiangsu Provincial Entrepreneurs Association (江蘇省企業家協會).

- In 2020, the Group was named Advanced Unit of Safety Production in Lianyungang City in 2020 (2020年度連雲港市安全生產先進單位) by Lianyungang Emergency Management Bureau (連雲港市應急管理局).

- In 2020, the Group was named Lianyungang City Quality Control Advanced Unit (2020年度連雲港市質量管理先進單位) by Lianyungang Quality Association (連雲港市質量協會).

- In 2020, the Group was awarded Lianyungang City 2020 Major Reform and Innovation Award for Promoting High-quality Development (連雲港市2020年度推進高品質發展重大改革創新獎) by Lianyungang Municipal Government (連雲港市人民政府).

- In 2021, the Group was named 2020 Lianyungang City Transportation Key Project Labor Competition Excellent Organization Unit (2020年度連雲港市交通重點工程勞動競賽優秀組織單

位) by Lianyungang Municipal Transportation Bureau (連雲港市交通運輸局) and Lianyungang City Federation of Trade Unions (連雲港市總工會).

- In 2021, the Group was named Advanced collective of 2020 Lianyungang City Transportation Key Project Labor Competition (2020年度連雲港市交通重點工程勞動競賽先進集體) by Lianyungang Municipal Transportation Bureau (連雲港市交通運輸局) and Lianyungang City Federation of Trade Unions (連雲港市總工會).

- In 2021, the Group was awarded the 18th China Civil Engineering Zhan Tianyou Award (第十八屆中國土木工程詹天佑獎) by China Civil Engineering Society (中國土木工程學會).

- In 2021, the Group was named 2021 Excellent Cases of Containerized Rail-Water Intermodal Transport (2021年度集裝箱鐵水聯運優秀案例) by China Aviation Weekly (中國航務週刊).

- In 2021, the Group was named National Transportation Construction Craftsman (全國交通建設工匠) by All-China Federation of Trade Unions China Seamen Construction Union (全國總工會中國海員建設工會).

- In 2021, the Group was named the First Batch of International Logistics Hub Units of the 14th Five-Year Plan ("十四五"首批國際物流樞紐單位) by National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會).

- In 2021, the Group was awarded the 18th China Freight Industry Golden Wheel Award with China Freight Service Quality Tracking Survey User Satisfaction Container Terminals (第十八屆中國貨運業金輪獎中國貨運服務品質跟蹤調查使用者滿意的集裝箱碼頭) by China Aviation Weekly (中國航務週).

- In 2022, the Group was recognized as one of the Top 30 Key Logistics Enterprises in Jiangsu Province (江蘇省重點物流企業30強) by Jiangsu Logistics Industry Promotion Association (江蘇省物流產業促進會) and Jiangsu Logistics and Supply Chain Research Institute (江蘇省物流與供應鏈研究院).

- In 2022, the Group was awarded Top 100 Service Enterprises in Jiangsu (江蘇服務業百強企業) by Jiangsu Enterprises Federation (江蘇省企業聯合會).

- In 2022, the Group was awarded Lianyungang Mayor Quality Award by Wuhan Municipal People's Government Office (武漢市人民政府辦公廳).

- In 2023, the Group was awarded Outstanding Contribution Unit for Epidemic Prevention and Control at Waterway Ports in the City (全市水路口岸疫情防控突出貢獻單位) by Lianyungang City Foreign-related Epidemic Prevention and Control Mechanism Airport and Waterway Port Epidemic Prevention and Control Coordination Group (連雲港市涉外疫情聯防聯控機制空港和水路口岸疫情防控協調組).

- In 2023, the Group was awarded the award of Dedicated Service Ensures Smooth Traffic and Military-Civilian Cooperation Strengthens National Defense (用心服務保暢通、軍地協作固國防).

- In 2024, the Group was recognized as Jiangsu Province Collective Negotiation Demonstration Enterprise (江蘇省集體協商示範企業) by Jiangsu Federation of Trade Unions Rights Protection Department (江蘇省總工會權益保障部).

- In 2024, the Group's "Electrification" Leading the Construction of Green and Low-carbon Ports ("電動化"引領綠色低碳港口建設》案例) was selected as an Innovative Demonstration Case in the third batch of cases in the Yangtze River Delta Free Trade Pilot Zone.

- In 2024, the Group was awarded the title of Excellent Project of the Provincial Youth League "10100" Innovation and Excellence Project (全省共青團工作"10100"創新創優工程優秀項目) by the Jiangsu Provincial Committee of the Communist Youth League of China (中國共產主義青年團江蘇省委員會).

COMPETITIVE STRENGTHS

The Group plays a significant role in several national plans and strategies and receives, and expects to continue to receive, strong support from various levels of government.

As at the date of this Offering Circular, the Guarantor is 89.51 per cent. owned by Lianyungang Industrial Investment Co., Ltd., ultimately controlled by Lianyungang Municipal Government, and China Development Fund Co., Ltd. holds the remaining 10.49 per cent. of equity interest in the Guarantor. In addition, the Guarantor's management team is appointed and assessed by the Lianyungang Municipal Government, and its operations, investment and financing activities are subject to approval from the government. The Guarantor was the largest state-owned company in Lianyungang in terms of total operating income and tax contribution for the year ended 31 December 2023 and total number of employees as at 31 December 2023.

The Group is positioned as one of the most important state-owned operating platforms in Lianyungang, and its development strategy is highly in line with the overall planning requirement of the PRC central governmental, the Jiangsu Provincial Government and the Lianyungang Municipal Government, in particular, the "Implementation Opinions on Comprehensively Promoting the Construction of Jiangsu Transportation Modernization Demonstration Zone" (Document [2021] No. 27) issued by the Jiangsu Provincial Committee of the Communist Party of China, the "Notice on Printing and Distributing the 14th Five-Year Plan for Economic and Social Development and Long-Range Objectives through the Year 2035 of Lianyungang City" (Document [2021] No. 17) issued by the Lianyungang Municipal Government, and the port development plan approved and announced by the Jiangsu Provincial Government following consultation with the Ministry of Transport of the PRC. Further, the Group is serving the national strategies such as, "Jiangsu Coastal Development Plan" approved by the State Council in June 2009, "Jiangsu Coastal Area Development Plan" approved by the Jiangsu Provincial Government in June 2021, and the strategy of "revitalizing the city with port" and the development goals of the Lianyungang Municipal Government during the 14th Five-Year Plan. Given its unique geographic location and transportation network, Lianyungang is significant to the implementation of national and Jiangsu provincial development plans. As a leading state-owned company, the Group receives abundant policy, finance and tax support from the PRC central governmental, the Jiangsu Provincial Government and the Lianyungang Municipal Government.

Asset Injection, Government Funding, Financial Subsidy and other forms of support

The Group receives grants and subsidies from different levels of government for its construction projects, infrastructure construction and port industry development.

In 2013, the Group received a subsidy of RMB21.35 million from the Ministry of Transportation to build the first low-carbon port in the PRC. The construction significantly improved energy efficiency and reduced the carbon emissions in Lianyungang Port, saving energy costs while setting a good example for other ports in the PRC. In central government level, the Group had applied to the central government for a subsidy of RMB490 million for the 300,000-tonne waterway extension in Xuwei port. Enlisted as a key project, Phase I and Phase II of the 300,000-tonne waterway was well subsidized by the Ministry of Transportation with injections of RMB863 million (out of a total investment of approximately RMB4.77 billion) and RMB3.03 billion (out of a total investment of approximately RMB7.75 billion) respectively. The NDRC and the Ministry of Transport of the PRC have also provided other project construction subsidies to the Group over the years. In addition, the NDRC and the Ministry of Finance of the PRC have

provided the Group with special funds through China Development Fund Co., Ltd. The Group also enjoys subsidies to build a low-carbon port from the PRC central government and subsidies for the construction of special railway lines from the Ministry of Communications. For the years ended 31 December 2021, 2022 and 2023, the Group received financial subsidies of RMB265.92 million, RMB156.97 million and RMB433.33 million, respectively. These subsidies include subsidies for waterway maintenance of RMB332.60 million, for port road maintenance of RMB309.01 million, for railway maintenance of RMB58.00 million, for the container route operation of RMB30.00 million, for the national container sea-rail intermodal Internet of Things application demonstration project of RMB9.11 million, and for the international freight train operation of RMB5.84 million.

At the provincial level, the Jiangsu Provincial Government has granted subsidies to support the construction of public infrastructure such as port entry channels and breakwaters. In particular, the provincial government has adopted an "One Project, One Discussion" approach to support the construction of projects such as Lianyungang Port's 300,000-tonne waterway project, newly opened shipping routes, multimodal transportation, and sea-river combined transportation. In addition, special funds of RMB2,864 million and RMB4,550 million, respectively, had been granted for the development of Phase I and Phase II of the 300,000-tonne waterway project. Further, the Shanghai Cooperation Organization (Lianyungang) International Logistics Development Fund has been focusing on investing in the construction of SCO (Lianyungang) International Logistics Park, China-Kazakhstan (Lianyungang) Logistics Cooperation Base, and the advanced manufacturing, among others. The provincial government also intends to support the construction of Lianyungang Port Big Data Center, Grain Distribution Center and Container Terminal Automation Transformation Project, among others. In addition, the Department of Finance of Jiangsu Province has refunded a part of the sea use fees paid by the Group in connection with port infrastructure construction each year, with an aggregate amount of RMB334.37 million for the years during 2016 and 2023.

At the municipal level, the Lianyungang Municipal Government made in-kind contributions to the Group in 2013 in the form of 16 sea area use rights and 6 land parcels with appraisal value of approximately RMB1.8 billion, increasing the registered capital of the Group from RMB4.5 billion to RMB6 billion in 2013. In 2014, a further 16 sea area use rights and 70 land use rights with appraisal value of approximately RMB1.7 billion were injected into the Group by the Lianyungang Municipal Government, further increasing the registered capital of the Group from RMB6.0 billion to RMB7.0 billion in 2014. The Lianyungang Municipal Government has also adopted various favourable policies to support the establishment and construction of projects within the China-Kazakhstan (Lianyungang) Logistics Cooperation Base and SCO (Lianyungang) International Logistics Park. Special funds and subsidies have also been granted by the Lianyungang Municipal Government for the construction of the Phase I of the 300,000-tonne waterway project. The Group also enjoys various favourable policies in respect of VAT, enterprise income tax and cargo port management fee implemented by the Lianyungang Municipal Government. Besides, the municipal port bureau, finance bureau and transportation bureau of Lianyungang Municipal have been providing financial discounts to the Group and the Lianyungang Municipal Government has been refunding the state-owned capital operating income paid by the Group. To support the restructuring of transportation, the Lianyungang Municipal Government also grants subsidies to the operation in relation of revolving iron, revolving water, international sea routes and international trains.

Other forms of special support provided by various levels of the government from time to time which are favorable to the Group include the following:

- opportunity to strive for funds from the central budget and ultra-long-term national bonds under the PRC's "two weights, two new" ("兩重、兩新") and other favourable policies to support port operations and infrastructure construction;

- priority is given to port development in resource allocation, with substantial planned investment in port construction;

- land use projects for port infrastructure construction that meet independent site selection conditions and involve the conversion of agricultural land into construction land will be given priority in land use quotas;

- land approved for reclamation and restoration as well as abandoned land that have been transformed during port construction are exempted from land use tax for 10 years;

- for international standard container transport vehicles at Lianyungang Port, a 50 per cent. discount on ETC tolls will be given at all ordinary highway toll booths and expressways in Jiangsu province. Container transport vehicles for China-Europe (Asia) trains entering and leaving Lianyungang's main container loading points and collection points will continue to be exempted from vehicle tolls;

- the provincial and municipal retained portion of the taxes paid by the Group in the port area and logistics parks at the Lianyungang Port are fully pooled for a dedicated fund for port construction;

- the use of sea areas for infrastructure such as not-for-profit waterways, anchorages and breakwaters, and for port construction projects included in the list of major national construction projects are exempted from sea area use fees; and

- sea area use fees paid by the Group in connection with land reclamation during port construction can be paid in installments during the term of sea area use for the construction of relevant projects.

The description of support from the PRC government above is on the support given to the Group's business operations and should not be read as any indication that the PRC government will provide any financial support to the Group in respect of its obligations under the Bonds or the Guarantee. See "*Risk Factors — The PRC government has no payment or other obligations under the Bonds or the Guarantee*".

The Group benefits from an advantageous location and interacts with the economic hinterland to achieve effective utilization of the Longhai Line.

Located in the middle of the coastal area of the PRC, Lianyungang Port is the largest seaport in Jiangsu Province which connects the Yangtze River Delta Area to the south and the Bohai Sea Ring Area to the north, the two key economic areas of China. Lianyungang Port is also one of the most economical and convenient port to the sea logistics in China's central and western regions. In addition, Lianyungang is bordered by Northeast Asia in the east and China's central and western regions, as well as Central Asia and Europe in the west. As the intersection of various key traffic lines, including the east-west Longhai-Lan-Xin Line (隴海蘭新線) (the "**Longhai Line**"), Lian-Huo highway (連霍高速公路), north-south Tong-San highway (同三高速公路) and the Coastal railway (沿海鐵路), Lianyungang Port is one of the few ports in the PRC with a complete sea-rail transport system and it also has an inland dry port under construction. Lianyungang Port was also listed as one of the 27 primary ports in China and one of the 11 international hub ports in the National Comprehensive Three-dimensional Transportation Network Planning Outline (國家綜合立體交通網規劃綱要), issued in February 2021 by the Central Committee of the Communist Party of China and the State Council. According to the Jiangsu Provincial National Territorial Space Plan (2021–2035), Lianyungang Port is one of the important land-sea gateways built and together with ports such as Nantong Port, Suzhou Port, Yancheng Port, Shanghai Port and Ningbo-Zhoushan Port, Lianyungang Port contributes to the formation of a world-class port cluster. Not only does the traffic benefit Lianyungang Port to be a hub, but also the temperate maritime climate zone favours Lianyungang Port to become an ice-free port all-year-round. As one of the three major ports in the Yangtze River Delta Area and one of the 12 national-level regional key hub ports that China plans to develop with main focus, the Lianyungang Port has been awarded China's Best Port for Container Services and Global Top 100 Container Port. The Lianyungang Port has also been recognized as a

"five-star" port in the starlight list of the ports in China for six consecutive years and ranks among the top ten in the comprehensive competitiveness index of 60 large-scale ports across the country.

The volume of cargo passing through Lianyungang Port is closely correlated with the economic development of its hinterland. Such economic development includes future economic growth, foreign trade development and industrial restructuring, and will directly or indirectly affect the types and amounts of cargo that pass through the port. The economy of Lianyungang Port's hinterland spans — from east to west — 11 provinces and autonomous regions in central China. The Lianyungang — Lanzhou and Lanzhou-Xinjiang railways are the axis of these regions, which include Northern Jiangsu, Southern Shandong, Anhui, Henan, Southern Shanxi, Northern Sichuan, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang. In addition, Lianyungang Port is located within 200 kilometres from Xuzhou, Yancheng, Huaian, Lianyungang and Suqian City. These areas enjoying the richest resources and greatest economic growth potential in China. Further, the Longhai Line, on which Lianyungang Port is located, is a major arterial east-west railway in China that extends from Lianyungang to Khorgos, Xinjiang. Running through regions with abundant resources and bustling businesses, the Longhai Line provides strong support and assurance for the Group's throughput volume. In recent years, following the arrangements targeting coordinated development of the Yangtze River Delta and full utilization of the Longhai Line, Lianyungang Port has strengthened its strategic cooperation with central and western China and made great efforts to build a landscape featuring interconnectivity between southern and northern China and synergy between eastern and western China. In particular, Lianyungang Port has pioneered the "rapid clearance procedures for import and export" for central and western regions along the Longhai Line and it can further take advantage of the new strides in the cooperation platform along the Longhai Line, such as the New Euro-Asia Land-Sea Transport Channel Project (新亞歐陸海聯運資料通道項目), a national digital transformation project, to create a favorable business environment in the area.

The Group has benefitted from coordinating with the development of the Yangtze River Delta and promoting comprehensive strategic cooperation with Shanghai International Port.

The PRC central government has involved the Lianyungang Port in various national development plans and initiatives, including the Yangtze River Delta Economic Belt, Yangtze River Delta Integration, "Belt and Road", Demonstration of Regional Cooperation between Eastern, Central and West China, Development of Jiangsu's Coastal Area, Huaihai Ecological Economic Belt, and the China (Jiangsu) Pilot Free Trade Zone; these provide the Group with a solid foundation to enjoy further policy support from both provincial and municipal levels of government. The PRC central government also specifies the strategic direction of Lianyungang Port and requires government of each level to support the construction of Lianyungang Port. Pursuant to the national development plans of the PRC central government, Jiangsu Provincial Government has provided various policy supports to Lianyungang Port with provincial-level directives and instructions. For example, in the opinion to promote the hub construction of "Belt and Road" in high-quality until 2025 issued by the Jiangsu Provincial Government in February 2019, Lianyungang Port was positioned as a strong supporting point for the hub construction and was expected to be provided with policy supports in various aspects, such as waiving Lianyungang's inland container gate fee. The Lianyungang Municipal Government also specifies its strategy to build up the city with ports as the core and provide the Group with policy support to integrate port resources and enhance the Group's influence in the industry.

"Yangtze River Delta Integration" (長三角一體化)

In 2019, the Yangtze River Delta Integration plan (長三角一體化) was further recognized as a national strategic plan. Pursuant to the Notice of the National Development and Reform Commission on Printing and Distributing the Regional Planning of the Yangtze River Delta Region (國家發展改革委關於印發長江三角洲地區區域規劃的通知) issued by the NDRC in 2010, Lianyungang's objective is to build itself as a comprehensive transportation hub and a port-side industrial base and an international seaport city with heavy chemical industry as its primary industry for economic development. In particular, in

cooperation with Nantong Port and Yancheng Port, Lianyungang intends to build a coastal port group to further develop international shipping and modern logistics, enhance its ability to serve the central and western regions, and make itself an important part of the North Wing of Shanghai International Shipping Center. The Lianyungang Port has now joined the ranks as top three major ports in the Yangtze River Delta port cluster and intends to further develop and strengthen its influence on the central and western regions of China by constructing itself as an important comprehensive transportation hub and logistics centre, as well as an influential hub on the New Eurasian Continental Bridge, boosting the "dual circulation" development policy of the PRC. Located in the intersection of the New Eurasian Continental Bridge and the Maritime Silk Road, Lianyungang Port enjoys superior geographical advantages. Since the opening of the New Eurasian Continental Bridge, Lianyungang Port had been handling most of the international transit container throughput.

Lianyungang has long been striving to grow into a hub port for domestic trade and to build sea-river intermodal transportation capabilities as "One Port with Four Routes" connecting the Yan River, Guan River, Tongyu River, Huai River, Beijing-Hangzhou Canal and Yangtze River. At present, the river-sea intermodal transportation network has been preliminarily formed, basing on which Lianyungang will leverage the development momentum of the integrated development of the Yangtze River Delta region and the advantages of intermodal transportation to realize the high-quality development of container shipping business in Lianyungang.

In 2018, the development of Huaihai Ecological Economic Belt was recognized as a national strategic plan. Thanks to this, Lianyungang was positioned as a demonstration area in the development of marine economy of the PRC, and its hub function of connecting the sea and land was enhanced. In January 2019, the shipping line of "Lianyungang-Ningbo" officially commenced operation, which founded the new growth points for container volume and lay a solid foundation for opening up foreign trade sources. The Lianyungang-Ningbo shipping line fills the gap in the import and export of foreign trade containers in Yuzhou and lays a solid foundation for the subsequent opening of foreign trade routes. Cooperation between both domestic and foreign markets will be further strengthened, which requires Lianyungang to further strengthen the capacity of its two-way international transportation services and extend the logistics service chain surrounding the port. At present, the Bengbu route has commence operation, which effectively gathers the supply of goods in the hinterland of the inland river. As an important port in Huaihe river system, Bengbu Port is an important hub for Anhui Province to integrate into the strategy of the Yangtze River Economic Belt and the "Belt and Road" initiative. The sea-river intermodal transportation has become an important link for enhancing the connection between Anhui and Jiangsu, Bengbu and Lianyungang, and Bengbu Port and Lianyungang Port.

Cooperation with Shanghai International Port

Shanghai Port is an important base for China's foreign trade. It is a multi-functional hub port with national reach and is the largest seaport and the largest coal unloading port in China. Given its advantageous geography, long history, comprehensive facilities and strong handling capacity, Shanghai Port has become one of the most important ports in the world and plays a critical role in the economic development of China and the world. In light of the significance of Shanghai Port, the Jiangsu Provincial Government and Shanghai International Port reached a consensus on deepening the strategic ties between Lianyungang Port and Shanghai Port, with Lianyungang Port being at the core of such cooperation. On 30 December 2021, Lianyungang Port Holding Group signed a strategic cooperation agreement with Shanghai International Port pursuant to the decision of Jiangsu Province to "integrate its development into the development of the Yangtze River Delta, leverage the Longhai line, and connect Europe and Asia" on an on-going basis. As a result of strengthened cooperation between Lianyungang Port Holding Group and Shanghai International Port involving links in business, capital, technology and talent, as at 31 December 2023, Lianyungang Port opened nine new shipping routes, connecting Lianyungang to areas such as the Arctic Ocean to the north, and Thailand, Vietnam and Sri Lanka to the south. In addition, cooperation between the two involved mobilizing forces at both Lianyungang Port and Shanghai Port to

support Lianyungang Port in developing its unique logistics business, such as sea-rail transport and sea-river transport in the northern Jiangsu-southern Shandong and Longhai-Lanxin regions, and launching the Xinyi-Lianyungang-Shanghai road-to-rail and road-to-water transport business. The two have also coordinated efforts to build the seaborne logistics channel linking Shanghai Port with Lianyungang Port, with Lianyungang Port at the core of such logistics channel, and they also built Lianyungang Port into a core hub that extends the north-wing capabilities of the Shanghai International Shipping Center.

In March 2022, the Guarantor entered into a strategic cooperation agreement with Shanghai International Port to enhance the development of river-sea combined transportation. Pursuant to the agreement, it was disclosed on 11 March 2022 that Shanghai International Port was expected to subscribe for 372 million shares of Lianyungang Port Company, a subsidiary of the Guarantor, with a consideration of no more than RMB1.5 billion. Subsequently, it was confirmed that the Guarantor had entered into an agreement with Shanghai International Port in August 2024 to transfer 18.00 per cent. of the equity interest of its subsidiary Lianyungang Port Company to Shanghai International Port at a total consideration of approximately RMB743.64 million. On 29 March 2025, the Guarantor obtained the Decision on Non-Prohibition of Anti-Monopoly Review of Concentration of Business Operators (經營者集中反壟斷審查不予禁止決定書) issued by the State Administration for Market Regulation, a decision on non-prohibition of the transfer of 18.00 per cent. of equity interest in Lianyungang Port Company held by the Guarantor to Shanghai International Port. The Guarantor will proceed to apply to the Shanghai Stock Exchange for compliance review. Upon the completion of such transfer, the Guarantor and Shanghai International Port will hold 40.76 per cent. and 18.00 per cent., respectively, of the equity interest of Lianyungang Port Company, and Shanghai International Port will become the second largest shareholder of Lianyungang Port Company. As at the date of this Offering Circular, the equity transfer is not completed. See "*Description of the Group — Recent Developments — Transfer of a Subsidiary's Equity Interest Held by the Guarantor*".

In March 2023, Lianyungang Port Holding Group established the Lianyungang Hulian Container Co., Ltd. (連雲港互聯集裝箱有限公司) and signed a memorandum of understanding on digital cooperation (數字走廊合作備忘錄) with Shanghai International Port. The Group further plans to combine the strengths of Shanghai Port as a port strategically located along the Yangtze River and benefit from the affluent Yangtze River Delta hinterland, and the strengths of Lianyungang Port as a port pivotal to the New Eurasian Continental Bridge well positioned to expand in an all-rounded manner in central and western China. In particular, after establishing Lianyungang Interconnected Container Company (連雲港互連集裝箱有限公司) as a joint venture with Shanghai International Port in 2023, the Group signed an agreement with Shanghai Haitong Terminal Company (上海海通國際汽車碼頭有限公司) in 2024 with the intention of setting up a joint venture to operate a ro-ro logistics business and to promote the integrated operation of commodity vehicle export in the Yangtze River Delta region. The two ports will adopt differentiated market strategies and pursue complementary collaboration to optimize their shipping route networks and boost their shipping service capabilities. The two ports will also join hands to develop and invest in resources such as container routes, terminals and yards at Lianyungang Port, operate the premium route known as the Lian-Shen Express (連申快航) at a frequency of five trips per week, introduce Worldex (全球捷運) to build the Lianyungang Empty Container Centre (連雲港空箱中心) at Lianyungang Port, and integrate the berth resources of Lianyungang New Oriental Container Terminal Co., Ltd. (連雲港新東方集裝箱碼頭有限公司) and Lianyungang New Oriental International Container Terminal Co., Ltd. (連雲港新東方國際貨櫃碼頭有限公司). The Group can also draw on Shanghai International Port's advanced experience in smart port building, in particular, Lianyungang Port has formed an automation work group with Nize Technology (上海哪吒公司) and an informatization work group with Ganghang Digital Technology (港航數科) to work on research and development of the TOS system for automated container terminals at Lianyungang Port (連雲港港自動化集裝箱碼頭碼頭操作系統). In addition, container specialists from Lianyungang Port will be provided various learning opportunities, and a total of 21 specialists from 13 of the Group's companies have joined Lianyungang Hulian Container Co., Ltd. to learn from Shanghai International Port's advanced experience in container yards, commerce, market development and terminal operation.

The Group has established and operated benchmark projects and such projects are demonstration of the PRC government's "Belt and Road" Initiative.

In 2015, the NDRC proposed to position Lianyungang as "the eastern starting point of the new Eurasian Continental Bridge International Economic Cooperation Corridor". In 2019, the Jiangsu Provincial Government announced Lianyungang as a "strong fulcrum" for the construction of the "Belt and Road" intersection. Pursuant to the Development Plan for the River and Sea Ports in Jiangsu Province (2015–2030) issued by the General Office of Jiangsu Provincial Government, Lianyungang Port is required to leverage its advantage of being an intersection port in "Belt and Road" and the 21st Century Maritime Silk Road to build itself as a base for China-Kazakhstan logistics transhipment, the export port for Shanghai Cooperation Organisation ("**SCO**") member countries, a national demonstration zone of cooperation among the eastern, central and western regions of China, and an international hub port. The Group has also promoted the spirit of "Journey to the West" to build a major land-sea intermodal transportation channel between Asia and Europe. In particular, the Group has established a big data center, E-Port Link (E港通平台), and a multimodal transport information and transaction platform, among others, to improve its logistics service capabilities.

As an international hub and core seaport that is strategic to building "Belt and Road" intersections, Lianyungang Port has made substantial achievements in international openness and cooperation. The central government has designated Lianyungang in "Belt and Road" as the first nodal city in the New Eurasian Continental Bridge and has been supporting the construction and operation of China-Kazakhstan (Lianyungang) Logistics Cooperation Base, Khorgos Gateway Dry Port and SCO (Lianyungang) International Logistics Park. Pursuant to the national strategy of "Belt and Road", Jiangsu Government intends to further promote the construction of China-Kazakhstan (Lianyungang) Logistics Cooperation Base and the SCO (Lianyungang) International Logistics Park. The Jiangsu Provincial Government has also positioned Lianyungang Port as a national innovation demonstration zone. Driven by the initiative of "Belt and Road", economic cooperation, and the interflow of commodities between Lianyungang's hinterland and countries and regions along the key railways, are expected to increase. In addition, to improve the "three vertical" development axes of Lianyungang Port, smooth the "three horizontal" channels of Lianyungang Port, to establish "three major areas" of Lianyungang Port, build Lianyungang Port as a hub port, an industrial port, a logistics port and a trade port, and to enhance the capacity level of the Lianyungang Port, the 400,000-tonne iron ore terminal, extension of the 300,000-tonne waterway of Xuwei Port District, 200,000-tonne waterway of Binhai Port District, phase III general terminal in Dafeng Port District, terminal and supporting projects of Tongzhou Bay Port District, 100,000- to-200,000-tonne Wangcanghong waterway of Nantong port, waterway expansion in Lvsi Operation Area, a crude oil pier and a LNG receiving station are expected to be completed. By closely participating in the construction of international maritime transport channels, the Group intends to promote the integration and improve the quality and efficiency of China-Europe train routes and further develop direct trains to Central Asia. Also, the Group intends to seek for more two-way international transfers between Central Asia and the areas such as Japan, South Korea, and Southeast Asia, so as to strengthen the major coastal ports and new land-sea corridors and promote the effective connection of the China-Europe Land-Sea Express Line, as well as accelerate the construction of Lianyungang Port Central Asia, China-Europe Railway Express Seaport Terminal Assembly Centre and International Hub Seaport Railway Container Centre Station. To build Lianyungang Port as a "strong fulcrum" for the construction of the "Belt and Road", the Group intends to build Lianyungang Port as a comprehensive reform and opening-up pilot zone and promote the joint construction of a benchmarking demonstration of the new Asia-Europe land-sea combined transportation channel along the "Belt and Road". The Group also committed itself to accelerate the construction of its four port districts and enhance its cooperation with inland dry ports and logistics yards. For example, the Group, jointly with COSCO Shipping Group, has purchased 49 per cent. of the equity interest of the Khorgos Gateway Dry Port held by Kazakhstan Temir Zholy. Khorgos Gateway Dry Port is a demonstrative logistics port for the alignment between China's initiative of "Belt and Road" and Kazakhstan's "Bright Road Initiative". It is designed to provide the best logistics solution for a constructing neighboring logistics zone and an

industrial zone, each with an area of 2.25 million square metres. This is the second logistics cooperation between the two countries, following the China-Kazakhstan (Lianyungang) Logistics Cooperation Base. In 2023, Lianyungang Port had facilitated a combined container handling volume of 585,000 TEUs in the China-Kazakhstan (Lianyungang) Logistics Cooperation Base and the Khorgos Gateway Dry Port — an increase of 7.7 per cent. compared to the previous year. The Lianyungang Port also maintained exchanges with companies such as OTY (烏國鐵路) and Kusto (哈庫斯托), gaining a first-mover advantage in the collaborative efforts to build Trans-Caspian and China-Kyrgyzstan-Uzbekistan transport channels. The Group has also opened the "Yancheng-Lianyungang-Central Asia" relay freight train (鹽城接續班列) and launched transport modes such as the cross-border multimodal transport, combining ro-ro ships and freight trains and the train plus ship transport that allows cross-border round trips. The Group has also partnered with KTX (韓國鐵道公社) and ADY (阿塞拜疆鐵路公司) to put into operation the international multimodal freight train and the trans-Caspian international freight train, respectively.

As the eastern bridge-head of the New Eurasian Continental Bridge defined in the "Belt and Road" initiative, Lianyungang is a convenient conduit for both central and western China and central Asia, and a key port for several countries. Basing on Lianyungang Port Lianyungang's modern integrated transportation system has been initially shaped. Therefore, Lianyungang Port's significance on the state-level development zones and special customs controlling zone was gradually enhanced, and its capability to serve central and western China has been improved. The Group believes that provision of trans-shipment services for central and western China will be a key growth driver.

The "National East-West Regional Cooperation Demonstration Zone" (國家東中西區域合作示範區)

In 2011, the State Council of the People's Republic of China approved the establishment of a national innovation demonstration zone in Lianyungang for regional cooperation between eastern, central and western China. In the same year, the NDRC issued a plan for the development of a national innovation demonstration zone for regional cooperation. Pursuant to the plan of the demonstration zone under the 14th Five-Year Plan, the modern logistics service functional area is required to be located in Lianyungang Port and the logistics parks connected to Lianyungang Port.

Pursuant to the "14th Five-Year" Implementation Plan of the Yangtze River Delta Integrated Development Plan (長三角一體化發展規劃"十四五"實施方案) and the development plan of Jiangsu province, Jiangsu government intends to promote the reform and innovation in key factors such as finance, talent, shipping, international trade, and business environment, so as to accelerate the establishment of an open economic system and mechanism that meets international standards. The Jiangsu government intends to build an important international transportation hub in Asia and Europe and an open portal for gathering high-quality elements, and a communication and cooperation platform for countries and regions across the "Belt and Road". Also, the Jiangsu Government intends to further develop the SCO (Lianyungang) International Logistics Park and create a benchmark for China-Europe freight trains by integrating the east-west supply sources, so as to initially establish a national land bridge coordination mechanism and a customs commodity inspection cooperation mechanism along the land bridge with cities along the land bridge, and promoting the logistics cooperation with Zhengzhou, Xi'an, Khorgos and other areas along the line, in order to build a land-maritime supply chain corridor. At the end of October 2021, the exclusive railway for the SCO (Lianyungang) International Logistics Park was put into operation, following which the park has access to multiple models of transportation, such as railway, highway, inland river, seaport, corridor, building a well-functioning comprehensive transportation system. The Gansu Government also intends to support the formulation of Lianyungang marine LNG bunkering management measures and operating specifications.

The "East and West New Heights Opening" (東西雙向開放新高地)

The "East and West New Heights Opening" is to systematically build a land-sea channel that communicates with China inland hinterland and faces Europe and Asia, enhances the functions of coastal

port groups, and empowers key platforms such as "National East-West Regional Cooperation Demonstration Zone". The strategy aims to optimize resources and deepen the cooperation within central and western countries and regions, in order to strengthen the cooperation with European and East Asian countries. In addition, leveraging the strategic link function of coastal regions in the East and West New Heights, the Group aims to create a most convenient access to the sea logistics for the central and western regions of China.

By serving as the benchmark and demonstration of the PRC government's "Belt and Road" Initiative and by taking advantage of the abovementioned strategic plans, the Group has brought Lianyungang Port with abundant development opportunities. Going forward, with the in-depth implementation of key strategies and initiatives mentioned above, the development of Jiangsu's coastal area, Lianyungang and Lianyungang Port will usher in significant opportunities for growth.

Diversified financing channels and solid relationship with commercial banks enable the stable operation of the Group.

Apart from the government grants and subsidies from each level of governments, the Group also has access to various financing channels and strong financing advantages to fund its business activities, such as bank credit facilities, loans and issuance of onshore and offshore debt securities in the capital markets. In 2007, Lianyungang Port Company, a key subsidiary of the Group, was listed on the Shanghai Stock Exchange with stock code 601008, which enables the Group to raise funds from equity financing. In addition, the Group had raised additional capital by issuing various debt securities in the capital markets. As at 31 December 2023, the Group's total indebtedness (comprising short-term loans, long-term loans due within one year, bonds payable due within one year, long-term payable due within one year, short-term payable bonds, long-term loans, bonds payable and finance lease payable) amounted to RMB49,104.06 million. Further, the Group has a good credit level and has cultivated strong relationship with a number of major commercial banks in China, including Bank of Communications, Agricultural Bank of China, Bank of Jiangsu, Bank of China, China Construction Bank, Industrial and Commercial Bank of China, Export-Import Bank of China, Industrial Bank, China Development Bank, Postal Savings Bank, China Everbright Bank and Minsheng Bank, among others, which has enabled the Group to increase direct financing and lower its funding costs. As at 31 December 2023, the Group had credit facilities amounting to approximately RMB36,373.50 million in aggregate, of which approximately RMB12,710.30 million had not been utilised. With its various sources of funding, good credit level and strong relationship with major commercial banks in China, the Group believes that it will continue to have access to sufficient capital to support its projects construction, business operations and expansion plans. In addition, the Group has maintained sound and stable finance and risk control policies to safeguard its financing performance. The Group manages its indebtedness cautiously, diversifies its financing channels, maintains the terms and proportions of its indebtedness. The Group also monitors the use of proceeds, the liquidity risk and market risks with multiple financing methods. By closely monitoring on the use of proceed and strictly controlling its capital expenditure, the Group intends to ensure reasonable capital gains, maintain stable cash flow and strengthen its capability on refunding indebtedness. Leveraging the integrated operation and management model, the Group is able to enhance its business operation and management capabilities, effectively control its operating costs through internal cost control and proper use of funds, and improve its operating efficiency.

Experienced core management team safeguards the operation and development of the Group.

The development of the Group is attributable to the leadership of its management team. The Group has an experienced management team with rich knowledge in port management and corporate governance. The Group believes that the management team's industry knowledge and technical expertise enables the Group to compete effectively and facilitate its development and growth. See "*Directors, Supervisors and Senior Management*".

In addition, the Group has also established an effective corporate governance structure, which is in line with modern corporate practice and ensures that key operational matters are properly overseen by

relevant departments and experienced personnel of the Group. To better manage the Group's daily activities, the Group also strictly controls its operating costs and improves its operation efficiency by its established internal fee control system.

The Group's high-quality infrastructure facilities provide a solid foundation for its further growth.

As at 31 December 2023, Lianyungang Port was a Class I port and was the largest seaport in Jiangsu with 300,000-tonne waterways arranged in a herringbone shape, allowing 300,000-tonne ships to navigate between Lianyungang and Xuwei port areas. Lianyungang Port has formulated a "one body, two wings" layout with main port district as the "body" and Xuwei port district and Ganyu port district as "two wings". Further, as at 31 December 2023, 100,000-tonne and 50,000-tonne waterways in Ganyu port area and Guhe port area had been completed, and the reconstruction and expansion project of the 300,000-tonne waterway was being promoted to further improve the navigational conditions for 400,000-tonne bulk carriers. Lianyungang Port has formed the pattern of "two wings, one port and four districts". The Group's high-quality infrastructure facilities have provided a solid foundation for its sustainable growth during the period of 14th Five-Year Plan. For the years ended 31 December 2021, 2022 and 2023, the Group recorded an operating income of approximately RMB14,663.48 million, RMB15,814.12 million and RMB16,532.52 million, respectively. For the years ended 31 December 2021, 2022 and 2023, Lianyungang Port had an aggregate throughput approximately 277.1 million tonnes, 300.2 million tonnes and 321.5 million tonnes, respectively, and 5.0 million TEUs, 5.5 million TEUs and 6.1 million TEUs, respectively.

As at 31 December 2023, Lianyungang Port had 63 productive berths, with an annual designed capacity of approximately 156 million tonnes, allowing an annual container traffic capacity of 3.25 million TEUs, a maximum berthing capacity for bulk cargoes of 400,000-tonne and a maximum berthing capacity for containers of 10,000-tonne. Such berths are able to handle various types of cargoes including containers, coal, coke, minerals, bulk grains, alumina, bulk chemical fertilisers and liquid chemical products. The capacity of the wharf facilities and equipment in the main port district has been upgraded, the second phase of the 300,000-tonne waterway project has been connected, and the specialized liquefaction terminal has been completed and put into operation. The terminal capacity of the "two wings" of Lianyungang Port has been significantly improved, facilitating the opening of the first-class port. The shoreline of the bulk cargo berth in Ganyu port district has been approved, and the liquid chemical tank farm has been put into use. The first phase of the wharf in Xuwei port district has been completed and put into operation, the 300,000-tonne crude oil wharf project has been approved, and the main body of the pipe gallery project in the liquid bulk cargo area has been completed. The supporting facilities and the second phase of the berth at the rear of the phase I of the Yanwei operation district in Guanhe port district have been completed and put into use for the loading and unloading of foreign trade vessels, and six new berths in the inland port area have been completed.

In recent years, the Group has successfully promoted the construction of port collection and distribution system and comprehensive transportation system. As a result, the interconnection system has been further optimized and the service network has been expanded. As at 31 December 2023, 98 container routes (including 54 foreign trade routes, eight foreign trade domestic feeder routes, 22 domestic trade routes and 14 inland waterway routes), 29 general cargo ro-ro routes and 2 China-Korea passenger and cargo liner routes had been opened. The ships operating in the China-Korea ferry route have been upgraded, inland water transportation is able to reach the Jiangsu, Shandong, Henan, and Anhui provinces, and as at 31 December 2023, 20 sea-railway and 14 river-sea transportation corridors had been opened, which contribute to the optimization of multimodal transport and the expansion of river-sea combined transportation and the sea-rail combined transportation of containers. At present, the China-Kazakhstan (Lianyungang) Logistics Cooperation Base and the "Khorgos-East Gate" dry port in Kazakhstan have realised business interaction, personnel exchange, and information and resource sharing. The international train has laid out five transit ports in Alashankou, Khorgos, Erlianhot, Kashgar and Manzhouli, and six international rail lines including Central Asia, China, Jiujiang and China-Turkey,

establishing a transportation network covering five Central Asian countries, Mongolia, West Asia (Azerbaijan and Georgia) and Europe (Germany, Turkey and Poland), and become a professional train for transporting wheat, cotton yarn, ferroalloy and potash fertilizer, among others.

The Group has been promoting the construction of "Green Port" pursuant to the national commitment to emission reduction.

The Group has been promoting the construction of "Green Port" pursuant to the national carbon emission reduction policy. In particular, the Group has issued various internal guidelines and plans, such as Guidelines for Creation and Administration of a Civilized Environment in Lianyungang Port, Measures for Administration of Environmental Protection in Lianyungang Port, the Plan for Building a Green Port in Lianyungang Port, the Three-Year Action Plan for Building a Green Port (2018–2020), the Work Plan for Control and Prevention of Air Pollution, the Measures for Control and Prevention of Pollution from Bulk Operations, and the Measures for Evaluation of Environmental Performance (Trial), which demonstrate the Group's strong awareness and resolutions to green operation. The Group intends to address the root causes of environmental issues, increase its investment in environmental protection facilities and enhance the dust control in the port, so as to achieve its goal of constructing a "Green Port". Thanks to its continuous efforts, the Group has been awarded with various honors in relation to its "Green Port" construction. In 2012, Lianyungang Port was listed by the Ministry of Communications in the first batch of the pilot ports and a special fund area for energy conservation and emission reduction pursuant to the "One City, One Port". In 2015, Lianyungang Port was named as the first "Green Port" by the Ministry of Communications. In 2016, the ship shore power system in Lianyungang enhance 27-berth pier and the onboard power receiving system of the ship "Purple Magnolia" were recognised as ship shore power demonstration projects. From 2016 to 2018, the Group was consecutively named as Demonstration Enterprise of Energy Saving and Emission Reduction in Transportation (交通運輸節能減排示範企業). In 2019, the Group's subsidiary Jiangsu Xinsugang Investment & Development Co., Ltd. (江蘇新蘇港投資發展有限公司) won the honour of "Asia Pacific Green Port" (亞太綠色港口). In 2020, Lianyungang Port was recognized as a Five-star Green Port (五星級綠色港口). The Group's key achievements are listed as below:

- In August 2021, the first domestic pure electric tugboat "Yungang Diantuo No. 1" built by Lianyungang Port was delivered for trial operation. The ship uses lithium iron phosphate battery pack as the power source, which can achieve the effect of 4,000 horsepower conventional tugboats, and is able to completely replace traditional high-power fuel tugboats, to achieve zero emission of air pollutants, and has filled the gap of domestic high-power green and low-carbon port tugboats;

- The first batch of ten SAIC Hongyan Jieshi H64x2 electric tractors of Lianyungang Port Logistics Holding Company adopts a three-electric system composed of battery motors and electronic controls to achieve zero emissions and zero pollution. This batch of electric tractors will be used for short-distance container transportation of Kaida Container Logistics, which meets the requirements of green, low-carbon and environmental protection, and promotes energy conservation and emission reduction in the port;

- The Group has strengthened the vehicle exhaust emission control by renewing non-road mobile machinery and diesel trucks: scrapped 81 non-road mobile machinery of National I and below, 51 diesel trucks or trucks of National III, installed exhaust emission lifting and reconstruction devices, and purchased exhaust gas detection equipment and actively carried out self-examination of exhaust emissions;

- The Group has actively promoted the construction of shore power: the national shore power layout and 37-berth shore power construction have been completed, the shore power equipment of 4 units including Xinsu Port has been upgraded and transformed, and a three-year plan for shore power construction has been established. In April 2021, the first integrated system of shore power and

energy storage in China was completed and put into operation in Lianyungang Port, which helps reduce the cost of shore power use, further reduce ship pollutant emissions, and achieves the goal of carbon peaking and carbon neutrality; and

- The Group has actively promoted the use of clean energy: the application of pure electric stackers by New Oriental Containers and New Oriental Containers has positive energy-saving effect, saving about 61 per cent. of the operating cost per container; the permanent magnet motor of the transfer station of the system line in the Xugoudong operation area of the Oriental Company has been put into operation, and the comprehensive energy consumption has been saved by about 28 per cent.

Good port facilities and the management of both concentrated and dispersed transportation have supported the swift growth of the Group's business. The Group has optimized port logistics operations, focusing on reducing the operating coefficient and reducing the operation links, and optimized the operation process of various types of goods. The discharge concentrations of main air pollutants such as port dust, oil and gas, chemical gas, SO_2 and other terminals are all within the standard requirements and have decreased in the past years; the self-treatment rate of sewage and the recycling rate of reclaimed water have reached 100 per cent. In addition, the Group has strengthened a top-level design of green development and created green near-zero carbon demonstration projects. According to the requirements of building a green transportation system and implementing the "dual-carbon" work, the Group has built green demonstration projects for terminals of container, dry bulk, and oil products, and promoted the green terminal brand in the industry. The Group has also improved the energy and environment statistical monitoring system and intelligent management and control system, establishing a statistical monitoring indicator system for energy consumption and pollutant discharge. The Group has also achieved the intelligent management of energy and environmental protection, accelerating the in-depth integration of energy conservation and environmental protection with big data, the Internet, and the IoT, and established an online monitoring platform for energy consumption and pollutant emissions. The Group will also put an emphasis on optimizing the functional layout of the main port district, increasing energy conservation and resource recycling, accelerating the construction of the five major centres in Lianyungang District and the construction of "Tens Millions TEUs Oriental Port", and building a clean and low-carbon energy system. In particular, pursuant to the framework of "internal optimization of Lianyungang area, adjustment and interaction of one body and two wings" plan, the Group has adjusted the freight function of part of the port operation area adjacent to the Lianyungang Municipal, and has moved the cargoes with a greater impact on the urban environment and traffic to the flag station operation area and the two wings of the port area. Also, focusing on the internal structure optimization and resource integration of Port and Shipping Centre of Free Trade Zone, Super Large Intelligent Container Center, International Grain Distribution Center, Green Specialized Bulk Commodity Distribution Centre and Liquid Bulk Cargo Center, Lianyungang Port has been promoting the adjustment of the functional division of its port districts and the construction of "Tens Millions TEUs Oriental Port". Besides, to promote the application of energy-saving and low-carbon technologies and products in Lianyungang Port, the Group has been promoting the green lighting technology by speeding up the transformation of green production lighting fixtures so as to establish a comprehensive digital lighting management platform in Lianyungang Port. In addition, to build a clean and low-carbon energy system, the Group is further replacing the electrical energy for port operation machinery and port tugboats with renewable and clean energy such as solar energy and wind energy in Lianyungang Port. Further, the Group is carrying out the construction of photovoltaic power generation systems in various warehouses, office buildings and other areas in Lianyungang Port and exploring the feasibility of using hydrogen energy in the port area, including the application of solid-state hydrogen storage, hydrogen energy forklifts and other equipment and the construction of hydrogen refueling stations pursuant to the development trend of hydrogen energy.

Leveraging the advantageous resources and developed facilities in Lianyungang Port, the Group has secured a sustainable business growth.

Pursuant to the Development Plan from 2021 to 2025 for the Coastal Areas in Jiangsu (江蘇沿海地區發展規劃(2021–2025年)), leveraging its advantageous location and comprehensive coastal transportation

network, the Group plays a significant role in the economic growth of Eastern China. In particular, the Group has been making efforts on integrating the hinterland of Lianyungang Port and connected industries. It has committed itself to several objectives, which include building a significant area for undertaking the industrial reform and upgrading along the Yangtze River, integrating the industrial chain and innovation chain across the Yangtze River Delta region, and constructing an innovation and development demonstration area in the eastern marine economic circle of the PRC. The Group also intends to further enhance its advantageous business, expand its strategic new business and develop new marine business, so as to promote and advance the quality of its business basis and modernize the industrial chain. The primary plans that the Group devote to include constructing a national petrochemical industry base, a green high-quality steel base, an automobile industry base, a national important green energy base and a high-tech ship industry base, and promoting the development of international shipping service industry.

Lianyungang Port consists of five port districts:

- Main port district (主體港區): The main port district mainly deals with containers and bulk commodities and also conducts passenger and general bulk cargo transport as supplementary businesses. In addition, the main port is also actively developing a bonded zone and logistics services. As at 31 December 2023, it had a 300,000-tonne waterway and nearly 80 berths for production use, with the largest bulk berth of 400,000-tonne and container berth of 200,000-tonne. The main port is equipped with advanced facilities enabling an annual designed throughput of approximately 100 million tonnes. The construction of the 300,000-tonne channel project has been completed. As the main port district is embedded in the China (Jiangsu) Pilot Free Trade Zone, it will be upgraded and constructed into a specialised and large-size green port.

- Ganyu port district (贛榆港區): Ganyu port district focuses on industries that require high-volume transportation such as petrochemicals, metallurgy, grain and oil processing, and develops around ports and adjacent industries. Pursuant to the national 14th Five-Year Plan, Ganyu port district has further promoted the industrial development, improved functional facilities, and enhanced the carrying capacity of major projects. The main projects within Ganyu port district include: (i) Xinhai Petrochemical New Materials Park, which focuses on building three major industrial clusters, including refining and chemical transformation and upgrading, high-end petrochemicals, and olefins with diversified raw materials, and constructs and operates major projects such as the comprehensive utilization of propane of Fenghai Petrochemical, the transformation of Lianyungang soda industry and petrochemical, and Huadian LNG, creating a petrochemical industry cluster of 100 billion; and (ii) the Metallurgical Industrial Park, which innovates and explores the development mode of industrial agglomeration, and builds a new metallurgical industrial base with metal smelting as its main business, supported by the construction of R&D institutions, and extended by metal deep processing, comprehensive utilization of resources and modern logistics, which will eventually guide key enterprises such as Binxin Iron and Steel to increase and optimize their product structure, and build a national steel industry base.

- Xuwei port district (徐圩港區): Xuwei port district is the main platform for Lianyungang to develop iron and steel metallurgy, refining and chemical integration and other nearby industries. It is the core of the regional economy and will form an important supporting role for the industrial optimization of Lianyungang. Xuwei New District is currently planning: (i) petrochemical industry: a representative project is the crude oil storage and refining and chemical integration project, which is planned to build a 10 million tonnes ethylene matching 10 million tonnes oil refining unit, and produce downstream products such as polypropylene, EVA, ethylene glycol and vinyl acetate; and (ii) clean energy industry: based on the agreement signed with the Chinese Academy of Sciences, the Jiangsu Provincial Government, and the Lianyungang Municipal Government to jointly build the Chinese Academy of Sciences Energy Power Research Center, a 1,200MWelGCC, co-generation and carbon dioxide emission reduction technology demonstration projects will be established.

- Guan River port district (灌河港區): Under the national 14th Five-Year Plan, Guanyun County, where the Guan River port district is located, will focus on building six industrial clusters with supporting industrial chains, high concentration, excellent structural levels and good output benefits. The main industries include high-end petrochemicals, equipment manufacturing, healthy food, light industrial textiles, smart energy, new materials and electronic information industries.

- Qiansandao port district (前三島港區): The construction of a port within the Qiansandao port district is under planning. Qiansandao port district is expected to mainly handle crude oil transport.

BUSINESS STRATEGIES

Pursuant to the national strategic plan of constructing a new development framework based on domestic internal cycle while pursuing the mutual promotion of international and domestic dual-circles, the Group intends to further develop its main port and four districts by innovating its technology, management and capital operation. In particular, the Group aims to further integrate its port resources to optimize its port operation business and accelerate implementing the innovation-driven development strategy. Some of the Group's growth strategies and development guidelines include: fully implementing the decisions and arrangements made by the Central Committee of the Chinese Communist Party and the provincial and municipal Chinese Communist Party Committees, pursuing the core strategies of promoting Lianyungang's development with industrial production as the foundation and industries and ports as the booster, fulfilling the mission of building a major port in East Asia with substantial capacity, adhering to the principle of pursuing high-quality development, transformation and upgrading, enhancing the distinctive function of opening up to both East and West and being a hub for sea and land transport, adhering to the principle of development in an open, innovative, coordinated, green and inclusive manner, following the path of strengthening the principal businesses, developing the Group's logistics business, adhering to the positioning of an international hub seaport and strong pivot on the Belt and Road, focusing on quality improvement of the "five centers" of the main port area, gathering forces from the "one main body and two wings" plan, agglomerating the Group's major business segments to enhance efficiency, and deepen the reform and development of the Group to continuously improve the Group's development quality and efficiency.

The Group has also devised its strategic plan consisting of appropriately optimizing the layout of ports, forming an integrated and well-connected network of transport channels and strengthening and refining the management of its port operation business, which is one of the principal businesses of the Group. The Group also aims to enhance the brand clout of international rail freight and multimodal transport services, enhance the efficiency of the modern logistics business, significantly improve the new infrastructure construction capabilities for ports, accelerate the expansion of its construction engineering business in the overseas market, improve its management capabilities and make visible achievements as a modern conglomerate.

In addition, in relation to Lianyungang Port Holding Group, it is the Group's strategic goal to build Lianyungang Port Holding Group into a world-class port enterprise that is an integrated regional port resources integrator, modern port operator and international hub seaport operator. In relation to Lianyungang Port, it is the Group's strategic goal to build Lianyungang Port into an international hub seaport that is an integrated comprehensive logistics port, industry gathering port, intelligent green port and trade service port. The Group strives to turn the Lianyungang Port district into a pioneer zone demonstrating economic development by opening-up, innovation, and industry transformation and upgrade. The Group aims to reinforce its status as an international transportation hub on the Asia-Europe continent, an open portal integrated with high-quality components, and a communication platform for countries alongside the "Belt and Road". In particular, the Group intends to pursue the following strategies to achieve such objectives:

New Blueprint for Coordinated Development of the Group's Four Major Business Segments

To maintain the Group's caliber and year-on-year growth in port throughput and to accelerate its transformation from a cargo handling port to a development catalyst, resource magnet, industrial enabler and harmonious green hub, the Group will follow a new blueprint to coordinate the development of its four major business segments. Pursuant to the strategic National 14th Five Year Plan formulated by the central, provincial and local government, the Group intends to leverage local policy advantages to enhance its capabilities to provide international transportation and comprehensive hub service, so as to build the Lianyungang Port as a smart, efficient, green and safe eastern port with a deep-water waterway, specialized terminals, networked collection and distribution system, featured industrial parks, modernized equipment and information-based applications. In addition, the Group aims to develop itself as a modernized port operator and comprehensive logistics service provider with high operating efficiency and strong competitive strengths. To conclude generally, adhering to its "four principles" (namely open development, green development, innovative development, and shared development), the Group intends to develop a port of "four roles" (namely hub port, industrial port, logistics port, and trade port) under "two themes" (namely high-quality development, and transformation and upgrading), to pursue better performance through "four paths" (namely strengthening its main business, enhancing logistics, developing intermodal transport, and optimizing capital) and to sustain prosperity with "five levers" (namely Party building, synergized strengths, efficiency, governance and talent).

Enhance Its Professional Capacity in Terms of Container Terminals

The Group intends to focus on the development of its container terminals and the promotion of its container terminals' operating and service capacity. Basing on the workplace in Miaoling, Xugou East and Mayao, the Group intends to speed up the construction of a super-large intelligent container centre in Lianyungang district. In particular, the Group intends to upgrade and renovate the loading and unloading facilities and promote the intelligent and integrated operation of the container terminals. In addition, the Group intends to optimize its container terminals service in the railway central station and China-Kazakhstan (Lianyungang) Logistics Cooperation Base (中哈連雲港物流合作基地) so as to further enhance its sea-rail combined transportation capabilities.

Extend and Expand Coverage of Its Sea Routes Network

The Group intends to continue to increase its sea routes and expand its sea routes network to further connect with South America and Europe. In addition, the Group intends to convince other ports within Jiangsu Province to connect Lianyungang Port with their near-sea shipping lines, and aims to increase its near-sea shipping lines to more shipping lines across East Asia and Southeast Asia. Furthermore, the Group intends to operate more coastal direct shipping lines to serve domestic trading so as to expand its operation and further achieve its objective of operating direct ship lines across all primary domestic ports.

Strengthen Its Port Operation Business

To further optimize its port operation business, the Group plans to streamline the categories of cargoes in its cargo handling business and increase its throughput of strategic cargoes such as metal ore to enhance its differentiated competitive strength. In the meanwhile, the Group intends to secure its throughput of traditional cargo such as coal, to increase its throughput of cargoes with high service fee and increasing value such as cement clinker and steel and to promote its business on automobile roll-off transportation. Leveraging its competitive strengths on passenger and cargo liners, the Group intends to enhance its capability on the cargo handling of groceries and promote the construction of the East China General Cargo Operation Center. The Group believes that it will be able to promote the coordinated development of ports, industries and cities, to contribute to the integration of ports and hinterland industries, the construction of port greening, environmental protection and urban environmental protection, and the coordination of urban landscape and port production coastlines.

BUSINESS ACTIVITIES

The Group's business comprises port operation, trade and logistics, construction engineering and other ancillary businesses.

Port Operation

Overview

As the operator of Lianyungang Port, the Group primarily engages in the operation and development of Lianyungang Port. The Group's port operation activities include cargo handling, storage service and port management. The table below sets forth the breakdown of the Group's operating income recorded under its port operation business by its port operation activities for the indicated periods:

	For the year ended 31 December					
	2021		2022		2023	
	Amount	per cent.	Amount	per cent.	Amount	per cent.
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Cargo handling	3,006.59	81.65	3,381.63	81.99	3,584.87	81.77
Storage service	269.08	7.31	247.50	6.00	237.32	5.41
Port management	406.72	11.05	495.57	12.01	562.01	12.82
Total	**3,682.39**	**100.00**	**4,124.69**	**100.00**	**4,384.20**	**100.00**

Cargo handling

The Group's cargo handling business provides a one-stop solution for its customers. The cargo handling business includes loading and unloading cargo from ships, transport of cargo within the Lianyungang Port district, short-term storage, cargo sorting and tallying, loading cargo onto trains and vehicles for further transportation to other parts of the PRC, and other ancillary services such as cabin cleaning, measurement, packaging, sampling, among others.

The Group primarily handles the cargoes at all five port districts of Lianyungang Port. For the years ended 31 December 2021, 2022 and 2023, Lianyungang Port had an aggregate throughput approximately 277.1 million tonnes, 300.2 million tonnes and 321.5 million tonnes, respectively, and 5.0 million TEUs, 5.5 million TEUs and 6.1 million TEUs, respectively. As at 31 December 2023, Lianyungang Port had 63 productive berths, with an annual designed capacity of approximately 156 million tonnes, allowing an annual container traffic capacity of 3.25 million TEUs, a maximum berthing capacity for bulk cargoes of 400,000-tonne and a maximum berthing capacity for containers of 10,000-tonne. Such productive berths are able to handle approximately 200 types of cargoes including containers, coal, coke, minerals, bulk grains, alumina, bulk chemical fertilisers, liquid chemical products among others. The Group is also accelerating the construction of a crude oil pier, an LNG receiving station, liquid bulk cargo berths and large specialized dry bulk cargo berths. The table below sets forth the breakdown of Lianyungang Port's throughput by major cargo type for the indicated periods:

		For the year ended 31 December		
		2021	2022	2023
Metallic mineral	*(10,000 tonnes)*	11,863	12,014	12,153
Coal and coal products	*(10,000 tonnes)*	3,125	3,700	3,830
Mineral building materials	*(10,000 tonnes)*	1,863	1,281	1,119
Container	*(10,000 TEUs)*	503	557	614
Container	*(10,000 tonnes)*	5,051	5,542	6,056
– Domestic trade	*(10,000 tonnes)*	3,470	3,882	3,487
– Foreign trade	*(10,000 tonnes)*	1,581	1,660	2,569

As at 31 December 2023, the Group's cargo handling business involved 98 container routes (including 54 foreign trade routes, 8 foreign trade domestic feeder routes, 22 domestic trade routes and 14 inland waterway routes), 29 general cargo ro-ro routes and 2 China-Korea passenger and cargo liner routes, and more than 300 monthly flights. Lianyungang Port has established navigational relations with ports in more than 160 countries and regions. Over 20 reputable shipping companies, such as China COSCO Shipping Corporation Limited, Shanghai SITC Container Lines Co., CMA CGM Group and Maersk, have set up container ship routes from Lianyungang Port to Japan, South Korea, Western North America, and Central East and Southeast Asia; ro-ro off ship routes from Lianyungang Port to Durban, Lagos, Tema in South Africa, Dubai, Kuwait, Doha, Jeddah, Algiers in the Red Sea and Mediterranean, Singapore, India, Malaysia and Thailand; passenger and cargo liner routes from Lianyungang Port to Pyeongtaek and Incheon of South Korea; groceries routes from Lianyungang Port to Persian Gulf, Red Sea Gulf of Aden, Mediterranean Sea, Europe, America, North America, Southeast Asia and North Africa. As at 31 December 2023, a Central Asia and China-Europe international logistics and transport corridor had been formed, covering five transit ports, six high-quality liner routes and more than 100 international freight stations. Further, the integrated operation pattern of the 'three nodes' of the China-Kazakhstan logistics base, the Khorgos-Dongmen anhydrous port in Kazakhstan, and the Aktau Container Hub continues to be promoted.

Since 1 January 2015, cargo loading and unloading fee has been changed from government oriented to market oriented. For most imported bulk goods and containers, the Group sets prices for its cargo handling services in accordance with the price guidance previously published by the Ministry of Transport of the PRC after taking into account various factors including market conditions, prices of competing ports and its operational costs. The Group normally charges a lump-sum fee for its cargo handling services, which includes a cargo loading and unloading fee, port construction fee, port management fee, security fee, port railway using fee and demurrage fee. For large pillars such as coal and iron ore, the Group sets the price based on the market situation, the pricing level of other nearing ports and its own loading and unloading costs based on the rate of the Ministry of Transport of the PRC.

Storage service

The Group provides storage services for cargo and containers unloaded from ships or to be loaded onto ships in Lianyungang Port. The Group has maintained stable and long-term business relationships with its main customers, such as China COSCO Shipping, Vale of Brazil, and Jiangsu Xinhai Power Generation. These customers maintain strong credit profiles. As the largest freight customer of China Railway Shanghai Group with an average daily loading capacity of 2,039 carriages, the Group adheres to the development strategy of "boosting cargo transport growth by railway transport and increasing port throughput by cargo shipment" in recent years. It has managed to increase the cargo turnover rate to make full use of its limited yard space. In addition, the Group has adopted a centralized management system across all yards to maximize the utilization rate of its existing storage yards and reduce the transfer costs. As at 31 December 2023, the Group operated a storage yard with total site area of 5.8 million square meters, which can store 22.25 million tons of bulk and general cargo, 140,000 TEUs (twenty-foot equivalent units) of containers, 21,000 commercial vehicles, and 210,000 tons grain silos. Lianyungang Port's warehouse has around 200,000 square meters, which is for satisfying the storage demands of its customers. In addition, the Group has completed the construction of the SCO (Lianyungang) International Logistics Park Railway (上合物流園鐵路) loading and unloading station, with a storage area of about 137,000 square meters. Since 2013, the Group has established an electronic yard map of internal storage yards through information construction, which has significantly enhanced its cargo storage monitoring capability. As at 31 December 2023, the Group had also completed the construction of and put into operation the 60-mu land foundation treatment project of SCO (Lianyungang) International Logistics Park (with 40,000 square meters storage yard), the Environmental Protection Tank Storage Logistics Project of SCO (Lianyungang) International Logistics Park (上合物流園環保罐儲物流項目) (with 20,000 square meters storage yard), Lianyungang Hengxintong Iron and Ore Selected Expansion Project (連雲港恒鑫通鐵礦石精選擴建工程) (with 45,000 square meters storage yard), the Mixed Ore

Storage Yard Project in the southern area of Qitai Operation Area (旗台作業區南區混配礦堆場工程) (with 600,000 square meters storage yard), and the numbered 4 to numbered 6 general berth projects in Ganyu port district (贛榆港區) (with 450,000 square meters storage yard). In recent years, the Group has various yard construction projects under construction, such as Phase I of Flagstaff Terrace South Mixed Ore Dump (旗台南區混礦堆場一期工程) (1,200,000 square meters), Miaoling Operation Area Container Yard Start-up Project (廟嶺作業區集裝箱堆場起步工程) (59,000 square meters of automated yard), Intelligent three-dimensional garage (智能立體車庫) (with the world's largest annual turnaround capacity of 180,000 units), SCO Logistics Container Terminal (上合物流集裝箱場站) (140,000 square meters), Phase I of Lianyungang International Grain Distribution Center (連雲港國際糧食集散中心一期) (with 300,000 tons of storage capacity), and Qitai Operation Area South Area Mixed Yard Project (旗台作業區南區混配堆場工程) (with 1,200,000 square meters of storage yard). See "*Description of the Group — Recent Developments — Construction Projects under the Group's Port Operation Business Segment*".

Port management

The Group provides port management service in Lianyungang Port, including the maintenance of port facilities and water areas, the provision of berthing assistance services to ships arriving and leaving the Lianyungang Port and the provision of transport services within the port via water or internal railway transportation. The Group's operates numerous pilot ships to provide effective berthing assistance for ships arriving and leaving Lianyungang Port, and also operates an organised internal railway transport system connecting to external railway lines. The internal railway transport system boasts efficient loading and unloading capabilities, enabling cargo to be quickly delivered within the port area and to other parts of the PRC. In November 2018, "Dongfang No. 3", the first self-constructed carriage boat in Lianyungang Port was completed and commenced operation. In August 2021, the Group's first domestic pure electric tugboat "Yungang Electric Tug No. 1" was completed and put into operation. In November 2023, the Group's self-built pure electric tugboat "Yungang Electric Tug No. 2", which has the world's largest propulsion power and the largest battery capacity, was completed and put into operation. According to the American Journal of Transportation, Gangkouquan (港口圈), Jiangsu City Forum (江蘇城市論壇) and analysis of port statistics of the Ministry of Transport of the PRC, as at 31 December 2023, the Group was one of the top 10 foreign trade ports in China, one of the top 10 container ports along China's coast, and one of the top 100 container ports in the world. As at 31 December 2023, the Group was also a five-star port in China by container service, ranked the No. 1 port in China by plywood export and dried cassava chip import and ranked the third largest export port in China for international automotive trade. In terms of container volume, as at 31 December 2023, the Group ranked No. 2 in Jiangsu, No. 10 among coastal ports in China, and No. 31 in the world.

The Group charges the port management fees according to the Regulations on Collection of Port Charges of the People's Republic of China (中華人民共和國港口收費規則) and are levied on port customers based on the amount of cargo handled within the port. The Group also levies assistance fees for its berthing assistance services and buoy services. For transport service via water transportation, the Group charges transport fees based on the size of the ship and the number of tug-boats used. For transport service via railway transportation, the Group charges transport fees based on the number of carriages used, mileage travelled and tonnage of the cargo transported.

The Group adopts the "Unity of Command" principle for production and operation. In railway transport, the Group was the first to achieve direct linkage between road and port. The Group's self-operated railway transport company provides effective and timely loading and unloading services as per the Group's instructions. The Group's port management service has seen continuous improvement in its organization and capabilities. In berthing assistance, the Group's self-operated barging company has put in place high power pilot ships, thereby increasing the Group's ship berthing capacity to provide quality services to ships entering and leaving Lianyungang Port.

Trade and Logistics

Overview

The Group engages in trading of various commodities, primarily including iron ore, iron powder, steel, coke, alloy iron, chrome ore, chemicals, non-ferrous ore and calcined petroleum coke, among others. The Group also conducts ship financing agency, bonded warehousing, international and domestic shipping and cargo freight business as part of its trade and logistics business. The trade and logistic business of the Group is a major supplement to the Group's port operation business. The trade and logistics business mainly serves major customers in the port operation business providing them with a full-range logistics chain solutions including procurement, agency, sales, logistics and finance. The Group's primary aim of conducting its trade and logistics business is to increase the throughput of Lianyungang Port and promote the development of its port operation business by increasing trading volumes in the port. Therefore, the Group primarily focuses on minimising risk in its trade and logistics business rather than maximising profit.

The main activities of the trade and logistics business are carried out by Jiangsu Lianyungang Port Logistics Holding Co., Ltd. and Shanhai (Hong Kong) International Trading Development Co., Ltd. Jiangsu Lianyungang Port Logistics Holding Co., Ltd. carries out domestic trade business, cargo agency, bonded warehouse and goods transportation businesses. It relies on the trade business from existing businesses and logistics stations, primarily including iron ore, iron powder, steel, iron ore concentrate, coal, coke, alloy iron, chrome ore, chemicals, non-ferrous ore and calcined petroleum coke, among others, and is an extension of the Group's port operation business. Shanhai (Hong Kong) International Trading Development Co., Ltd. mainly carries out the international trading of goods, such as iron ore, nickel ore, non-ferrous minerals, lumber, bauxite, gold concentrate and calcined petroleum coke.

For the years ended 31 December 2021, 2022 and 2023, the Group's operating income recorded under its trade and logistics business amounted to RMB8,008.89 million, RMB8,362.82 million, RMB8,507.01 million, respectively, representing 54.62 per cent., 52.88 per cent., and 51.46 per cent., respectively, of the Group's total operating income for the same period.

Trade

Trading Process

The Group conducts most of its trading business as a principal, with a small proportion through agents. The Group's trading business relies primarily on the demand from domestic customers, and the Group conducts procurements from both domestic and overseas suppliers. The Group normally sources from suppliers after receiving sufficient indications of demand from customers. The Group generally enters into the purchase contracts with suppliers and sales contracts with customers simultaneously to minimise risk. In certain limited circumstances, based on the Group's analysis of the market demand, the Group may procure certain products in advance as stock for future sale. In operating its trading business, the Group generally focuses on less volatile commodities with stable quality and extensive applicability, as well as basic resource commodities, in order to control any potential sourcing risks. In the trading of cargoes held by the Group, a specified percentage of deposits will be required to be paid to the Group to hedge the risk derived from price fluctuations. Such cargoes are usually stored in warehouses operated by third parties who are responsible to monitor the cargoes and control their quantity and quality. The Group closely monitors the market price of the commodities under its control, which will be delivered to the customers upon the payment or within the pre-agreed quota. By mitigating fluctuations in commodity prices and market risk, the Group conducts its trading business with the aim of increasing the use of its port services and improving the port's throughput.

Settlement

The Group normally settles its purchases from international suppliers by way of international letters of credit, purchases from domestic suppliers with domestic letters of credit, cash and other payment methods. The customers usually settle their payments with the Group through cash, bank acceptance bills and other payment methods.

To minimise risks in relation to receivables, the Group analyses the customer's open credit account, and carries out credit ratings of customers. For large sale orders, the Group requires credit enhancement measures, such as guarantees, pledges, or retention of title provisions, to reduce risks.

Suppliers

The Group's key suppliers include both domestic and overseas suppliers engaging trading of metal and coal, among others. The Group also sources directly from various mining, production and manufacturing companies, such as metal mining companies, forestry companies and chemical manufacturing companies.

The Group places orders with its suppliers based on its actual procurement demand from time to time. The Group also enters into cooperative framework agreements with its long-term suppliers, generally for one to three years. The Group selects its suppliers based on their product quality, after-sales service, track record, pricing and other factors. The supply contracts generally set out terms relating to the quality and quantity of the products, payment and delivery schedules, product liabilities and ownership transferring.

Customers

The Group's key customers are domestic customers engaging trading of metals, wood and pulp, coal and rubber. The Group also sells its products directly to production and manufacturing companies, such as equipment manufacturing companies.

The Group enters into sales contracts with its customers on order basis. The Group also enters into long-term cooperative agreements with certain long-term customers, generally for one to three years. The sale contracts generally set out terms relating to the quality and quantity of the products, payment and delivery schedules, product liabilities and ownership transferring.

Logistics

The China-Kazakhstan (Lianyungang) Logistics Cooperation Base (中哈連雲港物流合作基地) constructed by Lianyungang China-Kazakhstan International Logistics Co., Ltd. (連雲港中哈國際物流有限公司) is the first physical project under the "Silk Road Economic Belt" promoted by China and Kazakhstan and the first international economic and trade project implemented by Lianyungang under the "Belt and Road" strategy, which has been serving national strategies and promoting the connectivity through land and sea. In September 2013, May 2014, August 2015 and June 2017, leaders of China and Kazakhstan attended the signing and operation ceremonies of the project. The base was designed to be equipped with a container yard of 220,000 square meters and 1,763 container spaces, as well as a 3.8-kilometres railway line with an average daily loading and unloading capacity of 10.2 rail-trains and a maximum annual loading and unloading capacity of 410,000 TEUs. As at the date of this Offering Circular, the Group owns 51.0 per cent. of Lianyungang China-Kazakhstan International Logistics Co., Ltd. (連雲港中哈國際物流有限公司) while Kazakhstan Railway Express Co., Ltd. (哈鐵快運股份有限公司) owns the remaining 49.0 per cent. of it. Since the establishment of the base, it has been serving national strategies and promoting the land-sea combined transportation and the economy corporation among the counties and regions along "Belt and Road". As at 31 December 2023, the total investment amount for such base exceeded RMB606 million, and the base serves a variety of international businesses, including international and domestic train shipments, international multimodal

transportation, unpacking, consignment, warehousing, packaging, supervision of loading and unloading of goods, customs declaration, inspection, insurance, consulting and other international cargo transportation agency business.

The SCO (Lianyungang) International Logistics Park is located between Lianyungang District and Xuwei Port District, and is wholly invested and constructed by the Group. Based on the success of the Shanghai Pilot Free Trade Zone, the Group has developed the SCO (Lianyungang) International Logistics Park as the foundation of a free trade zone for, amongst other things, promoting investment and use of trading facilities, deepening reform of the administrative systems, opening up the service industries, implementing the PRC's "negative list" regulatory framework and enhancing financial services.

Construction Engineering

Overview

The Group primarily undertakes construction projects in relation to water transportation through its subsidiary, Jiangsu Zhugang Construction Group Co., Ltd. (江蘇築港建設集團有限公司). The Group mainly secures these projects through bidding procedures and utilises optimized construction technologies and sot control procedures to effectively improve its gross profit and profit margin. The Group typically obtains construction projects from public tendering in accordance with applicable laws and regulations. In recent years, the Group has cooperated with and served enterprises and institutions such as Suqian Port and Shipping Development Center (宿遷市港航事業發展中心), Leading Group Office of Beijing-Hangzhou Grand Canal Huaian Section Green Modern Shipping Comprehensive Improvement Project (京杭運河淮安段綠色現代航運綜合整治工程領導小組辦公室), Management Office of Huaian Jinbao Shipping Channel Improvement Project Construction (淮安市金寶航線航道整治工程建設管理辦公室), Zhapo Fishing Port Management and Maintenance Center of Hailing Island Economic Development Experimental Zone Yangjiang City (陽江市海陵島經濟開發試驗區閘坡漁港管護中心), and Office of the Construction Command Headquarters of the Third-Level Channel Regulation Project of Xicheng Canal in Wuxi City (無錫市錫澄運河三級航道整治工程建設指揮部辦公室). The Group possesses a "First-class Qualification for General Contracting of Port and Waterway Engineering Construction" issued by the Ministry of Housing and Urban-Rural Development, and is therefore permitted to undertake individual projects valued at no more than five time of its contracting enterprise's registered capital in the sectors of ports and waterways, such as ports, breakwaters, revetments, dredging and land reclamation. In addition, the Group possesses a "Second-class Qualification for General Contracting of Housing Construction Engineering" issued by Jiangsu Provincial Construction Authority.

The Group supervises construction projects as lead contractor. For the years ended 31 December 2021, 2022 and 2023, the Group's operating income recorded under its construction engineering business amounted to RMB2,032.77 million, RMB2,427.56 million, and RMB2,698.39 million, respectively, representing 13.86 per cent., 15.35 per cent., and 16.32 per cent., respectively, of the Group's total operating income for the same periods.

Settlement

Usually, the Group receives 80 per cent. to 70 per cent. of the total amount along the construction of the projects according to the construction progress and payment schedules. After the completion and acceptance of the projects, payment of 95 per cent. of the total amount shall be settled, and the remaining 5 per cent. of the total amount will be paid after the warranty period expires.

Projects

Completed Projects

For the years ended 31 December 2021, 2022 and 2023, the Group primarily completed 17 key construction engineering projects with an aggregate investment amount of RMB6,709.85 million. The following table sets out the particulars of such key projects:

Project Name	Commencement Date	Actual Completion Date	Total Investment Amount
			(RMB in millions)
South Shugang Highway Improvement Project (南疏港公路完善工程)	16/08/2017	04/12/2021	206.69
Embankment project of bulk commodity distribution center in Qitai operation area (旗台作業區大宗商品集散中心圍堤工程)	06/07/2018	28/07/2022	398.60
Lianyungang Port Qitai Operation Area Green Specialized Bulk Commodity Distribution Center Flood Channel Project (連雲港港旗台作業區綠色專業化大宗商品集散中心排洪通道工程)	23/07/2019	07/11/2023	65.06
Lianyungang Port Xuwei Port Container Berth Area Yard Embankment Started Project (連雲港港徐圩港區集裝箱泊位區堆場圍堤起步工程)	31/07/2019	30/04/2022	686.06
Lianyungang Port Xuwei Port District Liquid Chemical Berth Branch Corridor Project (連雲港港徐圩港區液體化工泊位支管廊工程)	01/08/2019	30/10/2021	298.24
Lianyungang Port Xuwei Port District a burst embankment yard embankment start project (連雲港港徐圩港區一突堤堆場圍堤起步工程)	01/11/2019	29/03/2021	433.68
Lianyungang International Automobile Green Intelligent Logistics Center (連雲港國際汽車綠色智慧物流中心)	30/04/2020	29/12/2023	298.51
Lianyungang Port Ganyu Port District No. 4 to No. 6 bulk cargo berth project (連雲港港贛榆港區4號至6號散貨泊位工程)	10/12/2020	03/07/2023	1,456.58
Lianyungang Port Ganyu Port District No. 5-6 bulk cargo berth rear yard foundation treatment project (連雲港港贛榆港區5-6號散貨泊位後方堆場地基處理工程)	31/12/2020	01/03/2022	47.90
SCO (Lianyungang) International Logistics Park Railway Loading and Unloading Station Project (上合組織(連雲港)國際物流園鐵路裝卸場站工程)	07/04/2021	22/11/2021	466.22
Lianyungang Port Xuwei Port Area Liquid Bulk Cargo Berth Area Approach Channel Project (連雲港港徐圩港區液體散貨泊位區進港航道工程)	30/04/2020	03/03/2023	196.74
Lianyungang Port Xuwei Port Area 300,000-ton waterway extension project (連雲港港徐圩港區30萬噸級航道延伸段工程)	03/08/2021	24/05/2024	834.64
Logistics construction project of Xinxu Port Company (新圩港公司物流建築工程)	18/11/2021	20/05/2022	111.93
Lianyungang Port Xuwei Port Area Liquid Bulk Cargo Area Public Supporting Initial Project (連雲港港徐圩港區液體散貨區公共配套起步工程)	22/11/2022	10/07/2021	1,070.58
Lianyungang District Qitai Operation Area South District Mixed Ore Stockpile Test Area Project (連雲港區旗台作業區南區混礦堆場試驗區工程)	09/12/2022	18/08/2023	28.85
Lianyungang District Qitai operation area ore wharf reconstruction and expansion (連雲港區旗台作業區礦石碼頭改擴建)	20/02/2023	27/09/2023	109.57
400,000-tonne Ore Terminal Rebuilding and Expansion Project of Lianyungang Port (連雲港40萬噸礦石碼頭改擴建工程)	20/02/2023	27/09/2023	109.57

Ongoing Projects

As at 31 December 2023, the Group primarily had six key construction engineering projects under construction, with an aggregate estimated investment amount of RMB2,931 million. The following table sets out the particulars of such key projects:

Project Name	Estimated Investment Amount
	(RMB in millions)
The first phase of the container yard at the Shanghai Cooperation Organization (Lianyungang) International Logistics Park (上合組織(連雲港)國際物流園集裝箱場站一期工程)	443
Automation renovation project for the container berths 24-28 at the Gangmiaoling operation area in Lianyungang Port (連雲港港廟嶺作業區24#-28#集裝箱泊位後方堆場自動化改造項目)	1,650
Fully enclosed corridor project connecting the Liantai operation area of Lianyungang National Logistics Hub to the Shanghai Cooperation Organization Logistics Park via the Haihe River (連雲港國家物流樞紐旗台作業區至上合物流園海河聯運全封閉廊道工程)	838
Phase I of Lianyungang International Grain Distribution Centre (連雲港國際糧食集散中心一期)	954
Miaoling Work Zone Intelligent Container Yard Start-up Project in Lianyungang Port (連雲港港連雲港區廟嶺作業智慧化集裝箱堆場起步工程)	168.69
Public Pipeline Section Phase II in Xuwei Port Area of Lianyungang Port (連雲港港徐圩港區公共管廊二期工程)	925

Other Ancillary Businesses

In addition to the three primary business segments, the Group also engages in various other ancillary businesses including agency business, leasing of ships and other assets, goods management services, among others. For the years ended 31 December 2021, 2022 and 2023, the Group's operating income recorded under its other ancillary businesses amounted to RMB939.43 million, RMB899.05 million, and RMB942.93 million, respectively, representing 6.41 per cent., 5.69 per cent. and 5.70 per cent., respectively, of the Group's total operating income for the same periods.

COMPETITION

China has formed five coastal port groups, namely the Bohai Economic Circle port group, Yangtze River Delta economic circle port group of which Lianyungang Port is part of, Pearl River Delta economic port group, Southeast coastal port group and the Southwest coastal port group. The Group faces intense competition in terms of infrastructure, price, and soft environment construction from certain ports in the Yangtze River Delta economic circle port group and other coastal port groups in addition to ports in Japan, South Korea and Southeast Asia. To achieve higher profit margins, ports must expand in scale while minimising cost, and, to that end, ports have upgraded their infrastructure as their top priority. The Group also faces a price war with other ports, comprising of pressure from major shipping companies and cargo owners to lower handling fees, pilotage fees, towage fees, external handling charges as well as port loading and unloading fees.

The Group has identified certain features of its ports which it deems to be the new focal point of competition with other ports. These features include the ability to expand its onshore hinterland to surrounding areas, deep-water berths, its professional port services and its integrated logistics services.

A port's success and development depends on its hinterland, which is affected by spatial accessibility. If there is insufficient spatial accessibility, Lianyungang Port may lose its existing hinterland. The increasing size of container ships poses a challenge, while at the same time provides new opportunities to develop Lianyungang Port's inland transport network. Shipping companies and mariners are likely to choose shipping ports based on spatial accessibility comprising of frequency of distribution, time required for the journey and the full cost of transport.

The development of multimodal transport systems has greatly increased inland accessibility of ports, and increased the ports' scope of services. Therefore, the Group believes that investment in multimodal

container transport systems is an effective way to develop Lianyungang Port's hinterland. Lianyungang Port competes primarily in the central and western areas of China's Yangtze River Delta area. The degree of connection between Lianyungang Port and these areas has become increasingly important in light of the competition facing Lianyungang Port. Lianyungang Port intends to focus on building more intermodal transport systems between the aforementioned areas, including building sea-rail, sea-public, sea-sea and other intermodal transport systems to expand the scope of its hinterland.

ENVIRONMENTAL MATTERS

The Group is subject to national and local environmental protection laws and regulations in the PRC. Under current PRC environmental laws, if the PRC government finds the Group's operations to be in violation of applicable PRC environmental protection laws or regulations, the Group will be given a warning, fined and/or given a period of time to remedy the violation. If the Group fails to do so, the PRC government may force a temporary closure of its operations until it has complied with the relevant regulations.

The Group has implemented measures to comply with the relevant environmental laws and regulations, carried out environmental impact assessments and engineering environmental supervision, and has implemented environmental protection measures set out in environmental impact assessment reports. The Group has also included environmental protection within the work scope of each business unit, set up an environmental protection network, employed the necessary part-time environment protection management staff and listed environmental protection as an assessment item in the yearly performance review of its business units.

EMPLOYEES

As at 31 December 2023, the Group had 7,063 employees. The Group has established workers' unions committed to protecting employees' rights and welfare benefits, organise educational programmes, encourage employee participation in management decisions and mediate disputes between individual employees and the Group. All employees are union members. The Group has not experienced any strikes or other labour disturbances that have interfered with its operations, and the Group believes that it maintains good relationships with its employees.

In accordance with the applicable regulations of local governments in regions where the Group has business operations, the Group makes contributions to the pension contribution plan, medical insurance, unemployment insurance, maternity insurance and personal injury insurance. The contribution amount is based on the specified percentages of employees' aggregate salaries as required by relevant PRC authorities. The Group also makes contributions to an employee housing fund in accordance with applicable PRC regulations. In addition to statutory contributions, the Group provides annual bonuses and supplemental commercial insurance policies to employees. The Group enters into an employment contract with each of its employees in accordance with applicable PRC laws. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

SAFETY AND RISK MANAGEMENT

The Group has established a sound risk management mechanism to ensure compliance with regulatory requirements and to implement various risk control measures to lower operational and investment risks. The risk management system covers different aspects of the Group's operations, including budget management, working capital management, subcontractor management, remuneration, occupational safety, management of subsidiaries, connected transactions and implementation of internal control measures. Each level and department of the Group is kept well-informed of the Group's internal control and risk management policies. The systematic approach adopted by the Group has helped the Group manage its business in a disciplined manner.

The Group has implemented measures to comply with the city and province safety requirements and regulations, and organised and deployed a variety of safety inspections and other supervisory actions. The Group has established a two-tier rescue system, comprising 65 professional rescue and public safety staff equipped with eight fire engines, and nearly 2,800 part-time rescue workers who may be activated in times of emergency. These part-time rescue workers are equipped with air respirators, gas detectors, infrared temperature measurement devices, wearable/handheld self-networking individual soldier image transmission, voice self-networking base stations, protective clothing, communication equipment, comprehensive positioning equipment, underwater life detection instruments, water depth detection instruments, portable flow meters, water temperature meters, rescue vehicles, maintenance vehicles and generators. The emergency equipment is subject to regular inspection and maintenance, and staff routinely participate in emergency drills.

The Group is also subject to routine inspection by the safety and fire departments. The Group's safety department, Lianyungang's public security department, fire brigade and specially appointed chemical experts have conducted comprehensive inspections of the port's dangerous goods terminal, reservoir area, dangerous goods area, gas stations and LNG filling stations, and the Group has enhanced the port's safety measures and procedures based on the findings of such inspections.

INSURANCE

The Group is covered by insurance policies which cover losses caused by fire, flood, riot, strike and malicious damage. The Group believes that its properties are covered by adequate insurance provided by reputable independent insurance companies in the relevant jurisdictions and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate. Notwithstanding such insurance coverage, damage to the Group's buildings, facilities, equipment or other property as a result of occurrences such as fire, flood, water damage, explosion, power loss, typhoon and other natural disasters or terrorism, or any decline in the Group's business as a result of any threat of war, outbreak of disease or epidemic, may potentially have a material adverse effect on the Group's financial position and operating results.

LEGAL COMPLIANCE

The Group is required to obtain and maintain valid permits, licences and certificates from various governmental authorities to conduct the Group's businesses. As at the date of this Offering Circular, the Group has obtained and maintained all the permits, licences and certificates material to its operations.

The Group may from time to time be involved in legal proceedings arising in the ordinary course of its business, including as plaintiff or defendant in litigation or arbitration proceedings. To the best of its knowledge, and after due enquiry, no member of the Group is aware of any current or pending litigation or arbitration proceedings against the Group or any of its senior management team members that could have a material adverse effect on its business, financial condition and results of operations.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

The Guarantor's board of directors (the "**Board of Directors**") comprises four directors, including one employee director. The Board of Directors is primarily responsible for, among others, determining the Guarantor's annual operation guidelines and investment plans, formulating the Guarantor's annual financial budget plans, profit distribution plans and loss covering plans, formulating the Guarantor's proposals with respect to the increase or decrease of registered capital and issuance of debt securities or other securities, formulating plans with respect to merger, spin-off, change of corporation form, winding up and dissolution, determining the Guarantor's internal management structure, determining the appointment and removal of the general manager and its compensation, and determining the appointment and removal of the Guarantor's deputy general manager and chief financial officer as nominated by the general manager as well as their compensations. Each of the directors is elected for a term of three years, which is renewable upon re-election.

The biographies of the Guarantor's directors as at the date of this Offering Circular are as follows [(1)]:

Name	Age	Position
Mr. Wang Guochao (王國超)	49	Vice-chairman of the Board of Directors and President
Mr. Chen Shibin (陳士彬)	54	Director and Chief Accountant
Mr. Hu Yongtao (胡永濤)	44	Director
Mr. Yang Lizhou (楊立州)	49	Employee Director and Chairman of the Labor Union

Note:

(1) As at the date of this Offering Circular, the Guarantor has four Directors, with the Chairman of the Board of Directors yet to be appointed. In the meantime, Mr. Wang Guochao, the Vice-chairman of the Board of Directors and President of the Guarantor, will be fully responsible for coordinating the Guarantor's business operations. According to the articles of association of the Guarantor, the vacancy of the position of the Chairman of the Board of Directors of the Guarantor will not affect the convening of board meetings and/or the voting of the board of directors. See "*Description of the Group — Recent Developments — Resignation of the Chairman of the Board of Directors of the Guarantor*".

Mr. Wang Guochao, aged 49, is the Vice-chairman of the Board of Directors of the Guarantor. Prior to joining the Guarantor, Mr. Wang successively served as specialist of the Business Section of the Second Company of Lianyungang Port Authority, supervisor and office clerk of the Discipline Inspection and Supervision Office of the Discipline Inspection Commission of Lianyungang Port Authority, deputy section-level discipline inspection and supervisor of the Supervision Office of Lianyungang Port Authority, director of the Office of Lianyungang Port Authority, Lianyungang Port Management Director of the Planning and Construction Department of the Bureau, deputy director of Lianyungang Port Administration Bureau, member of the Party Committee of Lianyungang Transportation Bureau, deputy director and second-level researcher of the SCO (Lianyungang) International Logistics Park Management Committee. Mr. Wang currently also serves as President and Deputy Secretary of the Party Committee of Lianyungang Port Holding Group. Mr. Wang holds a bachelor's degree.

Mr. Chen Shibin, aged 54, is a Director the Guarantor. Prior to joining the Guarantor, Mr. Wang successively served as Staff member of the State-owned Assets Management Office of Lianyungang Municipal Finance Bureau, staff member of the Cultural and Educational Administration Section of Lianyungang Municipal Finance Bureau, staff member of the Administrative and Legal Affairs Department of Lianyungang Municipal Finance Bureau, deputy director of the Budget Review Center of Lianyungang Municipal Finance Bureau, deputy director of the Government Procurement Management Office of Lianyungang Municipal Finance Bureau Director, Director of the Taxation and Legal Affairs Department of Lianyungang Municipal Finance Bureau, Director of the Agriculture Department of Lianyungang Municipal Finance Bureau, Chief Accountant and Party Committee Member of Lianyungang Agricultural Development Group Co., Ltd. Mr. Chen is currently also the chief accountant

and party committee member of the Guarantor, and the chairman of Lianyungang Industrial Investment Co., Ltd. Mr. Chen holds a bachelor's degree.

Mr. Hu Yongtao, aged 42, is a Director the Guarantor. Prior to joining the Guarantor, Mr. Hu successively served as Engineering Manager of Equipment Leasing Center of Lianyungang Port Engineering Company, Deputy Director of Equipment Leasing Center of Lianyungang Port Engineering Company, Director of Engineering Management Department of Lianyungang Port Engineering Company, Deputy General Manager of Lianyungang Port Engineering Company, Deputy General Manager of Engineering Technology Department of Lianyungang Port Holding Group, General Manager of the Engineering Technology Department of Lianyungang Port Holding Group and General Manager of Lianyungang Xinsugang Investment & Development Co., Ltd. Currently, he is also the Guarantor's chief engineer and party committee member, and the general manager of Lianyungang New Sugang Investment Development Co., Ltd. Mr. Hu holds a bachelor's degree.

Mr. Yang Lizhou, aged 44, is the employee director of the Guarantor. Prior to joining the Guarantor, Mr. Yang successively served as staff member of the Information Department of the Lianyungang Municipal Party Committee Office, deputy principal staff member of the Information Department of the Lianyungang Municipal Party Committee Office, deputy director of the Rural Research Division of the Research Office of the Lianyungang Municipal Party Committee, deputy director of the Second Comprehensive Division of the Lianyungang Municipal Party Committee Office, director of the Second Comprehensive Division of the Lianyungang Municipal Party Committee Office, Lianyungang Municipal Party Committee Director of the Secretariat of the Office, Deputy Director of the Research Office of the Lianyungang Municipal Party Committee, Director of the Secretariat of the Office of the Lianyungang Municipal Party Committee, Deputy Director of the Research Office of the Lianyungang Municipal Party Committee, Deputy Director of the Office of the Lianyungang Municipal Party Committee. Mr. Yang currently also serves as Chairman of the Labor Union and Deputy Secretary of the Party Committee of the Guarantor. Mr. Yang holds a bachelor's degree.

SUPERVISORS

The Guarantor has three supervisors. The responsibilities of the supervisor include, but are not limited to, overseeing the Guarantor's financial positions, supervising the implementation of laws, regulations, and the articles of association of the Guarantor, supervising the work performance of the directors and the senior management of the Guarantor. The supervisor of the Guarantor is appointed for a term of three years.

The biographies of the Guarantor's supervisors as at the date of this Offering Circular are as follows:

Name	Age	Position
Mr. Yao Baoju (姚保舉)	55	Chairman of the Supervisory Board
Ms. Nan Lan (南嵐)	51	Supervisor
Mr. Gan Aimin (甘愛民)	58	Employee Supervisor

Mr. YAO Baoju, aged 55, is the Chairman of the Supervisory Board of the Guarantor and an accountant. From July 1991 to March 2001, Mr. Yao served as a Clerk in the Finance Department of the No. 3 Port Company under the Port Authority of Lianyungang. From March 2001 to January 2008, Mr. Yao served as the Chief Accountant of the Finance and Accounting Department. From January 2008 to May 2009, Mr. Yao served as the Manager of the Finance and Planning Department of the Group, Taidong Branch. From May 2009 to March 2014, Mr. Yao served as the deputy head of the Audit Department of the Group. Since March 2017, Mr. Yao has been the General Manager of Financial Management Department of Lianyungang Port Holding Group. Mr. Yao has served as a Supervisor of the Guarantor since December 2015 and has become the Guarantor's Chairman of the Supervisory Board in February 2020. Mr. Yao holds a bachelor's degree.

Ms. NAN Lan, aged 51, is a supervisor of the Guarantor. Ms. Nan successively served as a member of the Collection Management Section of Lianyungang Local Taxation Bureau, a Director, Assistant of Minister and Deputy Minister of the Investment Management Department of the Group and the General Manager of the Information Management Department of Lianyungang Port Holding Group. Ms. Nan has also served as Assistant of Minister and Deputy Minister of the Comprehensive Information Department of Jiangsu Port Group Co., Ltd. After that, Ms. Nan became the Deputy Chief Economist of Lianyungang Port Holding Group. Ms. Nan has become a Supervisor of the Guarantor in January 2021. She is currently also the General Manager of the Strategic Investment Department and Minister of Port and Shipping Development Department of Lianyungang Port Holding Group, and the Secretary of the Party Branch of Jiangsu Lanbao Planet Technology Co., Ltd. Ms. Nan holds a doctor's degree.

Mr. GAN Aimin, aged 58, is the Employee Supervisor of the Guarantor. Mr. Gan has successively served as a lathe, worker, dispatcher, standardizer, planner and the Deputy Chief of General Affairs Section in the metalworking workshop of the machine repair team of Lianyungang Port Authority No. 1 Company. He also successively served as the Deputy Chief of the Administrative Section, Labor and Management Section and Education Section and the Chief of the Education Section of Lianyungang Port Authority Donglian Company. After that, he successively served as the Manager of General Affairs Department and the Assistant of the General Manager of Jiangsu Xinsu Port Investment Company. He later served as the Secretary of the Party General Branch, a Deputy General Manager and the Union President of Lianyungang Xinsu Port Ore Terminal Co., Ltd. He had also served as the Deputy Secretary and a Member of the Party Committee and the Secretary of the Committee for Discipline Inspection of Lianyungang Port Company Donglian Port Branch. Mr. Gan also served as the Deputy Secretary of the Party Committee and the Union President of Lianyungang Port Company, Dongyuan Port Branch. Since December 2016, he has served as the Deputy Secretary of the Committee for Discipline Inspection and the General Manager of the Minister of Supervision and Capital Department of Lianyungang Port Holding Group. Ms. Gan has served as the Employee Supervisor of the Guarantor since February 2020. Mr. Gan holds a bachelor's degree.

SENIOR MANAGEMENT

The following table sets forth certain information of the Guarantor's senior management as at the date of this Offering Circular:

Name	Age	Position
Mr. Wang Guochao (王國超)	49	Vice-chairman of the Board of Directors and President
Mr. Yang Lizhou (楊立州)	49	Employee Director and Union Chairman of the Labor Union
Mr. Wang Xinwen (王新文)	57	Vice-president
Mr. Shang Rui (尚銳)	51	Vice-president
Mr. Chen Shibin (陳士彬)	54	Director and Chief Accountant
Mr. Sun Longhua (孫龍華)	46	Secretary of Commission for Discipline Inspection
Mr. Yi Zhenwei (尹振威)	53	Chief Economist
Mr. Hu Yongtao (胡永濤)	44	Chief Engineer
Mr. Jiang Wei (姜偉)	50	Vice-chief Economist
Mr. Chen Wei (陳煒)	45	Marketing Director

For the biographies of Mr. Wang Guochao, Mr. Yang Lizhou, Mr. Chen Shibin and Mr. Hu Yongtao, please see "— *Directors*".

Mr. Wang Xinwen, aged 56, is a Vice President of the Guarantor. Mr. Wang started his career in July 1989 and joined the Communist Party in September 1997. From July 1989 to February 1995, Mr. Wang served as a Clerk in the Planning Section of the No. 1 Company under the Port Authority of Lianyungang. From February 1995 to November 1996, Mr. Wang served as an Office Clerk of the No. 1 Company under the Port Authority of Lianyungang. From November 1996 to November 1998, Mr. Wang served as the Deputy Chief of the Business Section of the No. 1 Company under the Port Authority of Lianyungang.

From November 1998 to November 1999, Mr. Wang served as the Chief of the Business Section of the No. 1 Company under the Port Authority of Lianyungang. From November 1999 to January 2001, Mr. Wang served as the Secretary of the Party Branch and the Deputy Chief of the Goods and Business Section of Donglian Company under the Port Authority of Lianyungang. From January 2001 to November 2001, Mr. Wang served as the Assistant Director of the Operation Division under the Port Authority of Lianyungang. From November 2001 to February 2004, Mr. Wang served as the Deputy Director of the Operation Division under the Port Authority of Lianyungang. From February 2004 to January 2006, Mr. Wang served as the deputy head of the Production and Operation Department of the Group. From January 2006 to January 2007, Mr. Wang served as the head of the Production and Operation Department of the Guarantor. From January 2007 to February 2007, Mr. Wang served as the Member of the Party Committee and the General Manager of the Lianyungang Port Company, Taidong Branch. From February 2007 to November 2013, Mr. Wang served as the Vice-general Manager of Lianyungang Port Company, and the Member of the Party Committee and the General Manager of Lianyungang Port Company, Dongtai Branch. From November 2013 to September 2015, Mr. Wang served as the Member of the Party Committee and the Vice President of the Group. Since 2015, Mr. Wang has served as a Member of the Party Committee and a Vice President of the Guarantor and Lianyungang Port Holding Group. Mr. Wang holds a bachelor's degree and is a Senior Programmer.

Mr. Shang Rui, aged 51, is the Vice-president of the Guarantor and an auditor. Mr. Shang started his career in October 1993 and joined the Communist Party in June 2000. From October 1993 to November 2000, Mr. Shang served as a Clerk in the Agriculture Section under the Finance Bureau of Lianyungang, during which, from March 1994 to January 1995, Mr. Shang was appointed to serve alleviate poverty in Banpu Town, Guanyun County. From November 2000 to December 2004, Mr. Shang served as a Clerk in the Budget and Finance Audit Division under the Audit Bureau of Lianyungang. From December 2004 to December 2008, Mr. Shang served as the deputy head of the Budget and Finance Audit Division of the Audit Bureau of Lianyungang. From December 2008 to December 2010, Mr. Shang served as the Director of the Budget and Finance Audit Division under the Audit Bureau of Lianyungang, during which, from April 2009 to April 2010, Mr. Shang took a temporary position as the Deputy Director of the Investigation Division under the Letters and Calls Bureau of Lianyungang. From December 2010 to September 2015, Mr. Shang served as the Director of the Regulations Division and the Audit and Inspection Division, under the Audit Bureau of Lianyungang. Mr. Shang has served as the Chief Accountant and a Member of the Party Committee of Lianyungang Port Holding Group since 2015. Currently, Mr. Shang is also a Member of the Party Committee of the Guarantor. Mr. Shang holds a master's degree.

Mr. Sun Longhua, aged 46, is the Secretary of Commission for Discipline Inspection of the Guarantor. Mr. Sun joined the Communist Party of China in June 1997. He has successively served as a Clerk and organizational officer in Haizhou District Xinba Town Government, the Director of the Office of the Organization Department of the Haizhou District Party Committee, a Clerk, a Senior-level Discipline Inspector and the Deputy Director of the Second Division of Discipline Inspection and Supervision of the Municipal Commission for Discipline Inspection, and a First-class Chief Clerk and the Deputy Director of the Third Division of Discipline Inspection and Supervision of the Municipal Commission for Discipline Inspection. Currently, Mr. Sun is also a Member of the Party Committee of the Guarantor. Mr. Sun holds a bachelor's degree.

Mr. Yi Zhenwei, aged 53, is the Chief Economist of the Guarantor. Mr. Ying has successively served as Technician of Team five of the Second Company of Lianyungang Port Authority, deputy captain of the loading and unloading team, deputy captain and captain of the coal loading team of Donglian Company of Lianyungang Port Authority, chief of the Coal Dangerous Goods Operation Section of Donglian Company of Lianyungang Port Authority, deputy director of the Investment Promotion Office of Lianyungang Port Group, Deputy Director of the Investment and Development Department of Lianyungang Port Group, Deputy General Manager of Lianyungang Xinyigang Terminal Company, Deputy General Manager and Party Committee Member of Donglian Branch of Lianyungang Port Company, General Manager and Party Branch Secretary of Jiangsu Xinlonggang Port Co., Ltd., General

Manager and Party Committee Member of Donglian Port Branch of Lianyungang Port Company, General Manager of Donglian Port Branch of Lianyungang Port Company and Chief Engineer of Lianyungang Port Holding Group. Currently, Mr. Ying is also a Member of the Party Committee of the Guarantor. Mr. Ying holds a bachelor's degree.

Mr. Jiang Wei, aged 50, is the Vice-chief Economist of the Guarantor. Mr. Jiang has successively served as Assistant manager, deputy manager and manager of Lianyungang New Oriental Container Terminal Company Affairs Department, Director of Lianyungang Port Group's Nanjing Office, deputy director of Lianyungang Port Group Office (in charge of work), director of Lianyungang Port Group Office, General Manager and Secretary of the Board of Directors of Lianyungang Port Holding Group Office (Policy Research Office), and Secretary of the Board of Directors of Lianyungang Port Holding Group, deputy director of Xinjiang Horgos Economic Development Zone Port Administration, deputy chief economist and secretary of the board of directors of Lianyungang Port Holding Group. Currently, Mr. Jiang is also a Member of the Party Committee of the Guarantor. Mr. Jiang holds a bachelor's degree.

Mr. Chen Wei, aged 44, is the Marketing Director of the Guarantor. Mr. Chen has successively served as tally clerk and tally chief of the Junggong Road Office of China Ocean Shipping Tally Corporation Shanghai Branch, assistant manager of the Party Committee Work Department and Market Development Department of Shanghai Ocean Shipping Tally Co., Ltd., deputy manager of the Marketing Department, and secretary of the Party Branch of the Luojing Tally Department, chairman of the Trade Union, Secretary of the Party Branch and chairman of the Trade Union of Guangdong Tally Department, Senior Manager of the Container Development Office and Bulk Development Office of the Production Business Department of SIPG Group and assistant to the General Manager of the Production Business Department of SIPG Group. Currently, Mr. Chen is also a temporary member of the Party Committee of the Guarantor, and the Party Secretary and General Manager of Lianyungang Interconnect Container Co., Ltd. Mr. Chen holds a bachelor's degree.

PRC LAWS AND REGULATIONS

This section summarises the principal PRC laws and regulations which are relevant to the Group's business and operations. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Group's business and operations.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws, laws of Special Administrative Regions and laws resulting from international treaties entered into by the PRC government. In general, PRC court judgments do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

The National People's Congress of the PRC (the "**NPC**") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the State. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

The State Council is the highest organ of the State administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul such administrative rules, regulations, directives and orders.

At the regional level, the provincial and municipal congresses and their respective standing committees may enact local rules and regulations and the people's governments may promulgate administrative rules and directives applicable to their own administrative areas. These local rules and regulations must be consistent with the PRC Constitution, the national laws and the administrative rules and regulations promulgated by the State Council.

The State Council, provincial and municipal governments may also enact or issue rules, regulations or directives in new areas of the law for experimental purposes or in order to enforce the law. After gaining sufficient experience with experimental measures, the State Council may submit legislative proposals to be considered by the NPC or the Standing Committee of the NPC for enactment at the national level.

The PRC Constitution vests the power to interpret laws in the Standing Committee of the NPC. The Supreme People's Court, in addition to its power to give general interpretation on the application of laws in judicial proceedings, also has the power to interpret specific cases. The State Council and its ministries and commissions are also vested with the power to interpret rules and regulations that they have promulgated. At the regional level, the power to interpret regional rules and regulations is vested in the regional legislative and administrative bodies which promulgated such laws.

THE PRC JUDICIAL SYSTEM

Under the PRC Constitution and the Law of Organization of the People's Courts, the judicial system is made up of the Supreme People's Court, the local courts, military courts and other special courts.

The local courts are comprised of the basic courts, the intermediate courts and the higher courts. The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The higher level courts supervise the basic and intermediate courts. The People's Procuratorates also have the right to exercise legal supervision over the civil proceedings of courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the administration of justice by all other courts.

The courts employ a two-tier appellate system. A party may appeal against a judgment or order of a local court to the court at the next higher level. Second judgments or orders given at the next higher level and the first judgments or orders given by the Supreme People's Court are final. First judgments or orders of the Supreme People's Court are also final. If, however, the Supreme People's Court or a court at a higher level finds an error in a judgment which has been given by any court at a lower level, or the president of a court finds an error in a judgment which has been given in the court over which he presides, the case may then be retried in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC, which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012, 27 June 2017 and 24 December 2021, respectively, sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgment or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the court to request for enforcement of the judgment, order or award. The time limit imposed on the right to apply for such enforcement is two years. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by any party to the action, mandatorily enforce the judgment.

A party seeking to enforce a judgment or order of a court against a party who is not located within the PRC and does not own any property in the PRC may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or order. A foreign judgment or ruling may also be recognised and enforced by a PRC court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination in accordance with the principle of reciprocity, unless the court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

LAWS AND REGULATIONS FOR PORT OPERATIONS

Port operations

Enterprises engaged in the operation of ports and other port facilities, transportation services to port passengers, loading and unloading, lighterage, warehousing of goods, port tugboats and cargo handling services within the port areas, shall obtain the Business Licence for Port Operations from the bureau of transport or administrative authorities of ports in compliance with the Port Law and the Regulations for the Operations of Ports and complete the registration with the administrative bureaus for industry and commerce.

Operation of dangerous goods at ports

In addition to the requirements of port operations under the Regulations for the Operations of Ports, port operators engaged in the operation of dangerous goods at ports shall also comply with the Regulations on the Safety Management of Hazardous Goods at Ports (《港口危險貨物安全管理規定》) which took effect on 28 November 2019 to apply for the certification of the operation of dangerous goods at ports from the administrative authorities of ports and obtain the Permit for Handling Hazardous Goods at Ports (港口危險貨物作業附證).

Security of port facilities

In accordance with the Rules on Securities for Port Facilities of the People's Republic of China (《中華人民共和國港口設施保安規則》) which took effect on 1 March 2008 and was subsequently amended on 2 September 2016, 3 June 2019 and 28 November 2019, port operators providing securities services for passenger ships of international routes, cargo vessels of 500 metric tonnes or above, vessels for special use of 500 metric tonnes or above or mobile offshore drilling platform shall obtain the Statement of Compliance of a Port Facility (港口設施保安符合證書) from the provincial transport (port) administrative department.

Laws and regulations for port charges

In accordance with the Port Charge Rules (《港口收費計費辦法》), which took effect on 1 March 2016 and was subsequently amended on 12 July 2017 and 13 March 2019, all public ports in the PRC shall charge service fee pursuant to Port Charge Rules. In accordance with the Port Tariff on Containers of International Routes (《國際航線集裝箱港口收費辦法》), which took effect on 1 January 1992, port tariffs shall be imposed on containers of international routes entering and leaving the ports in China.

Laws and regulations for customs, import and export

In accordance with the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) which took effect on 1 July 1994 and was subsequently amended on 6 April 2004 and 7 November 2016, the Rules for Filing and Registration Procedures of Foreign Trade Operators (《對外貿易經營者備案登記辦法》) which took effect on 1 July 2004 and was subsequently amended on 18 August 2016, 30 November 2019 and 10 May 2021, the Notice of the Ministry of Commerce on the Relevant Issues about the Filing and Registration of Foreign Trade Operators (《商務部關於對外貿易經營者備案登記有關問題的通知》) issued by the Ministry of Commerce on 10 January 2008, and the Notice of the Ministry of Commerce on the Relevant Issues on Further Delegating the Filing and Registration of Foreign Trade Operators (《商務部關於進一步下放對外貿易經營者備案登記工作有關問題的通知》) issued by the Ministry of Commerce on 23 January 2009, enterprises engaged in the import and export of goods or technology shall complete the filing and registration procedures with the Ministry of Commerce or its authorized agencies and obtain the Foreign Trade Operator Registration Certificates (對外貿易經營者備案登記表).

In accordance with the Provisions on the Recordation of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) which took effect on 1 January 2022, the customs declaration entities shall apply for recordation at the local customs and the recordation information shall be published through the "Credit Publicity Platform of Import and Export Business of Customs of the People's Republic of China."

FOREIGN EXCHANGE CONTROLS

The lawful currency of the PRC is the Renminbi, which is subject to foreign exchange controls and is not freely convertible into foreign exchange at this time. SAFE, under the authority of PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations. Prior to 31 December 1993, a quota system was used for the management of foreign currency. Any enterprise requiring foreign currency was required to obtain a quota from the local SAFE office before it could convert Renminbi into foreign currency through PBOC or other designated banks. Such conversion had to be effected at the official rate prescribed by SAFE on a daily basis. Renminbi could also be converted into foreign currency at swap centres. The exchange rates used by swap centres were largely determined by the demand for, and supply of, the foreign currency and the Renminbi requirements of enterprises in the PRC. Any enterprise that wished to buy or sell foreign currency at a swap centre had to obtain the prior approval of SAFE.

On 28 December 1993, PBOC, under the authority of the State Council, promulgated the "Notice of PBOC Concerning Further Reform of the Foreign Currency Control System", effective from 1 January 1994. The Notice announced the abolition of the foreign exchange quota system, the implementation of conditional convertibility of Renminbi in current account items, the establishment of the system of settlement and payment of foreign exchange by banks, and the unification of the official Renminbi exchange rate and the market rate for Renminbi established at swap centres. On 26 March 1994, PBOC promulgated the "Provisional Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange" (the "**Provisional Regulations**"), which set out detailed provisions regulating the trading of foreign exchange by enterprises, economic organisations and social organisations in the PRC.

On 1 January 1994, the former dual exchange rate system for Renminbi was abolished and replaced by a controlled floating exchange rate system, which was determined by demand and supply of Renminbi. Pursuant to such system, PBOC set and published the daily Renminbi-US dollars exchange rate. Such exchange rate was determined with reference to the transaction price for Renminbi-US dollars in the interbank foreign exchange market on the previous day. Also, PBOC, with reference to exchange rates in the international foreign exchange market, announced the exchange rates of Renminbi against other major foreign currencies. In foreign exchange transactions, designated foreign exchange banks may, within a specified range, freely determine the applicable exchange rate in accordance with the rate announced by PBOC.

On 29 January 1996, the State Council promulgated the "Regulations for the Control of Foreign Exchange of the PRC" ("**Control of Foreign Exchange Regulations**") which became effective from 1 April 1996. The Control of Foreign Exchange Regulations classifies all international payments and transfers into current account items and capital account items. Most current account items are subject to the approval by relevant banks that are duly authorised by SAFE to do so, while capital account items are still subject to SAFE approval directly. The Control of Foreign Exchange Regulations was subsequently amended on 14 January 1997. Such amendment affirms that the State shall not restrict international current account payments and transfers. On 1 August 2008, the Control of Foreign Exchange Regulations were further amended pursuant to a resolution of the State Council of China and came into effect on 5 August 2008 (the "**New Forex Regulation**"). Under the New Forex Regulation, foreign currency received under current account by onshore entities will not be asked to be settled into Renminbi automatically, while foreign currency under capital account may also be maintained upon approval. The Renminbi will be convertible for current account items (including the distribution of dividends, interest and royalties

payments, and trade and service-related foreign exchange transactions) upon presentation of valid receipts and proof certifying the purposes of the conversion of Renminbi into foreign currency to the designated foreign exchange banks. Conversion of Renminbi into foreign exchange and remittance of foreign exchange funds outside of PRC for capital account items, like direct investment, loan, loan guarantee, securities investment, capital contribution and repatriation of investment, is still subject to restriction, and prior approval from SAFE or its competent branch.

On 20 June 1996, PBOC promulgated the "Regulations for Administration of Settlement, Sale and Payment of Foreign Exchange" (the "**Settlement Regulations**") which became effective on 1 July 1996. The Settlement Regulations superseded the Provisional Regulations and abolished the remaining restrictions on convertibility of foreign exchange in respect of current account items while retaining the existing restrictions on foreign exchange transactions in respect of capital account items. Domestic entities seeking to enter into foreign exchange transactions are required to open up foreign exchange accounts for current account or capital account transactions, as the case may be, at banks involved in foreign exchange business. Interest payments for foreign debt may be made from a foreign exchange account of a domestic entity or using foreign exchange purchased at designated foreign exchange after the verification of the *bona fide* nature of the transaction by SAFE. Domestic entities may apply to SAFE for approval to purchase foreign exchange by presenting valid documents required by the Settlement Regulations for repayment of foreign debt principal and such payment can be made upon the approval of SAFE.

On 25 October 1998, PBOC and SAFE promulgated the "Notice Concerning the Discontinuance of Foreign Exchange Swap Business" pursuant to which and with effect from 1 December 1998, all foreign exchange swap business in the PRC for foreign-invested enterprises was discontinued, while the trading of foreign exchange by foreign-invested enterprises was to be regulated under the system for the settlement and sale of foreign exchange applicable to banks.

On 21 July 2005, PBOC announced that, beginning from 21 July 2005, the PRC will implement a regulated and managed floating exchange rate system based on market supply and demand and by reference to a basket of currencies. The Renminbi exchange rate is no longer pegged to the US dollars only. PBOC will announce the closing price of a foreign currency such as the US dollars traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each business day, setting the central parity for trading of the Renminbi on the following business day.

In January and April 2005, SAFE issued two regulations that require PRC residents to register with and receive approvals from SAFE in connection with their offshore return/round-trip investment activities. SAFE also announced that the purpose of these regulations is to achieve the proper balance of foreign exchange and the standardization of all cross-border flows of funds.

On 21 October 2005, SAFE issued the Notice on Issues relating to the Administration of Foreign Exchange in Fund-raising and Round-trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies which became effective as at 1 November 2005. The notice replaced the two regulations issued by SAFE in January and April 2005 mentioned above. On 4 July 2014, SAFE issued the Notice of the SAFE on the Administration of Foreign Exchange Involved in Overseas Investment, Financing and Return on Investment Conducted by Residents in China via Special-Purpose Companies ("**Circular 37**"), which became effective at the same day. This notice replaced the notice issued by SAFE in October 2005 mentioned above. According to the notice, "special purpose company" refers to the overseas enterprises that are directly established or indirectly controlled for the purpose of investment and financing by Mainland residents (including Mainland institutions and resident individuals) with their legitimate holdings of the assets or interests in Mainland enterprises, or their legitimate holdings of overseas assets or interests. Under the notice, a mainland resident can make contribution to a special purpose company with legitimate holdings of domestic or overseas assets or interests, and a mainland enterprise directly or indirectly controlled by a Mainland resident may, on the

basis of real and reasonable needs, disburse loans to its registered special purpose companies pursuant to prevailing provisions, and, a mainland resident may, on the basis of real and reasonable needs, purchase foreign exchanges to remit funds overseas for the establishment, share repurchase, delisting, etc. of a special purpose company. Prior to the establishment or assumption of control of such special purpose company, each PRC resident, whether a natural or legal person, must complete the overseas investment foreign exchange registration procedures with the relevant local SAFE branch.

On 30 March 2015, SAFE issued the Notice of the SAFE on Reforming the Administrative Approach Regarding the Settlement of the Foreign Exchange Capitals of Foreign-invested Enterprises ("**Circular 19**"), which became effective from 1 June 2015. Notice of the SAFE on the Relevant Operating Issues concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-funded Enterprises ("**Circular 142**") and its supplementary notice ("**Circular 88**") have been replaced by Circular 19. On 9 June 2016, SAFE issued the Circular on Reform and Regulating of the Administrative Policy of the Settlement under Capital Accounts ("**Circular 16**"), which became effective on the same date. Under Circular 19 and Circular 16, Foreign invested enterprises are allowed to settle their foreign exchange capitals on a discretionary basis, and a foreign invested enterprise shall be facilitated to make domestic equity investment with the amount of foreign exchanges settled.

On 1 July 2009, PBOC, the PRC Ministry of Finance, MOFCOM, the General Administration of Customs, the SAT and the CBRC jointly promulgated the Measures for the Administration of Pilot Renminbi Settlement in Cross-border Trade, under which, eligible enterprises as designated by relevant authorities located in the cities or provinces which have been chosen by the State Council to execute the pilot Renminbi trade settlement scheme, are allowed to settle the cross-border trade transactions in Renminbi. PBOC, the PRC Ministry of Finance, MOFCOM, the General Administration of Customs, the State Administration of Taxation and the China Banking Regulatory Commission jointly promulgated the Circular on Issues Concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades on 17 June 2010 and the Circular on Expansion of the Region of Renminbi Settlement of Cross-Border Trades on 27 July 2011, which, together, extended the pilot scheme to the whole of the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide.

On 2 May 2012, the NDRC promulgated the Notice of the National Development and Reform Commission on Issues Concerning the Issuance of RMB-denominated Bonds by Mainland Non-financial Institutions in the Hong Kong Special Administration Region, according to which, the foreign debts incurred by a non-financial institution in mainland China for issuing RMB-denominated bonds in Hong Kong shall be subject to the registration of foreign debts, the repayment of principal interest, and other relevant procedures pursuant to the prevailing provisions on foreign debt management.

REGULATIONS REGARDING OVERSEAS INVESTMENT AND ACQUISITION ACTIVITIES

NDRC supervision

According to the "Measures for the Administration of Approval and Filing of Overseas Investment Projects" effective from 8 May 2014 and further amended on 27 December 2014, and replacing "Interim Measures for the Administration of Verification and Approval of Overseas Investment Projects", the approval administration and filing administration shall be respectively applied to different overseas investment projects. Specifically, if the project is related to the sensitive countries, areas or industries, regardless of the investment amount, the projects shall be subject to the approval of NDRC, in which, if the amount of the investment made by the Chinese party is U.S.$2 billion or more, and the project is related to the sensitive countries, areas or industries, the projects shall be subject to the examination of NDRC and then shall be reported to the State Council for the approval. Other than the projects specified above, the other projects shall be subject to the filing administration. Specifically, overseas investment projects carried out by enterprises under central management, and those carried out by local enterprises

in which the amount of Chinese investment reaches or exceeds U.S.$300 million shall be subject to the record-filing by the NDRC. Those carried out by local enterprises in which the amount of Chinese investment is below U.S.$300 million shall be subject to the record-filing by competent investment departments of the provincial government.

According to the "Notice on Issues Concerning the Implementation of Measures for the Administration of Approval and Filing of Overseas Investment Projects", the "Circular of NDRC on Properly Handling the Delegation of Approval Authority over Outbound Investment Projects to Lower-level Authorities" terminated.

Investment projects to be carried out in Hong Kong and/or the Macao Special Administrative Region shall be governed by the "Measures for the Administration of Approval and Filing of Overseas Investment Projects".

MOFCOM SUPERVISION

MOFCOM issued the new version of the Administration of Overseas Investment on 6 September 2014, effective from 6 October 2014 (the "**New Overseas Investment Rules**"). Under the New Overseas Investment Rules, a domestic enterprise intending to carry out any overseas investment shall report to the competent department of commerce for verification or filing and shall, with regard to an enterprise so verified or filed, issue thereto an Enterprise Overseas Investment Certificate. If two or more enterprises make joint investment to establish an overseas enterprise, the larger (or largest) shareholder shall be responsible for the verification or filing procedure after soliciting written consent of other investing parties.

An enterprise that intends to invest in a sensitive country or region or a sensitive industry shall apply for the verification by MOFCOM. "Sensitive countries and regions" mean those countries without a diplomatic relationship with the PRC, or subject to the UN sanctions or otherwise under the list of verified countries and regions published by MOFCOM from time to time. "Sensitive industries" mean those industries involving the products and technologies which are restricted from being exported, or affecting the interests of more than one country (or region). In accordance with the New Overseas Investment Rules, a Central Enterprise shall apply to MOFCOM for verification and MOFCOM shall, within 20 working days of accepting such application, decide whether or not the verification is granted. For a local enterprise, it shall apply through the provincial department of commerce to MOFCOM for such verification. The provincial department of commerce shall give a preliminary opinion within 15 working days of accepting such local enterprise's application and report all application documents to MOFCOM, while MOFCOM shall decide whether or not the verification is granted within 15 working days of receipt of such preliminary opinion from the provincial department of commerce. Upon verification, the Enterprise Overseas Investment Certificate shall be issued to the investing enterprise by MOFCOM.

Other than those overseas investments subject to MOFCOM verification as described above, all other overseas investments are subject to a filing requirement. The investing enterprise shall fill complete the filing form through the Overseas Investment Management System, an online system maintained by MOFCOM and print out a copy of such filing form for stamping with the company chop, and then submit such stamped filing form together with a copy of its business licence, for filing at MOFCOM (for a Central Enterprise) or the provincial department of commerce (for a local enterprise) respectively. MOFCOM or the provincial department of commerce shall accept the filing and issue the Enterprise Overseas Investment Certificate within 3 working days of receipt of such filing form.

The investing enterprise must carry out the investment within 2 years of the date of the relevant Enterprise Overseas Investment Certificate, otherwise such Certificate will automatically expire and a new filing or verification application has to be made by the investing enterprise after such expiry. In

addition, if any item recorded in such Certificate is changed, the investing enterprise shall handle an updating process at MOFCOM or the provincial department of commerce (as the case may be).

If an overseas invested company carries out a re-investment activity offshore, the investing enterprise shall report such re-investment activity to MOFCOM or the provincial department of commerce (as the case may be) after the investment is completed offshore. The investing enterprise shall fill in and print out a copy of the Overseas Chinese-invested Enterprise Re-investment Report Form from the Overseas Investment Management System and stamp and submit such Report Form to MOFCOM or the provincial department of commerce.

The New Overseas Investment Rules specifically provide that an overseas invested company cannot use the words of "China" ("中國" or "中華") in its name, unless otherwise approved.

Foreign exchange administration

According to the "Circular of the SAFE on Promulgating the Administrative Provisions on Foreign Exchange of the Outbound Direct Investments of Domestic Institutions", corporations, enterprises or other economic organisations (domestic investors) that have been permitted to make outbound investment shall go through the procedures of registration to the Foreign Exchange Bureau. The Foreign Exchange Bureau shall issue the Foreign Exchange Registration Certificate for overseas direct investment or an IC card to the domestic institution. The domestic institution shall go through the formalities for outward remittance of funds for overseas direct investment at a designated foreign exchange bank by presenting the approval document issued by the department in charge of overseas direct investment and the Foreign Exchange Registration Certificate for overseas direct investment. The scope of foreign exchange funds for overseas direct investment of domestic institutions includes their own foreign exchange funds, domestic loans in foreign currencies in compliance with relevant provisions, foreign exchange purchased with Renminbi, material objects, intangible assets and other foreign exchange funds approved by the Foreign Exchange Bureaus for overseas direct investment. The profits gained from overseas direct investment of domestic institutions may be deposited in overseas banks and used for overseas direct investment.

On 13 February 2015, SAFE promulgated Circular of the SAFE on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (the "**2015 SAFE Circular**"), which became effective on 1 June 2015. The 2015 SAFE Circular aims to deepen the reform of foreign exchange administration of capital accounts, promote and facilitate the capital operation of enterprises in making cross-border investments, regulate the direct investment-related foreign exchange administration business, improve the administration efficiency. The 2015 SAFE Circular set forth the following reformation: (i) cancel the Administrative Examination and Approval Procedures relating to the Foreign Exchange Registration Approval under Domestic Direct Investment and the Foreign Exchange Registration Approval under Overseas Direct Investment; (ii) cancel the confirmation and registration of foreign investors' non-monetary contribution and the confirmation and registration of foreign investors' contribution to purchasing the equity held by the Chinese party under domestic direct investment; (iii) the confirmation and registration of foreign investors' monetary contribution is adjusted to book-entry registration of domestic direct investment monetary contribution.

The 2015 SAFE Circular has been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and such new regulation will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

State-owned assets supervision

The "Interim Measures for Administration of Overseas State-owned Properties" applies to overseas investment made by domestic entities with state-owned properties. The domestic investor shall complete property right registration of overseas state-owned properties with SASAC for such investment and shall retain a professional agency with the corresponding qualifications, professional experiences and good reputation to evaluate or valuate subject matters, and the evaluation items or valuation results shall be submitted to SASAC for record-filing or approval.

Environmental Protection Laws

The State Environmental Protection Administration is responsible for the overall supervision and management of environmental protection in the PRC. All manufacturers in the PRC must comply with environmental laws and regulations including the Environmental Protection Law of the PRC, Prevention and Control of Water Pollution Law of the PRC, Prevention and Control of Air Pollution Law of the PRC and Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC, and relevant environmental regulations such as provisions regarding the treatment and disposal of pollutants and sewage, discharge of polluted fumes and the prevention of industrial pollution. Depending on the circumstances and the seriousness of the violation of the environmental regulations, the local authorities are authorised to impose various types of penalties on the persons or entities in violation of the environmental regulations. The penalties which could be imposed include the issue of warning, suspension of operation or installation and use of preventive facilities which are incomplete and fail to meet the prescribed standard, reinstallation of preventive facilities which have been dismantled or left idle, administrative sanction against officer-in-charge, suspension of business operations or shut-down of the enterprise or institution. Fines could also be levied together with these penalties. The relevant local authorities may apply to the court for compulsory enforcement of environmental compliance. The persons or entities in violation of the applicable laws and regulations may also be liable to pay damages to the victims and/or result in criminal liability.

Other environmental protection laws applicable to the Group include the "Regulations of Environmental Management on Project", the "Regulations of Environmental Protection Acceptance Inspection on Projects Completion" and the Environmental Impact Evaluation Law of the PRC.

CROSS-BORDER SECURITY LAWS

NDRC Circular

According to the NDRC Circular, which was issued by the NDRC on 14 September 2015 and came into effect on the same day, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of one year or more than one year, such enterprise must in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue. The NDRC Administrative Measures, which was issued on 5 January 2023 and came into effect on 10 February 2023, replaced the NDRC Circular. The NDRC Administrative Measures impose the following additional regulatory requirements:

- The enterprise for issuance of foreign debts, its controlling shareholders or de facto controlling persons (i) shall not have committed any crime relating to corruption, bribery, embezzlement or misappropriation of assets or other criminal offences that may impede the order of the socialist market economy, and (ii) shall not be under formal investigation for criminal offences or material breach of laws or regulations, in each case, within the past 3 years;

- Enterprises are required to undergo review and registration procedure to obtain the Certificate of Review and Registration of Enterprise Borrowing of Foreign Debts. If there is a failure to register, the NDRC Administrative Measures provide that NDRC may take disciplinary measures against non-compliant enterprises and their main responsible persons, such as regulatory interview or public warning;

- Record-filing and registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: application report for the issuance of foreign debts and issuance plan, including the currency, size, interest rate, and maturity of foreign debts, the purpose of the funds raised, back flow of funds, etc. The applicant shall be responsible for the authenticity, legality, and completeness of the application materials and information;

- Use of proceeds from foreign debt shall not threaten or be detrimental to information and data security, increase local government's hidden debts, or be used for speculative purposes. The NDRC Administrative Measures remove the restriction that the proceeds of foreign debt shall not be applied to make up the losses, and, in relation to on-lending of proceeds, such arrangement is prohibited unless it has been disclosed in the application documents and approved by the NDRC;

- Enterprises are required to, among others, report on the status of the foreign debt within ten working days after the expiry of the relevant registration certificates, report on use of proceeds, principal and interest repayment status and arrangement and key business indicators within five working days prior to the end of January and July each year, and promptly report on any material event that may affect the due performance of their debt obligations;

- Enterprises and their main responsible persons may be subject to a public warning if there is any concealment, false record, misleading statement or material omission in the application documents and information disclosed by such enterprises, or if they fail comply with certain reporting obligations.

Cross-Border Guarantee Laws

On 12 May 2014, SAFE promulgated the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (國家外匯管理局關於發佈《跨境擔保外匯管理規定》的通知) and its implementation guidelines (collectively, the "**Circular 29**"), which came into force on 1 June 2014. Circular 29 classifies cross-border guarantee into three types:

- Nei Bao Wai Dai (內保外貸) (the "**NBWD**"): a guarantee provided by an onshore

- guarantee provider for a debt owing by an offshore debtor to an offshore creditor.

- Wai Bao Nei Dai (外保內貸) (the "**WBND**"): a guarantee provided by an offshore guarantee provider for a debt owing by an onshore debtor to an onshore creditor.

- Other Types of Cross-border Guarantee (其他形式跨境擔保): any cross-border guarantee other than NBWD and WBND.

In respect of NBWD, in case where the onshore guarantee provider is a non-bank financial institution, it shall conduct a registration of the relevant guarantee with SAFE within 15 business days after the execution of relevant guarantee contract. In the event of any changes to the major clauses of the relevant guarantee contract, such onshore guarantee provider shall conduct a change registration for the relevant guarantee.

Pursuant to the Circular 29, the funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. Pursuant to the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) issued by SAFE in January 2017, the funds from overseas loans under the NBWD are allowed to be repatriated into the PRC for domestic use; the debtors can repatriate, directly or indirectly, the funds under the NBWD for domestic use through issuing loans to or equity participation in domestic institutions. Further, according to the Policy Q&As (Issue II) on the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》政策實務解答(二)), in case where the offshore debtor transfers the funds borrowed offshore by means of foreign loans onshore, the onshore borrower shall meet the relevant requirements for foreign debt administration and control the scale of funds repatriated according to the relevant requirements of the mode of macro-prudential management of full-covered cross-border financing or the mode required under the Administration Measures for Registration of Foreign Debts (《外債登記管理辦法》). In case where the offshore debtor transfers the funds by means of equity investment onshore, it shall meet the requirements from the competent authorities in the area of foreign direct investment.

Pursuant to the Circular 29, upon the enforcement of NBWD, the onshore guarantee provider can pay to the offshore creditor directly (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under an NBWD provides any security or guarantee for an offshore bond issuance, the offshore issuer's equity shares must be held directly or indirectly by the onshore security provider. Moreover, the proceeds from any such offshore bond issuance must be applied towards such offshore investment project(s) with equity connections from the onshore security provider, and relevant offshore institutions/projects have obtained the approval, registration, filing or confirmation from the competent authorities pursuant to PRC laws.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Securities. The Guarantor's obligations in respect of the Securities are contained in the relevant Deed of Guarantee. The Deed of Guarantee will be executed by the Guarantor on or before the Issue Date. Under Circular 29, the Deed of Guarantee does not require any pre-approval by SAFE and is binding and effective upon execution.

The Guarantor is required to submit the Deed of Guarantee to the local branch of SAFE for registration within 15 business days after its execution. The SAFE registration is a post-signing registration requirement.

Pursuant to the Circular 29, the local branch of SAFE will go through a procedural review (as opposed to a substantive examination process) of the Guarantor's application for registration. Upon completion of the review, the local branch of SAFE will issue a registration document evidencing the completion of the registration by the Guarantor.

Under Circular 29:

- the non-registration of NBWD with the local branch of SAFE will not impact the validity of the security under PRC laws, although SAFE may impose penalties on the Guarantor if submission for registration is not carried out within the stipulated time frame of 15 business days; and

- there may be hurdles at the time of remittance (if any cross-border payment is to be made by the Guarantor under the Deed of Guarantee in respect of the Securities) as domestic banks require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Deed of Guarantee in respect of the Securities.

The Terms and Conditions of the Bonds provide that the Guarantor will undertake to file or cause to be filed the Deed of Guarantee with SAFE or its local counterparts in accordance with, and within the time period prescribed by, Circular 29 and use all reasonable endeavours to complete the registration and obtain from SAFE or its local counterparts a registration certificate or any other document evidencing the completion of the registration by the Registration Deadline.

EXCHANGE RATE INFORMATION

PRC

The People's Bank of China (the "**PBOC**") sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the markets during the prior day. The PBOC also takes into account other factors such as the general conditions existing in the international foreign exchange market. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's inter-bank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to that of the U.S. dollar only, to allow the value of the Renminbi to fluctuate within a narrow and managed band based on market supply and demand and by reference to a basket of currencies. This change in policy has resulted in a significant appreciation of the Renminbi against the U.S. dollar.

The PRC government has made further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi at 9:15 a.m. on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over-the-counter exchange rate for that business day. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. On 19 June 2010, the PBOC announced that in view of the recent economic situation and financial market developments in China and abroad, and the balance of payments situation in China, it has decided to proceed further with reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. According to the announcement, the exchange rate floating bands will remain the same as previously announced but the PBOC will place more emphasis on reflecting the market supply and demand with reference to a basket of currencies. On 12 April 2012, the PBOC announced that on 16 April 2012, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar would be enlarged from 0.5 per cent. to 1.0 per cent. around the central parity rate, allowing the Renminbi to fluctuate against the U.S. dollar by up to 1.0 per cent. above or below the central parity rate published by the PBOC. The PBOC announced on 15 March 2014 that since 17 March 2014, the floating band for the trading prices in the inter-bank foreign exchange spot market of Renminbi against the U.S. dollar was further expanded from 1 per cent. to 2 per cent. On each business day, the spread between the Renminbi and U.S. dollar buying and selling prices offered by the designated foreign exchange banks to their clients shall be within 3.0 per cent. of the published central parity of the U.S. dollar on that day, instead of 2.0 per cent. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. For three conservative days commencing 11 August 2015, the PBOC devalued the Renminbi against the U.S. dollar, leading to declines in the value of the Renminbi versus the U.S. dollar of up to 2.8 per cent. in currency markets and representing the largest single-day drop in the value of the Renminbi since 1994. On 11 December 2015, CFETS, a sub-institutional organisation of the PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. In December 2016, the CFETS announced that starting on 1 January 2017, the number of currencies in the CFETS currency basket will be increased to 24 from 13. The 11 currencies to be added, including the Korean won, the South African rand and the Mexican peso, will have a 21.09 per cent. weighting in the currency basket, while the U.S. dollar's weight in the basket will be reduced to 0.224 from 0.264. In August 2019, the PBOC on 5 August

2019 set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. The PRC government may make further adjustments to the exchange rate system in the future.

Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of the Renminbi into foreign currency for current account items, conversion of the Renminbi into foreign currency for capital items, such as foreign direct investment, loans or security, requires the approval of SAFE and other relevant authorities.

The following table sets forth for the periods indicated, certain information concerning the exchange rates between Renminbi and U.S. dollar. For periods after 1 January 2010, the exchange rates reflect the exchange rates as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System of the United States:

	Exchange Rate			
Period	**Period End**	**Average [(1)]**	**High**	**Low**
		(RMB per U.S.$1.00)		
2020	6.5250	6.9042	7.1681	6.5208
2021	6.3726	6.4508	6.5716	6.3435
2022	6.8972	6.7290	7.3048	6.3084
2023	7.0999	7.0809	7.3430	6.7010
2024	7.2993	7.1957	7.2993	7.0106
2025				
January	7.2422	7.2957	7.3326	7.2422
February	7.2828	7.2734	7.3088	7.2422
March (through 28 March)	7.2628	7.2489	7.2843	7.2273

Note:

(1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

TAXATION

The following summary of certain Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of Bonds.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of the Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the "**FSIE Amendments**"), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

PRC

The following summary describes the principal PRC tax consequences of ownership and disposition of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as (a) non-PRC Bondholders, or (b) beneficial owners who are entities or individuals located outside of the PRC in this "Taxation — PRC" section. In considering whether to invest in the Bonds, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Income Tax

Pursuant to the EIT Law which was amended on 29 December 2018 and took effect on the same date and its implementation regulations, enterprises that are established under the laws of foreign countries and regions whose "de facto management bodies" are within the territory of the PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law. The EIT Laws provide that the "de facto management body" of an enterprise is the organisation that exercises substantial and overall management and control over the production, employees, books of accounts and properties of the enterprise. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the territory of the PRC, the Issuer may be treated as a PRC tax resident enterprise for the purpose of the EIT Law and income or gains paid with respect to the Bonds may considered to be derived from sources within the PRC.

Taxation on Interest

The EIT Law and its implementation regulations impose withholding tax at the rate of 10 per cent., or a lower rate if tax treaty benefits are available, on PRC-source income paid to a "non-resident enterprise" that does not have an establishment or place of business in the PRC or that has an establishment or place of business in the PRC but the relevant income is not effectively connected therewith. Pursuant to these provisions of the EIT Law, in the event the Issuer is considered to be a PRC resident enterprise by the PRC tax authorities in the future, interest payable to non-resident enterprise holders of the Bonds may be treated as income derived from sources within the PRC and be subject to such PRC withholding tax at a rate of 10 per cent. Further, in accordance with the Individual Income Tax Law of the PRC which was amended on 30 June 2011 and 31 August 2018, and took effect on 1 January 2019 and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise, interest payable to non-resident individual holders of the Bonds may be treated as income derived from sources within the

PRC and be subject to a 20 per cent. individual income tax which the Issuer would be obliged to withhold from payments of interests to non-resident individual holders of the Bonds. To the extent that the PRC has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified holders of the Bonds.

As confirmed by the Issuer, as at the date of this Offering Circular, the Issuer has not been given notice or informed by the PRC tax authorities that it is considered a PRC tax resident enterprise for the purpose of the EIT Law. On that basis, non-resident enterprise holders of the Bonds will not be subject to income tax imposed by any governmental authority in the PRC in respect of the holding of the Bonds or any repayment of principal and payment of interest made thereon. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future.

In addition, given the fact that the Guarantor is a PRC tax resident enterprise for the purpose of the EIT Law and, in the event that the Guarantor is required to fulfil its obligations under the Guarantee by making interest payments on behalf of the Issuer, such interest payments under the Guarantee may considered to be derived from sources within the PRC. In such case, the Guarantor may be obliged to withhold PRC tax at a rate of 10 per cent. on such payments to non-PRC resident enterprise holders of the Bonds and 20 per cent. for non-resident individual holders of the Bonds. To the extent that the PRC has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, which allows a lower rate of withholding tax, such lower rate may apply to qualified holders of the Bonds.

Taxation on Capital Gains

The EIT Law and its implementation regulations impose a tax at the rate of 10 per cent., or a lower rate if tax treaty benefits are available, on income derived from sources within the PRC realised by a "non-resident enterprise" that does not have an establishment or place of business in the PRC or that has an establishment or place of business in the PRC but the relevant gain is not effectively connected therewith. The Individual Income Tax Law and its implementation regulations impose a tax at the rate of 20 per cent. on income derived from sources within the PRC realised by non-resident individuals. If the Issuer is considered a PRC resident enterprise by the PRC tax authorities in the future, and if the capital gains realised by holders of the Bonds are treated as income derived from sources within the PRC, such gains will be subject to such PRC tax. To the extent that the PRC has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of tax, such lower rate may apply to qualified non-resident holders of the Bonds.

VAT

On 23 March 2016, MOF and SAT issued the Circular 36 which provides for that the VAT pilot programme will cover construction industry, real estate industry, finance industry and life service industry on a nation-wide basis from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, entities and individuals providing services within China are subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the issuance of Bonds may be regarded as financial services by holders of the Bonds and the payments of the interest and other interest like earnings under the Bonds received by a holder of the Bonds from the Guarantor may be subject to VAT at the rate of 6 per cent. in the event that the Guarantor is required to discharge its obligations under the Guarantee.

Where a holder of the Bonds who is an individual resells the Bonds, the VAT may be exempted according to Circular 36 if the resale of Bonds is treated as resale of financial products. Where a holder of the Bonds who is an entity located outside of the PRC resells the Bonds to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, Circular 36 should not apply and the Issuer does not have the obligation to withhold the VAT. However, where a holder of the Bonds who is an entity resells the Bonds, there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC.

Circular 36 has been issued quite recently, the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

Stamp Duty

No PRC stamp duty will be imposed on non-PRC Bondholders either upon issuance of the Bonds or upon a subsequent transfer of Bonds to the extent that the register of holders of the Bonds is maintained outside the PRC and the issuance and the sale of the Bonds is made outside of the PRC.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The Audited Financial Statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications that still exist between PRC GAAP and IFRS, which might be relevant to the financial information of the Group included herein.

The following is a general summary of certain differences between PRC GAAP and IFRS related to the Group. The differences identified below are limited to those significant differences that are appropriate to the Group's financial statements. Since the summary is not meant to be exhaustive, there can be no assurance regarding the completeness of the summary. The Group has not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC GAAP and IFRS and has not quantified such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may be required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standard. Regulatory bodies that promulgate PRC GAAP and IFRS have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. Accordingly, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete.

In making an investment decision, investors must rely upon their own examination of the Group, the terms of the offering and other disclosure contained herein. Investors should consult their own professional advisers for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

SHARE REFORM SCHEME COST

In 2004, PRC listed companies under state control started to implement share reform schemes by encouraging holders of publicly tradable shares to allow non-publicly tradable shares to convert into tradable shares. One of the common ways to achieve this purpose is to pay cash directly to the holders of publicly tradable shares. Under PRC GAAP, such a payment is capitalised as the cost of long-term equity investments, financial assets held for trading or available-for-sale financial assets, as appropriate.

Under IFRS, such a payment is not allowed to be capitalised and, accordingly, a GAAP difference may be noted.

PROVISION FOR FUTURE DEVELOPMENT FUND AND WORK SAFETY COST

Under PRC GAAP, in accordance with relevant regulations of the Chinese authorities, the Group has to accrue special reserves such as future development funds and work safety cost, which are presented as cost of expenses of the period and the amount that has been accrued, are presented in special reserve of owner's equity. Work safety cost, which belongs to cost of expenses, directly offset the special reserves. The accrued work safety reserve, which is used by enterprises and used to form fixed assets, shall be charged as "construction in progress", and recognised as a fixed asset upon the project being completed and reaching the expected operational standard. Meanwhile, the special reserves are offset in accordance with the cost of fixed asset formation, while the equivalent amount of accumulated depreciation is recorded. The fixed asset so formed shall cease to accrue depreciation in the following periods.

Pursuant to the IFRS, these expenditures should be recognised when incurred. Relevant capital expenditures are recognised as part of cost of non-current assets when they are incurred and depreciated according to the respective depreciation policy. The differences between the abovementioned standards give rise to differences in deferred tax.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long-term asset (including fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill could be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

RELATED PARTY DISCLOSURES

Under PRC GAAP, government-related entities are not treated as related parties. Under IFRS, government-related entities are still treated as related parties.

FIXED ASSETS AND INTANGIBLE ASSETS

Under PRC GAAP, only the cost model is allowed.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 15 April 2025 (the "**Subscription Agreement**") pursuant to which, and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to severally, but not jointly, subscribe and pay for the aggregate principal amount of the Bonds set forth opposite its name below:

	Joint Lead Managers	**Principal amount of the Bonds to be subscribed**
		(U.S.$)
1.	China International Capital Corporation Hong Kong Securities Limited	20,000,000
2.	China International Capital Corporation (Singapore) Pte. Limited	200,000,000
3.	Hua Xia Bank Co., Limited Hong Kong Branch	10,000,000
4.	China Securities (International) Corporate Finance Company Limited	8,000,000
5.	Industrial Bank Co., Ltd. Hong Kong Branch	8,000,000
6.	Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	8,000,000
7.	China Minsheng Banking Corp., Ltd. Hong Kong Branch	8,000,000
8.	CMBC Securities Company Limited	8,000,000
9.	CLSA Limited	8,000,000
10.	SPDB International Capital Limited	8,000,000
11.	China Galaxy International Securities (Hong Kong) Co., Limited	8,000,000
12.	Sinolink Securities (Hong Kong) Company Limited	8,000,000
13.	Donghai International Securities (Hong Kong) Limited	8,000,000
Total		**310,000,000**

The Subscription Agreement provides that the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers, their respective subsidiaries, affiliates or any person who controls any of them or any of their respective directors, officers, employees or agents against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

In connection with the issue of the Bonds, any of the Joint Lead Managers appointed and acting in its capacity as stabilisation manager (the "**Stabilisation Manager**") (or any person acting on its behalf) may, to the extent permitted by applicable laws and directives, over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any loss resulting from over-allotment and stabilisation will be borne, and any profit arising therefrom shall be beneficially retained, by such Stabilisation Manager or, as the case may be, the Joint Lead Managers in the manner agreed by them.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer and the Guarantor for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer, the Guarantor and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer or the Guarantor.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should

disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "**X-orders**" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer and the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to ib_project_huaguoshan4@cicc.com.cn, dcm@hxb.com.cn, dcm_hk@csci.hk, DebtSyndicate@csci.hk and cmd_dcm@cibhk.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering.

CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint lead Manager with such evidence within the timeline requested.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

UNITED STATES

The Bonds and the Guarantee have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Bonds and the Guarantee may not be offered or sold within the United States.

The Bonds and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee, an offer or sale of the Bonds or the Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

UNITED KINGDOM

Each Joint Lead Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

HONG KONG

Each Joint Lead Manager has represented, warranted and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

SINGAPORE

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Singapore Securities and Futures Act Product Classification — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

THE PRC

Each Joint Lead Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the PRC.

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 304370599 and ISIN XS3043705998.

2. **Legal Entity Identifier:** The Legal Entity Identifier (LEI) Code of the Issuer is 300300D8WPVL1SP9AS22.

3. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer on 27 March 2025. The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the giving of the Guarantee and the performance of its obligations under the Deed of Guarantee, the Trust Deed and the Agency Agreement. The giving of the Guarantee was authorised by a resolution of the board of directors of the Guarantor dated 17 June 2024 and a supplemental resolution of the board of directors of the Guarantor dated 18 March 2025 and the controlling shareholders' resolutions of the Guarantor dated 1 January 2025.

4. **NDRC Registration:** Pursuant to the NDRC Administrative Measures, the Guarantor has registered the issuance of the Bonds with the NDRC and has obtained a certificate dated 18 September 2024 from the NDRC evidencing such registration which, as at the date of this Offering Circular, remains in full force and effect.

5. **No Material Adverse Change:** Save as disclosed in this Offering Circular, there has been no material adverse change, or any development or event likely to involve a prospective change, in the condition (financial or otherwise), prospects, properties, results of operations, general affairs or business of the Issuer, the Guarantor or the Group since 31 December 2023.

6. **Litigation:** None of the Issuer, the Guarantor or any other member of the Group is involved in any litigation or arbitration proceedings that (i) the Issuer or the Guarantor, as the case may be, believes are material in the context of the Bonds, and the entry into the Deed of Guarantee, or (ii) may have, or have had, a significant effect on the business or financial position of the Issuer, the Guarantor or the Group, and so far as the Issuer and the Guarantor are aware, no such proceedings are pending or threatened.

7. **Available Documents:** Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available (i) for inspection at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the principal office of the Trustee (being at the date of issue of the Bonds at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) and at the specified office of the Principal Paying Agent and (ii) electronically to a requesting Bondholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent, as the case may be.

8. **Financial Statements:** This Offering Circular contains the Guarantor's audited consolidated financial information as at and for the years ended 31 December 2021, 2022 and 2023 which is derived from the Audited Financial Statements and have been audited by Suya Jincheng and included elsewhere in this Offering Circular. The Audited Financial Statements were prepared in accordance with PRC GAAP.

9. **Listing:** Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Bonds, the Issuer, the Guarantor, the Group or the quality of disclosure in this Offering Circular. Approval in-principle has been received for the Bonds to be recognised under the SGX Sustainable Fixed Income initiative on the SGX-ST. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Bonds will satisfy any investor's expectations or requirements on its sustainability-related performance or impact and does not imply that this Offering Circular or any other document(s) of a similar nature prepared by the Issuer and/or the Guarantor and/or the Bonds or any other products in relation thereto are verified, endorsed, sponsored, guaranteed or recommended by SGX-ST and/or its affiliates, and the SGX-ST may remove the recognition from the Bonds at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the SGX website. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).

   For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for definitive Certificates. In addition, in the event that a Global Certificate is exchanged for definitive Certificates, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the paying agent in Singapore.

INDEX TO THE FINANCIAL STATEMENTS

Page

Audited Consolidated Financial Statements of the Guarantor as at and for the year ended 31 December 2022

Auditor's Report F-3

Consolidated Balance Sheet F-5

Consolidated Income Statement F-7

Consolidated Cash Flows Statement F-8

Consolidated Statement of Changes in Shareholders' Equity F-9

Balance Sheet F-11

Income Statement F-13

Cash Flows Statement F-14

Statement of Changes in Shareholders' Equity F-15

Notes to Financial Statements F-17

Audited Consolidated Financial Statements of the Guarantor as at and for the year ended 31 December 2023

Auditor's Report F-122

Consolidated Balance Sheet F-124

Consolidated Income Statement F-126

Consolidated Cash Flows Statement F-127

Consolidated Statement of Changes in Shareholders' Equity F-128

Balance Sheet F-130

Income Statement F-132

Cash Flows Statement F-133

Statement of Changes in Shareholders' Equity F-134

Notes to Financial Statements F-136

Lianyungang Port Group Co., Ltd.

Auditor's Report

SYJCCPA J(2023) AUDITING No.74

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AUDITOR'S REPORT

To the shareholders of Directors of Lianyungang Port Group Co., Ltd.:

Opinion

We have audited the financial statements of Lianyungang Port Group Co., Ltd . (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31st December 2022, consolidated income statement and income statement, consolidated cash flow statement and cash flow statement, consolidated statement of changes in owners' equity and statement of changes in owners' equity for the year then ended; and notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises, present fairly the financial position of the company as at December 31st 2022 and its operating results and cash flow for the year then ended.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs") for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of professional ethics for Certified Public Accountants in China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the disclosure requirements of Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Suya Jincheng Certified Public Accountants LLP

Lianyungang, China

Certified Public Accountant of China

Certified Public Accountant of China

Date: April 25, 2023

Lianyungang Port Group Co., Ltd.
Consolidated Balance Sheet

As at December 31, 2022

Monetary Unit: RMB

Assets	Note	Balance as at December 31, 2022	Balance as at December 31, 2021
Current assets:			
Cash and cash equivalents	1	4,227,465,288.21	3,238,702,570.55
Financial assets held for trading	2	2,976,405.00	20,000,000.00
Derivative financial assets			
Notes receivable	3	377,030,631.90	436,177,258.07
Accounts receivable	4	4,952,086,276.48	5,275,372,151.89
Accounts receivable financing	5	65,346,676.90	168,544,625.04
Prepayment	6	1,565,759,015.87	1,429,064,255.71
Other receivables	7	9,949,722,496.91	9,364,827,437.59
Inventories	8	3,254,027,509.89	2,900,780,052.22
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	9	383,076,127.04	856,300,357.72
Total current assets		24,777,490,428.20	23,689,768,708.79
Non-current assets:			
Investment in debt instruments			
Investment in other debt instruments			
Long-term receivables	10	190,365,058.02	185,870,983.70
Long-term equity investments	11	1,834,567,618.67	1,686,702,137.43
Investment in other equity instruments	12	46,489,525.56	37,178,866.12
Other non-current financial assets	13	211,272,624.49	85,507,576.49
Investment property	14	755,355,008.70	776,269,615.41
Fixed assets	15	15,401,751,384.83	14,914,985,079.01
Construction in progress	16	22,682,747,757.22	19,453,790,226.55
Productive biological assets			
Oil and gas assets			
Right of use assets	17	16,514,804.10	117,472,370.66
Intangible assets	18	3,135,366,803.92	3,204,519,315.61
Development expenditure			
Goodwill			
Long-term deferred expenses	19	270,100,116.27	195,612,632.30
Deferred tax assets	20	285,810,764.19	282,384,310.33
Other non-current assets	21	326,466,022.86	325,737,098.42
Total non-current assets		45,156,807,488.83	41,266,030,212.03
Total assets		69,934,297,917.03	64,955,798,920.82

Lianyungang Port Group Co., Ltd.
Consolidated Balance Sheet (Cont.)

As at December 31, 2022

Monetary Unit: RMB

Liabilities and owners' equity	Note	Balance as at December 31, 2022	Balance as at December 31, 2021
Current liabilities:			
Short-term loans	22	9,189,574,296.33	8,272,535,576.24
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payables	23	1,684,369,044.96	1,266,203,930.21
Accounts payables	24	1,557,636,983.85	1,583,017,805.43
Receipts in advance			
Contract liabilities	25	578,134,704.73	310,942,334.69
Employee benefits payable	26	115,569,244.46	97,705,100.25
Taxes payable	27	137,032,452.15	151,360,608.23
Other payables	28	547,219,968.04	583,427,049.70
Liabilities held for sale			
Non-current liabilities due within one year	29	9,357,822,509.68	9,456,259,452.89
Other current liabilities	30	5,545,715,578.40	1,752,432,806.82
Total current liabilities		28,713,074,782.60	23,473,884,664.46
Non-current liabilities:			
Long-term loans	31	8,751,468,768.34	9,564,415,084.04
Bonds payable	32	9,373,283,550.80	9,214,885,204.72
Including: preferred stock			
sustainable debt			
Lease liabilities	33	15,218,585.68	132,898,740.77
Long-term payables	34	4,730,275,554.05	4,509,618,616.76
Provision	35	15,429,547.08	10,089,069.52
Deferred revenue	36	44,136,647.65	33,696,379.08
Deferred tax liabilities	20	20,051,331.35	10,845,675.12
Other non-current liabilities			
Total non-current liabilities		22,949,863,984.95	23,476,448,770.01
Total liabilities		51,662,938,767.55	46,950,333,434.47
Owners' equity (or shareholders' equity)			
Share capital	37	7,820,000,000.00	7,820,000,000.00
Other equity instruments	38	715,480,000.00	1,166,500,000.00
Including: preferred stock			
sustainable debt		715,480,000.00	1,166,500,000.00
Capital reserves	39	4,724,573,173.44	3,407,029,084.34
Less: Treasury shares			
Other comprehensive income	40	-197,171,782.92	-25,866,786.29
Special reserves	41	82,177.38	82,177.38
Surplus reserves	42	7,610,257.91	7,610,257.91
General risk preparedness	43	29,169,577.24	29,169,577.24
Undistributed profits	44	191,297,599.93	176,526,540.14
Total equity attributable to owners of the parent company		13,291,041,002.98	12,581,050,850.72
Non-controlling interests		4,980,318,146.50	5,424,414,635.63
Total owners' equity (or shareholders' equity)		18,271,359,149.48	18,005,465,486.35
Total liabilities and owners' equity		69,934,297,917.03	64,955,798,920.82

Lianyungang Port Group Co., Ltd.
Consolidated Income Statement
For the year ended December 31, 2022

Monetary Unit: RMB

Item	Note	2022 (Jan-Dec)	2021 (Jan-Dec)
1. Total operating income	45	15,814,118,672.58	14,663,482,165.44
Less: Operating costs	45	13,635,751,555.88	12,885,938,611.55
Taxes and surcharge	46	31,497,408.45	65,038,071.78
Selling and distribution expenses	47	3,379,500.60	4,484,000.84
Administrative expenses	48	1,038,271,198.68	969,390,462.42
Research and development expenses	49	78,355,421.39	80,140,422.53
Financial expenses	50	1,374,017,953.95	1,270,078,931.05
Including:interest expense		1,442,441,431.68	1,327,186,181.27
interest income		102,518,334.79	134,591,064.48
Add: Other income	51	172,910,166.83	273,207,199.51
Investment income ("-" for losses)	52	690,504,866.16	820,218,345.27
Including: income from investment in associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost ("-" for losses)			
Net exposure to hedging gains("-"for loss)			
Gains from changes in fair value ("-" for losses)	53	-1,262,750.00	8,695,000.00
Credit impairment loss ("-" for losses)	54	-49,519,225.17	-33,925,945.38
Impairment loss of assets	55		-101,836.85
Gains from disposal of assets ("-" for losses)	56	11,108,690.39	27,888,944.27
2. Operating profits ("-" for losses)		476,587,381.84	484,393,372.09
Add: Non-operating income	57	18,333,146.68	23,289,646.39
Less:Non-operating expenses	58	12,947,508.66	16,967,115.54
3. Total profits before tax ("-"for total losses)		482,973,019.86	490,715,902.94
Less:Income tax expenses	59	198,585,630.46	200,506,002.29
4. Net profit ("-" for net loss)		304,387,389.40	290,209,900.65
Classification by operating continuity:			
Net profit from continuing operation ("-" for losses)		303,387,389.40	290,209,900.65
Net profit from discontinued operation ("-" for losses)			
Classification by owners:			
Attributable to owners of the parent company		59,761,059.79	60,374,223.15
Attributable to non-controlling interests		243,626,329.61	229,835,677.50
5. Net of income tax effect of other comprehensive income		-171,304,996.63	38,979,758.58
(1)Net of income tax effect of other comprehensive income attributable to owners of the parent company		-171,304,996.63	38,979,758.58
A.Other comprehensive income items which will not be reclassified subsequently to profit or loss		6,982,994.58	2,726,082.04
a.Remeasurement of changes in defined benefit plans			
b.Other comprehensive income that cannot be transferred to profit or loss under the equity method			
c.Changes in fair value of other equity instrument investments		6,982,994.58	2,726,082.04
d.Changes in fair value of enterprise's own credit risk		-	
B.Other comprehensive income items which will be reclassified subsequently to profit or loss		-178,287,991.21	36,253,676.54
a.Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit and loss			-1,500,561.79
b.Changes in fair value of other debt investments			
c.Amount of financial assets reclassified into other comprehensive income			
d.Provision for credit impairment of other debt investments			
e.The effective hedging portion of gains or losses arising from cash flow hedging instruments			
f.Translation differences arising on translation of foreign currency financial statements		-178,287,991.21	37,754,238.33
g.Others			
(2)Net of income tax effect of other comprehensive income attributable to non-controlling interests			
6.Total comprehensive income		132,082,392.77	329,189,659.23
Total comprehensive income attributable to owners of the parent company		-111,543,936.84	99,353,981.73
Total comprehensive income attributable to non-controlling interests		243,626,329.61	229,835,677.50
7. Earnings per share			
(1)Basic earnings per share			
(2)Diluted earnings per share			

Lianyungang Port Group Co., Ltd.
Consolidated Cash Flows Statement

For the year ended December 31, 2022

Monetary Unit: RMB

Item	Note	2022 (Jan-Dec)	2021 (Jan-Dec)
1. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		16,602,276,497.42	15,496,641,282.96
Refunds of taxes and surcharges		83,878,672.64	114,524,762.71
Cash received from other operating activities	60 (1)	529,005,963.03	687,036,375.62
Sub-total of cash inflows from operating activities		17,215,161,133.09	16,298,202,421.29
Cash paid for goods purchased and services received		13,719,905,564.21	12,074,448,568.78
Cash paid to and on behalf of employees		1,437,695,843.26	1,410,406,398.02
Cash paid for taxes and surcharges		392,755,060.80	429,264,180.31
Cash paid for other operating activities	60 (2)	1,383,442,056.06	2,074,121,183.87
Sub-total of cash outflows from operating activities		16,933,798,524.33	15,988,240,330.98
Net cash flows from operating activities		281,362,608.76	309,962,090.31
2. Cash flows from investing activities			
Cash received from disposal of investments		1,032,945,550.74	1,127,454,852.22
Cash received from returns on investments		84,562,399.78	73,038,594.74
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13,337,395.31	60,198,677.14
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities	60 (3)	70,774,659.14	240,639,527.76
Sub-total of cash inflows from investing activities		1,201,620,004.97	1,501,331,651.86
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		1,247,454,527.68	1,449,182,240.61
Cash paid for investments		1,010,399,453.67	1,144,731,000.00
Net cash paid to acquire subsidiaries and other business units		5,000,000.00	
Cash paid for other investing activities	60 (4)	35,033,948.63	2,303,017.22
Sub-total of cash outflows from investing activities		2,298,287,929.98	2,596,216,257.83
Net cash flows from investing activities		-1,096,667,925.01	-1,094,884,605.97
3. Cash flows from financing activities			
Cash received from investors			43,120,000.00
Including: cash received by subsidiaries from investments by non-controlling shareholders			43,120,000.00
Cash received from borrowings		30,957,654,587.63	24,321,662,691.23
Cash received from bonds issue			
Cash received from other financing activities	60 (5)	1,812,622,485.70	4,223,956,246.82
Sub-total of cash inflows from financing activities		32,770,277,073.33	28,588,738,938.05
Cash repayments of borrowings		26,881,256,082.18	24,667,678,892.18
Cash paid for distribution of dividends and profits or payment of interest		1,933,728,491.54	2,026,067,161.54
Including: dividends and profits paid to non-controlling shareholders by subsidiaries		75,444,118.14	52,566,078.75
Cash paid for other financing activities	60 (6)	1,788,474,747.80	1,509,320,981.97
Sub-total of cash outflows from financing activities		30,603,459,321.52	28,203,067,035.69
Net cash flows from financing activities		2,166,817,751.81	385,671,902.36
4. Effect of foreign exchange rate changes on cash and cash equivalents		-12,120,109.26	633,774.99
5. Net increase/(decrease) in cash and cash equivalents		1,339,392,326.30	-398,616,838.31
Add: balance of cash and cash equivalents at the beginning of the period		1,912,941,571.97	2,311,558,410.28
6. Balance of cash and cash equivalents at the end of the period		3,252,333,898.27	1,912,941,571.97

Lianyungang Port Group Co., Ltd.
Consolidated Statement of Changes in Shareholders' Equity
For the year ended December 31, 2022

Monetary Unit: RMB

Item	2022 (Jan-Dec)												
	Equity attributable to owners of the parent company											Minority equity	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred stock	Sustainable debt	Others									
1. Balance as at the end of last year	7,820,000,000.00		1,166,500,000.00		3,407,029,084.34		-25,866,786.29	82,177.38	7,610,257.91	29,169,577.24	176,526,540.14	5,424,414,635.63	18,005,465,486.35
Add: adjustments for changes in accounting policies													
Adjustments for correction of accounting errors in prior year													
Merger of enterprises under the same control													
Others													
2. Balance as at the beginning of the current year	7,820,000,000.00		1,166,500,000.00		3,407,029,084.34		-25,866,786.29	82,177.38	7,610,257.91	29,169,577.24	176,526,540.14	5,424,414,635.63	18,005,465,486.35
3. Increases/decreases in equity for the year ("-" for decreases)			-451,020,000.00		1,317,544,089.10		-171,304,996.63				14,771,059.79	-444,096,489.13	265,893,663.13
(1)Total comprehensive income							-171,304,996.63				59,761,059.79	243,626,329.61	132,082,392.77
(2)Capital contributed or decreased by owners			-451,020,000.00		1,317,544,089.10							-612,278,700.60	254,245,388.50
a. Capital contributions by owners													-451,020,000.00
b. Capital contributions by other equity instruments holders			-451,020,000.00										
c. Amounts of share-based payments recognized in owners' equity													
d. Others					1,317,544,089.10							-612,278,700.60	705,265,388.50
(3)Profit distribution											-44,990,000.00	-75,444,118.14	-120,434,118.14
a. Appropriation of surplus reserves													
b. Appropriation of general risk reserve											-44,990,000.00	-75,444,118.14	-120,434,118.14
c. Profit distributed to owners (or shareholders)													
d. Others													
(4) Internal carry-forward of owners' equity													
a. Conversion of capital reserves into paid-in capital (or share capital)													
b. Conversion of surplus reserves into paid-in capital (or share capital)													
c. Surplus reserves offsetting losses													
d .Change of Defined Benefit Plan transferred to retained earnings													
e. Other comprehensive income carried forward to retained earnings													
f. Others													
(5) General risk reserve													
a. Appropriation for the period													
b. Use for the period													
4.Balance as at the end of the current year	7,820,000,000.00		715,480,000.00		4,724,573,173.44		-197,171,782.92	82,177.38	7,610,257.91	29,169,577.24	191,297,599.93	4,980,318,146.50	18,271,359,149.48

Lianyungang Port Group Co., Ltd.
Consolidated Statement of Changes in Shareholders' Equity

For the year ended December 31, 2022

Monetary Unit: RMB

Item	2021 (Jan-Dec)												
	Equity attributable to owners of the parent company											Minority equity	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred stock	Sustainable debt	Others									
1. Balance as at the end of last year	7,820,000,000.00		1,289,400,000.00		2,539,064,076.58		-64,846,544.87	146,893.99	7,610,257.91	29,169,577.24	134,152,316.99	5,222,704,788.53	16,977,401,366.37
Add: adjustments for changes in accounting policies													
Adjustments for correction of accounting errors in prior year													
Merger of enterprises under the same control													
Others													
2. Balance as at the beginning of the current year	7,820,000,000.00		1,289,400,000.00		2,539,064,076.58		-64,846,544.87	146,893.99	7,610,257.91	29,169,577.24	134,152,316.99	5,222,704,788.53	16,977,401,366.37
3. Increases/decreases in equity for the year ("-" for decreases)			-122,900,000.00		867,965,007.76		38,979,758.58	-64,716.61			42,374,223.15	201,709,847.10	1,028,064,119.98
(1)Total comprehensive income							38,979,758.58				60,374,223.15	229,835,677.50	329,189,659.23
(2)Capital contributed or decreased by owners			-122,900,000.00		867,965,007.76							24,440,248.35	769,505,256.11
a. Capital contributions by owners					2,113,421,915.00							43,120,000.00	2,156,541,915.00
b. Capital contributions by other equity instruments holders			-122,900,000.00										-122,900,000.00
c. Amounts of share-based payments recognized in owners' equity													
d. Others					-1,245,456,907.24							-18,679,751.65	-1,264,136,658.89
(3)Profit distribution											-18,000,000.00	-52,566,078.75	-70,566,078.75
a. Appropriation of surplus reserves													
b. Appropriation of general risk reserve													
c. Profit distributed to owners (or shareholders)													
d. Others											-18,000,000.00	-52,566,078.75	-70,566,078.75
(4) Internal carry-forward of owners' equity													
a. Conversion of capital reserves into paid-in capital (or share capital)													
b. Conversion of surplus reserves into paid-in capital (or share capital)													
c. Surplus reserves offsetting losses													
d. Change of Defined Benefit Plan transferred to retained earnings													
e. Other comprehensive income carried forward to retained earnings													
f. Others													
(5) General risk reserve								-64,716.61					-64,716.61
a.Appropriation for the period													-
b.Use for the period								64,716.61					64,716.61
4.Balance as at the end of the current year	7,820,000,000.00		1,166,500,000.00		3,407,029,084.34		-25,866,786.29	82,177.38	7,610,257.91	29,169,577.24	176,526,540.14	5,424,414,633.63	18,005,465,486.35

Lianyungang Port Group Co., Ltd.

Balance Sheet

As at December 31, 2022

Monetary Unit: RMB

Assets	Note13	Balance as at December 31, 2022	Balance as at December 31, 2021
Current assets:			
Cash and cash equivalents		2,181,271,832.79	1,162,465,851.12
Financial assets held for trading			
Derivative financial assets			
Notes receivable		76,525,525.72	58,843,173.35
Accounts receivable	1	835,617,057.96	810,763,736.99
Accounts receivable financing			
Prepayment		101,852,612.84	96,504,013.25
Other receivables	2	18,191,271,477.08	16,939,869,963.56
Inventories		42,320,722.88	21,979,437.20
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		2,536,253.72	158,999,683.38
Total current assets		21,431,395,482.99	19,249,425,858.85
Non-current assets:			
Investment in debt instruments			
Investment in other debt instruments			
Long-term receivables			
Long-term equity investments	3	14,506,530,797.44	12,743,362,155.27
Investment in other equity instruments		46,489,525.56	37,178,866.12
Other non-current financial assets		202,650,048.00	76,885,000.00
Investment property		691,306,308.12	713,130,676.56
Fixed assets		1,774,441,088.60	1,620,855,219.41
Construction in progress		11,074,527,235.42	9,356,136,030.94
Productive biological assets			
Oil and gas assets			
Right of use assets			
Intangible assets		2,151,495,428.74	2,232,544,918.36
Development expenditure			
Goodwill			
Long-term deferred expenses		123,392,251.72	108,572,382.70
Deferred tax assets		103,149,247.68	99,767,750.24
Other non-current assets			203,539.82
Total non-current assets		30,673,981,931.33	26,988,636,539.42
Total assets		52,105,377,414.32	46,238,062,398.27

Lianyungang Port Group Co., Ltd.
Balance Sheet (Cont.)

As at December 31, 2022

Monetary Unit: RMB

Liabilities and owners' equity	Note13	Balance as at December 31, 2022	Balance as at December 31, 2021
Current liabilities:			
Short-term loans		5,711,625,069.00	5,705,933,753.48
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payables		1,431,335,780.52	773,930,000.00
Accounts payables		388,440,066.24	656,428,498.10
Receipts in advance			
Contract liabilities		32,547,639.67	30,175,960.84
Employee benefits payable		53,265,536.44	43,646,700.46
Taxes payable		1,829,528.25	2,400,170.75
Other payables		1,240,176,642.89	1,427,217,149.07
Liabilities held for sale			
Non-current liabilities due within one year		10,713,723,124.07	8,125,564,548.26
Other current liabilities		3,504,231,193.16	1,648,490,119.73
Total current liabilities		23,077,174,580.24	18,413,786,900.69
Non-current liabilities:			
Long-term loans		4,144,927,521.34	4,798,555,841.37
Bonds payable		6,889,958,670.25	6,684,122,769.97
Including: preferred stock			
sustainable debt			
Lease liabilities			
Long-term payables		3,766,816,945.58	2,866,482,960.89
Provision			
Deferred revenue		41,271,724.25	33,696,379.08
Deferred tax liabilities		8,682,381.38	6,354,716.52
Other non-current liabilities			
Total non-current liabilities		14,851,657,242.80	14,389,212,667.83
Total liabilities		37,928,831,823.04	32,802,999,568.52
Owners' equity (or shareholders' equity)			
Share capital		7,820,000,000.00	7,820,000,000.00
Other equity instruments		715,480,000.00	1,166,500,000.00
Including: preferred stock			
sustainable debt		715,480,000.00	1,166,500,000.00
Capital reserves		4,484,139,933.91	3,269,942,144.81
Less: Treasury shares			
Other comprehensive income		27,751,843.39	20,768,848.81
Special reserves		82,177.38	82,177.38
Surplus reserves		207,610,257.91	207,610,257.91
General risk preparedness			
Undistributed profits		921,481,378.69	950,159,400.84
Total owners' equity (or shareholders' equity)		14,176,545,591.28	13,435,062,829.75
Total liabilities and owners' equity		52,105,377,414.32	46,238,062,398.27

Lianyungang Port Group Co., Ltd.
Income Statement
For the year ended December 31, 2022

Monetary Unit: RMB

Item	Note13	2022 (Jan-Dec)	2021 (Jan-Dec)
1. Total operating income	4	1,300,785,419.98	1,021,479,719.80
Less: Operating costs	4	875,748,569.26	719,140,035.82
Taxes and surcharge		4,091,540.00	13,710,327.34
Selling and distribution expenses			
Administrative expenses		441,826,913.37	315,987,595.59
Research and development expenses			
Financial expenses		1,136,554,219.56	820,524,601.44
Including:interest expense		1,054,237,572.83	794,477,679.73
interest income		15,827,141.98	22,092,919.73
Add: Other income		129,143,007.45	171,166,970.15
Investment income ("-" for losses)	5	1,080,342,039.75	775,596,113.79
Including: income from investment in associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost ("-" for losses)			
Net exposure to hedging gains("-"for loss)			
Gains from changes in fair value ("-" for losses)			
Credit impairment loss ("-" for losses)		-14,675,989.74	-71,959,942.33
Impairment loss of assets			-101,836.85
Gains from disposal of assets ("-" for losses)		34,743.68	2,207,267.41
2. Operating profits ("-" for losses)		37,407,978.93	29,025,731.78
Add: Non-operating income		697,371.89	13,359,605.04
Less:Non-operating expenses		25,127,029.67	13,334,532.08
3. Total profits before tax ("-"for total losses)		12,978,321.15	29,050,804.74
Less:Income tax expenses		-3,333,656.70	-21,363,440.71
4. Net profit ("-" for net loss)		16,311,977.85	50,414,245.45
Classification by operating continuity:		16,311,977.85	50,414,245.45
Net profit from continuing operation ("-" for losses)			
5. Net of income tax effect of other comprehensive income		6,982,994.58	1,225,520.25
(1)Other comprehensive income items which will not be reclassified subsequently to profit or loss		6,982,994.58	2,726,082.04
a.Remeasurement of changes in defined benefit plans			
b.Other comprehensive income that cannot be transferred to profit or loss under the equity method			
c.Changes in fair value of other equity instrument investments		6,982,994.58	2,726,082.04
d.Changes in fair value of enterprise's own credit risk			
(2)Other comprehensive income items which will be reclassified subsequently to profit or loss			-1,500,561.79
a.Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit and loss			-1,500,561.79
b.Changes in fair value of other debt investments			
c.Amount of financial assets reclassified into other comprehensive income			
d.Provision for credit impairment of other debt investments			
e.The effective hedging portion of gains or losses arising from cash flow hedging instruments			
f.Translation differences arising on translation of foreign currency financial statements			
g.Others			
6.Total comprehensive income		23,294,972.43	51,639,765.70
7. Earnings per share			
(1)Basic earnings per share			
(2)Diluted earnings per share			

Lianyungang Port Group Co., Ltd.
Cash Flows Statement

For the year ended December 31, 2022

Monetary Unit: RMB

Item	Note13	2022 (Jan-Dec)	2021 (Jan-Dec)
1. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		1,228,008,543.31	1,027,339,235.03
Refunds of taxes and surcharges		58,936,149.00	76,617,074.59
Cash received from other operating activities		836,749,687.57	696,656,293.42
Sub-total of cash inflows from operating activities		2,123,694,379.88	1,800,612,603.04
Cash paid for goods purchased and services received		750,773,136.78	672,499,598.90
Cash paid to and on behalf of employees		229,078,780.18	224,708,594.88
Cash paid for taxes and surcharges		31,715,035.40	29,935,023.46
Cash paid for other operating activities		1,325,578,961.33	98,764,041.48
Sub-total of cash outflows from operating activities		2,337,145,913.69	1,025,907,258.72
Net cash flows from operating activities		-213,451,533.81	774,705,344.32
2. Cash flows from investing activities			
Cash received from disposal of investments		9,271,000.00	
Cash received from returns on investments		92,184,947.53	73,771,112.88
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		34,743.68	50,600.00
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		101,490,691.21	73,821,712.88
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		829,654,628.46	916,477,804.49
Cash paid for investments		1,239,230,898.00	705,770,998.02
Net cash paid to acquire subsidiaries and other business units		5,000,000.00	
Cash paid for other investing activities			
Sub-total of cash outflows from investing activities		2,073,885,526.46	1,622,248,802.51
Net cash flows from investing activities		-1,972,394,835.25	-1,548,427,089.63
3. Cash flows from financing activities			
Cash received from investors			
Cash received from borrowings		21,861,422,170.00	16,726,992,099.00
Cash received from other financing activities		2,540,637,269.71	4,192,842,553.60
Sub-total of cash inflows from financing activities		24,402,059,439.71	20,919,834,652.60
Cash repayments of borrowings		17,757,056,272.96	17,727,529,204.70
Cash paid for distribution of dividends and profits or payment of interest		1,764,746,047.83	1,482,126,648.21
Cash paid for other financing activities		1,880,451,805.28	1,020,988,548.31
Sub-total of cash outflows from financing activities		21,402,254,126.07	20,230,644,401.22
Net cash flows from financing activities		2,999,805,313.64	689,190,251.38
4. Effect of foreign exchange rate changes on cash and cash equivalents		-2,926,434.45	
5. Net increase/(decrease) in cash and cash equivalents		811,032,510.13	-84,531,493.93
Add: balance of cash and cash equivalents at the beginning of the period		1,137,612,664.41	1,222,144,158.34
6. Balance of cash and cash equivalents at the end of the period		1,948,645,174.54	1,137,612,664.41

Lianyungang Port Group Co., Ltd.
Statement of Changes in Shareholders' Equity
For the year ended December 31, 2022

Monetary Unit: RMB

Item	2022 (Jan-Dec)											
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
		Preferred stock	Sustainable debt	Others								
1. Balance as at the end of last year	7,820,000,000.00		1,166,500,000.00		3,269,942,144.81		20,768,848.81	82,177.38	207,610,257.91		950,159,400.84	13,435,062,829.75
Add: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at the beginning of the current year	7,820,000,000.00		1,166,500,000.00		3,269,942,144.81		20,768,848.81	82,177.38	207,610,257.91		950,159,400.84	13,435,062,829.75
3. Increases/decreases in equity for the year ("-" for decreases)			-451,020,000.00		1,214,197,789.10		6,982,994.58				-28,678,022.15	741,482,761.53
(1)Total comprehensive income							6,982,994.58				16,311,977.85	23,294,972.43
(2)Capital contributed or decreased by owners			-451,020,000.00		1,214,197,789.10							763,177,789.10
a. Capital contributions by owners												
b. Capital contributions by other equity instruments holders			-451,020,000.00									-451,020,000.00
c. Amounts of share-based payments recognized in owners' equity												
d. Others					1,214,197,789.10							1,214,197,789.10
(3)Profit distribution											-44,990,000.00	-44,990,000.00
a. Appropriation of surplus reserves												
b. Appropriation of general risk reserve												
c. Profit distributed to owners (or shareholders)											-44,990,000.00	-44,990,000.00
d. Others												
4) Internal carry-forward of owners' equity												
a. Conversion of capital reserves into paid-in capital (or share capital)												
b. Conversion of surplus reserves into paid-in capital (or share capital)												
c. Surplus reserves offsetting losses												
d. Change of Defined Benefit Plan transferred to retained earnings												
e. Other comprehensive income carried forward to retained earnings												
f. Others												
5)Special reserves												
a. Appropriation for the period								-				
b. Use for the period								-				
Balance as at the end of the current year	7,820,000,000.00		715,480,000.00		4,484,139,933.91		27,751,843.39	82,177.38	207,610,257.91		921,481,378.69	14,176,545,591.28

Lianyungang Port Group Co., Ltd.
Statement of Changes in Shareholders' Equity

For the year ended December 31, 2022

Monetary Unit: RMB

Item	2021 (Jan-Dec)										
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
		Preferred stock	Sustainable debt	Others								
1. Balance as at the end of last year	7,820,000,000.00		1,289,400,000.00		2,226,554,162.08		19,543,328.56	82,177.38	207,610,257.91		917,745,155.39	12,480,935,081.32
Add: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at the beginning of the current year	7,820,000,000.00		1,289,400,000.00		2,226,554,162.08		19,543,328.56	82,177.38	207,610,257.91		917,745,155.39	12,480,935,081.32
3. Increases/decreases in equity for the year ("-" for decreases)			-122,900,000.00		1,043,387,982.73		1,225,520.25				32,414,245.45	954,127,748.43
(1)Total comprehensive income							1,225,520.25				50,414,245.45	51,639,765.70
(2)Capital contributed or decreased by owners			-122,900,000.00		1,043,387,982.73							920,487,982.73
a. Capital contributions by owners					2,113,421,915.00							2,113,421,915.00
b. Capital contributions by other equity instruments holders			-122,900,000.00									-122,900,000.00
c. Amounts of share-based payments recognized in owners' equity												
d. Others					-1,070,033,932.27							-1,070,033,932.27
(3)Profit distribution											-18,000,000.00	-18,000,000.00
a. Appropriation of surplus reserves												
b. Appropriation of general risk reserve												
c. Profit distributed to owners (or shareholders)											-18,000,000.00	-18,000,000.00
d. Others												
(4) Internal carry-forward of owners' equity												
a. Conversion of capital reserves into paid-in capital (or share capital)												
b. Conversion of surplus reserves into paid-in capital (or share capital)												
c. Surplus reserves offsetting losses												
d .Change of Defined Benefit Plan transferred to retained earnings												
e. Other comprehensive income carried forward to retained earnings												
f. Others												
5)Special reserves												
a.Appropriation for the period												
b.Use for the period												
6.Balance as at the end of the current year	7,820,000,000.00		1,166,500,000.00		3,269,942,144.81		20,768,848.81	82,177.38	207,610,257.91		950,159,400.84	13,435,062,829.75

LIANYUNGANG PORT GROUP CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

(All amounts are expressed in Renminbi unless otherwise stated)

I. Company Profile

1. Company Overview

Lianyungang Port Group Co., Ltd. (the "Company") registered at Lianyungang Market Supervision and Administration Bureau with Unified Social Credit Code No. 91320700139008250P. Registered address of the Company: Zhonghua West Road 18-5, Lianyun District, Lianyungang. The legal representative: Yang Long. The registered capital of the Company is RMB 7.82 billion yuan. Company type: Limited liability company (legal person).

Port of Lianyungang was opened in 1933. Since 1961, the Lianyungang Port Authority was established managed by the Department of Transport. Since 1987, the Lianyungang Port Authority was renamed as Lianyungang Harbor Authority co-administrated by the Department of Transport and the local government. Since 2002, Lianyungang Harbor Authority was administrated only by Lianyungang municipal government according to the document [2001] No.91 issued by Office of the State Council. The formation of Lianyungang Port Group Co., Ltd was approved by the People's Government of Jiangsu Province and related government department in 2003. Lianyungang Port Group Co., Ltd was established in November 25, 2003 approved by the document [2003] No.28 issued by Lianyungang municipal government.

Lianyungang Municipal Government invested the assets of Lianyungang Port Group Co., Ltd. to Lianyungang port Holding Group Co., Ltd. according to the document [2015] No.39 issued by Lianyungang Municipal Government in August 17, 2015. Shareholders of Lianyungang Port Group Co., Ltd. was changed from Lianyungang Municipal government to Lianyungang port Holding Group Co., Ltd.

On May 22, 2017, Guokai development fund Co., Ltd. increased its capital by 820 million yuan, with the paid in capital of 7.82 billion yuan, of which Lianyungang Port Holding Group Co., Ltd. held 89.51% shares and Guokai development fund Co., Ltd. held 10.49% shares

Business scope of the Company: Provide port facility such as berth, lightering anchorage, mooring buoy for ship; provide ship facilities and services for passenger ; provide cargo for the client (including lightering), warehousing, lightering within a port, container stacking, and the demolition LCL goods and their packaging simple processing etc.; as the ship out of the harbor, dock, shifting with pushing and pulling service; provide the goods count during the handover point and check the surface condition of goods tally services to clients; for the ship to provide shore power, fuel supply, life and goods supply, crew and ship pollutants transfer (oily water, residual oil, wash tank water, sewage and garbage); supply of oil fences and laundry service; provide the port facilities, equipment (including locomotives) and the port machinery leasing, maintenance business(service provided according to the port business license);bonded warehousing (excluding dangerous chemicals); port and waterway engineering, construction Engineering, water supply and drainage engineering, mechanical and electrical equipment installation engineering, road and bridge engineering, building intelligent engineering, design and construction for communication pipeline engineering, port dredging operations; coal sales; real estate development and management, international shipping agency; property management services; software development and system integration; network technology services; international freight forwarding; the goods along the coast, along the river and the inland waterway transport; environmental engineering supervision and detection of environmental technology services; self and agent all kinds of goods and technology import and export business; except the prohibition of the enterprise operation or the import and export of goods and technologies by the state; communication engineering construction; road transport of ordinary goods, special transport of goods (tank type), dangerous goods transport operations (Category 3) (except for highly toxic chemicals); wholesale and retail of pre packaged food and stage bulk food; bottles (barrels) of drinking water production and sales; catering services; accommodation services; cigarette retail (cigar); shipbuilding; ship repair and diving operations; labor services (excluding labor dispatch); health service;

measuring instrument detection and weighing equipment installation test; non degree occupation skill training; waste recycling; municipal government authorization management and the management of state-owned capital within the scope; to limit branches operating permit: ethanol gasoline, diesel, kerosene retail; gas sales. (subject to the approval of the project, approved by the relevant departments to carry out business activities before).

2. Consolidated Financial Statement Scope

The scope of consolidation of the Company's consolidated financial statements is based on control, and all subsidiaries are included in the consolidation scope of the consolidated financial statements.

The change of scope of consolidated statements is shown in the following stable:

2.1 The business entities that are newly incorporated into the scope of the merger:

Company name	Obtaining Method
Lianyungang Port Holding Group Xuwei Co., Ltd	Equity transfer
Lianyungang Xinxin Port Logistics Co., Ltd	Acquisition of minority shareholder equity and acquisition of control
Lianyungang Xinxin Chemical Logistics Co., Ltd	Newly established company
Sulong (Gansu) Logistics Supply Chain Co., Ltd	Newly established company

2.2. The business entities that are not incorporated into the scope of the merger, the structural entities or business entities forming control in the other way:

Company name	Reason
Lianyungang Jinhe Development and Construction Co., Ltd	Equity transfer

Details of the sub companies incorporated into the consolidated financial statements show on "Note Ⅶ. Interests in subsidiaries", changes of consolidated scope see details in "Note Ⅵ. Changes in consolidated scope".

II. Basis of preparation of financial statements

1. Base preparation

The Company prepares its financial statements on a going concern basis, and recognizes and measures its accounting items in compliance with the Accounting Standards for Business Enterprises—Basic Standards and various concrete accounting standards, and other relevant provisions on the basis of actual transactions and events.

2. Continuous operation

The company's management believes that the company has the ability to continue to operate at least 12 months since the end of the final period.

III. Significant Accounting Policies, Accounting Estimates

1. Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company's financial position, operating results, cash flows and other related information for the reporting period.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 in calendar year.

3. Functional currency

The Company adopts RMB as functional currency.

4. Accounting treatment methods for business combination under and not under common control

4.1 Accounting treatment method for business combination under common control

Business combination under common control is accounted for under pooling of interest method.

Assets and liabilities obtained by the Company through business combination under common control shall be measured at the book value as stated in the consolidated financial statements of the ultimate controlling party at combination date; the initial investment cost of long-term equity investments in the individual financial statements shall be the absorbing party's share of the carrying amount of the owners' equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party. The differences between initial investment cost of long-term equity investments and consideration of the combination(including cash paid, non-cash assets transferred, the liabilities incurred or assumed or the aggregate face value of the share issued) shall be adjusted to capital reserve(stock premium or capital premium). If the capital reserve (stock premium or capital premium) is insufficient to offset, offset surplus reserve and undistributed profit in turn.

4.2 Accounting treatment method for business combination not under common control

The Company accounts for business combination not under common control under purchase method.

a) All the net identifiable assets, liabilities or contingent liabilities obtained by the Company through business combination not under common control shall be measured based on the fair values of assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination on the acquisition date, and differences between their fair values and book values shall be included in the current profit and loss.

b) The cost of acquisition shall be respectively determined for the following conditions;

i. Business combination of a transaction implementation, the combination cost shall be the sum of the fair values of the assets given, the liabilities incurred or assumed and the equity securities issued by the Company in exchange for the control on the acquisition date, and contingent considerations meeting the recognition conditions. The combination cost is the initial investment costs of long-term equity investments in individual financial statements.

ii. Business combination through multiple transactions step by step to realized, the combination cost shall be the sum of the fair value measurement on the acquisition of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Long-term equity investment cost in individual financial statements shall be the sum of the book value of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Except for a single transaction.

c) The Company, on the acquisition date, allocates the combination costs between the identifiable assets and liabilities acquired

i. All assets of the acquiree obtained by the Company through business combination(not limited to those that have been recognized by the acquiree), other than intangible assets, shall be separately recognized and measured at fair value when the future economic benefits arising thereafter are expected to flow into the Company and the fair value can be reliably measured.

ii. Intangible assets of the acquiree obtained by the Company through business combination shall be separately recognized and measured at fair value when their fair values can be reliably measured.

iii. All liabilities of the acquiree obtained by the Company through business combination, other than contingent liabilities, shall be separately recognized and measured at fair value when fulfillment of relevant obligations are expected to bring future economic benefits to the Company and the fair value can be reliably measured.

iv. Contingent liabilities of the acquiree obtained by the Company through business combination shall be separately recognized as liabilities and measured at fair value when their fair values can be reliably measured.

v. When the Company allocates the cost of business combination and recognizes the identifiable assets and liabilities acquired through combination, it shall not include any goodwill and deferred income taxes that have been recognized by the acquiree before the business combination.

d) Treatment of the difference between the business combination costs and the fair value of net identifiable asset acquired from the acquiree through combination

i. The Company shall recognize the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill.

ii. The Company shall recognize the difference of the combination costs in short of the fair value of the net identifiable asset acquired from the acquiree through combination according to the following provisions:

1) Review the measurement of fair values of all the identifiable assets, liabilities and contingent liabilities acquired from the acquiree and the combination costs;

2) After the review, if the combination costs are still in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

4.3. Treatment of relevant expenses arising from the Company's business combination

a) Relevant expenses directly arising from the business combination of the Company (including the expenses for audit, legal services, evaluation and consultation or other intermediary costs for business combination) shall be included in the current profit and loss when they are incurred.

b) Commissions, fees and other expenses paid on issuance of bonds and undertaking of other debts for the business combination shall be included in the initial measurement amount of debt securities.

i. Where the bonds are issued at discount or par value, that part of expenses will increase the amount of the discount;

ii. Where the bonds are issued at premium, that part of expenses will decrease the amount of the premium.

c) Fees, commissions, and other transaction expenses paid on issuance of equity securities as combination consideration in the business combination shall be included in the initial measurement amount of equity securities.

i. Where the equity securities are issued at premium, that part of expenses shall be deducted from capital reserves (stock premium);

ii. Where the equity securities are issued at par value or discount, that part of expenses shall be deducted from the retained earnings.

5. Preparation of consolidated financial statements

5.1 Consistency of accounting policies and accounting period

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company.

5.2 Preparation method of consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the parent company according to other relevant information after the adjustment to long-term equity investments in subsidiaries under the equity method and the elimination of effects of the internal transactions between the Company and its subsidiaries and between the subsidiaries on the consolidated financial statement.

5.3 Reflection of excess losses incurred to a subsidiary in the consolidated financial statements

In the consolidated financial statements, where the current losses undertaken by the parent company

are in excess of its share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the owners' equity (retained earnings) of the parent company; where the current losses undertaken by a subsidiary's non-controlling interests excess their share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the non-controlling interests.

5.4 Changes in number of subsidiaries during the reporting period

a) Acquisition of subsidiaries during the reporting period

i. Treatment of acquiring subsidiaries from business combination under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination under common control, the beginning balance in the consolidated balance sheet shall be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flows.

ii. Treatment of acquiring subsidiaries from business combination not under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination not under common control, the beginning balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flows.

b) Treatment of disposing subsidiaries during the reporting period

During the reporting period, if the Company disposes subsidiaries, the beginning balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly disposed sub diaries from the beginning to the disposal date shall be included in the consolidated income statement. The cash flows from the beginning to the disposal date shall be included in the consolidated statement of cash flows.

6. Cash and cash equivalents

The term "cash" refers to cash on hand and unrestricted bank deposit and other cash and cash equivalents.

The term "cash equivalents" refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

7. Foreign currency transactions and translation of foreign currency statements

7.1 Accounting method of foreign currency transactions

a) Initial recognition of foreign currency transactions

For foreign currency transactions incurred, the Company converts the amount in foreign currency into the amount in functional currency at the spot exchange rate (middle rate) announced by the People's Bank of China on the transaction date. Among them, for foreign currency exchange occurred or transaction involving foreign currency exchange, the Company converts at the exchange rate actually adopted on the transaction date.

b) Adjustment or settlement on the balance sheet date or settlement date

On the balance sheet date or the settlement date, the Company handles foreign currency monetary items and foreign currency non-monetary items separately in accordance with the following methods:

i. Accounting principles for handling foreign currency monetary items

For foreign currency monetary items, on the balance sheet date or the settlement date, the

Company converts them by using the spot exchange rate (middle rate) prevailing on the balance sheet date or settlement date, and adjusts the amount in functional currency of foreign currency monetary items in respect of the difference arising from exchange rate fluctuations, which shall be treated as exchange difference at the same time. Among them, the exchange differences arising from foreign currency borrowings relating to the acquisition, construction or production of assets eligible for capitalization shall be included in the costs of assets eligible for capitalization; other exchange differences shall be included in the current financial expenses.

ii. Accounting principles for handling foreign currency non-monetary items

1) For foreign currency non-monetary items measured at historical cost, the Company shall convert them at the spot exchange rate (middle rate) prevailing on the transaction date, with their amounts in functional currency remaining unchanged and no exchange differences incurred.

2) For an inventory that is measured at the lower of its costs or its net realizable values, if the net realizable value is determined in foreign currency, the Company, when determining the value of the inventory at the end of the period, shall firstly convert the net realizable value into functional currency and then compare it with the inventory cost reflected in functional currency.

3) Non-monetary items measured at fair value that is reflected in foreign currency at the end of the period, the Company shall firstly translate the foreign currency into the amount in functional currency at the spot exchange rate on the date when the fair value is determined, and then compare it with the original functional currency amount. Difference between the translated functional currency amount and the original functional currency amount is treated as profit or loss from changes in fair value (including changes in exchange rate) and is recognized in current profit and loss.

7.2 Accounting treatment method for translation of foreign currency statements

a) The Company shall translate the financial statements of foreign operations in accordance with the following methods:

i. Assets and liabilities in the balance sheets shall be translated at the spot exchange rates on balance sheet date. Shareholders' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the dates when the transactions occur.

ii. Revenue and expense items in the income statement are translated at the spot exchange rates on the dates when the transactions occur or at the exchange rate determined in a systematical and reasonable method and similar to the spot exchange rate on the day when the transactions occur.

Differences arising from the above translations of foreign currency financial statements are separately listed under 'other comprehensive income' in the consolidated balance sheet.

b) The Company shall translate the financial statements of foreign operations that are in virulent inflation economy in accordance with the following methods:

i. The Company restates the items in the balance sheet by using the general price index, and restates the items in the income statement by using the changes in general price index, and then converts those items at the spot exchange rate on the latest balance sheet date.

ii. Where the foreign operations are no longer in virulent inflation economy, the Company ceases to restate the financial statements and converts the financial statements restated according to the price level on such cease.

c) Where the Company disposes of an overseas business, it shall transfer the foreign currency financial statements exchange difference, which relates to the business disposed of and is presented under the items of the other comprehensive income in the balance sheet, from the other comprehensive income item to the gain or loss on disposal for the current period. If the overseas business is partly disposed of, the foreign currency financial statements exchange difference shall be calculated in proportion to the percentage of disposal and transferred to gain or loss on disposal for the current period.

8. Financial instruments

Financial instruments are the financial asset, financial liability or (equity) instrument will be recognised when the Company became one of the parties under a contract.

8.1 Classification of financial instruments

a) Classification of financial assets

According to the company's business model of managing financial assets and the characteristics of contract cash flow of financial assets, financial assets are classified into the following three categories: financial assets measured at amortised cost; financial assets measured at fair value through other comprehensive income (including financial assets directly designated to be measured at fair value through other comprehensive income)("FVOCI"); and financial assets measured at fair value through the current profit or loss("FVTPL").

b) Classification of financial liabilities

The Company classifies the financial liabilities into the following two categories: financial liabilities measured at FVTPL (including financial liabilities held for trading and financial liabilities directly designated to be at FVTPL); and financial liabilities measured at amortized cost.

8.2 Recognition basis and measurement method of financial instruments

a) Recognition basis of financial instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

b) Measurement method of financial instruments

i. Financial assets

Financial assets are measured at fair value upon initial recognition. For financial assets at FVTPL, relevant transaction costs are directly recognised in profit or loss for the period. For other categories of financial assets, relevant transaction costs are included in the amount initially recognised. Accounts receivable or notes receivable arising from sales of goods or rendering services and without significant financing component or the company decided not to consider financing elements for less than one year are initially recognised based on the amount of consideration expected to be entitled to receive.

1) Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method after initial recognition. Gains/losses on financial assets that are measured at amortised cost and are not a part of any hedging relationship shall be recognised in profit or loss when the financial asset is derecognised or reclassification or amortised using the effective interest method or recognized the impairment allowance.

2) Financial assets at FVOCI

These assets are subsequently measured at fair value after initial recognition. Except impairment, foreign exchange gains and losses, interest income calculated using the effective interest method are recognised in profit or loss; other gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are transferred to profit

or loss.

In addition, the company designated some non-tradable equity instruments as financial assets at FVOCI; the company shall recognise the relevant dividend income of such financial assets into the current profit and loss, and recognise the change of fair value in other comprehensive income. On derecognition, the accumulated gains/losses previously recognized in other comprehensive income shall be transferred to retained earnings and not be recognised in current profit and loss.

3) Financial assets at FVTPL

The Company classifies the financial assets into financial assets at FVTPL except for financial assets measured at amortized cost or financial assets at FVOCI as mentioned above. In addition, the company may designate some financial assets as financial assets at FVTPL upon the initial recognition to eliminate or significantly reduce accounting mismatch. For such financial assets, the company adopts the fair value for subsequent measurement, and changes in fair value are recognized in the profit or loss for the current period.

ii. Financial liabilities

Financial liabilities shall be classified into financial liabilities measured at FVTPL upon initial recognition and other financial liabilities. For financial liabilities measured at FVTPL, relevant transaction costs are directly recognized in the current profit and loss, and the relevant transaction costs of other financial liabilities are recognized in the initial recognition amount.

1) Financial liabilities measured at FVTPL

Financial liabilities held for trading (including derivatives of financial liabilities) shall be subsequently measured at the fair value. Except for those related to hedge accounting, changes in the fair value shall be recognized in the profit or loss of the current period. For financial liabilities designated to be at FVTPL, fair value changes caused by the Company's own credit risk changes which is recognised in other comprehensive income, when the liability is derecognition, the accumulated change in its fair value caused by the change in its own credit risk recognized in other comprehensive income is transferred to retained earnings, the remaining changes of fair value is record in profit of loss. If the above treatment of the impact of the change in the credit risk of such financial liabilities will cause or expand the accounting mismatch in the profit and loss, the company will record all the gains/losses of such financial liabilities (including the amount affected by fair value changes in enterprise's own credit risk) into the current profit and loss.

2) Financial liabilities measured at amortized cost

Except financial liabilities that arise when a transfer of a financial assets does not qualify for derecognition or when the continuing involvement approach applies security contract are classified as financial liabilities measured by amortized cost, or financial subsequently measurement at amortized cost, and record the profits or losses guarantee contracts recognition or amortization into the current profit and loss.

8.3 Financial assets transfer

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the Company derecognises the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognized as its assets or liabilities; if the Company retains substantially all

the risks and rewards of ownership of the financial asset, it continues to recognise the transferred financial assets. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it is accounted for as follows: if the Company has not retained control, it derecognises the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognized as its assets or liabilities; and if the Company has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes the relevant liability.

Where transfer of financial assets qualify for derecognition entirety, the difference between the following two amounts will be included into current profit or loss: The book value measured at the date of derecognition; and The sum of the consideration for the derecognition part and the portion of derecognition corresponding to the accumulated amount of the changes in fair value originally and directly included in OCI (involving the situation where the financial asset transferred is a debt instrument investment measured at fair value and recognized in other comprehensive income). The Company transferred the partial transfer of financial assets which qualify for derecognition, the overall carrying amount of the transferred financial asset shall be apportioned according to their respective relative fair value between the portion of derecognition and the remaining.

8.4 Derecognition of financial liabilities

If the current obligation of the financial liability (or part thereof) has been discharged, the company shall remove financial liability (or part thereof), and the company shall recognize the difference between its book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) in the current profit and loss.

8.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities shall be shown separately in the balance sheet and shall not be offset against each other. If the following conditions are met at the same time, the net value offset each other after amount listed in the balance sheet:

The company has offset the confirmed amount of legal rights of financial assets and financial liabilities, and this kind of legal rights is the executable; and

The company plans to net or cash at the same time when the financial assets and liquidation of the financial liability.

If the transfer of financial assets does not meet the conditions for derecognition, the transferor shall not offset the transferred financial assets and related liabilities.

8.6 Equity instruments

Equity instruments are contracts that prove ownership of the residual interest in the company's assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of the equity instruments of the company shall be treated as changes in the equity. The company does not recognize changes in the fair value of equity instruments, and the transaction fees related to the equity transactions shall be deducted from the equity. Where the equity instrument of the company distributes dividends during the term of its existence, it shall be treated as profit distribution, and the total amount of shareholders' equity will not be affected by the stock dividends issued.

8.7 Method for determining the fair value of financial assets and financial liabilities

Where there is an active market for a financial instrument, the company shall determine its fair value by quoting in the active market. Where there is no active market for the financial instrument, the company shall determine its fair value by means of valuation technology. In valuation, the company uses valuation techniques applicable in the current situation and supported by sufficient available data and other information to select input values consistent with the characteristics of assets or liabilities considered by market participants in transactions of related assets or liabilities, and gives priority to relevant observable input values as far as possible. Use unobservable inputs only when relevant observable inputs cannot be obtained or are impracticable to obtain.

Upon initial recognition, the fair value of financial assets or financial liabilities is determined by the quoted price of the same assets or liabilities in the active market or other valuation technology that only uses observable market data, the Company defers the difference between the fair value and the transaction price. After initial recognition, the Company recognizes the deferred difference as gain or loss in the corresponding accounting period according to the changes of a certain factor in the corresponding accounting period.

8.8 Impairment of Financial Assets

Based on the expected credit losses ("ECL"), the Company shall recognise the impairment loss on financial assets measured at amortized cost, debt instrument investment at FVOCI.

a) The approach of recognition loss allowance for ECL

Considering the reasonable and valid information such as past events, current conditions and forecast of future economic conditions, and weighted by the risk of default, the Company calculates the probability weighted amount of the present value of the difference between the cash flow receivable under the contract and the expected cash flow to be received, and recognise the ECL.

i. General approach

The Company assess whether the credit risk of financial instruments in different stages at each reporting date has increased significantly. If the financial instruments' credit risk have not increased significantly after initial recognition, it will be included in phase 1, and the Company measures the loss allowance for those instruments at an amount equal to 12-month ECL; if the financial instruments' credit risk have increased significantly but without objective evidence for impairment after initial recognition, it will be included in phase 2, and the Company measures the loss allowance of those instruments at an amount equal to lifetime ECL; if the financial asset that is evidently credit-impaired after initial recognition, it will be included in phase 3, and the Company measures the loss allowance of those financial instruments at an amount equal to lifetime ECL. For financial instruments with low credit risk on the balance sheet date (e.g.fixed deposits in commercial banks with higher credit rating, financial instruments with external credit rating above "investment grade"), the Company assumes that the credit risk has not increased significantly since the initial recognition and chooses to measure the loss allowance according to the ECL in the next 12 months.

ii. Simplified approach

For accounts receivable, contract assets and notes receivable related to revenues, the Company does not include the significant financing component or does not consider the financing components in contracts less than one year, it will measure the loss allowance according to the ECL of the whole duration.

b) Criteria for determining whether credit risk has increased significantly subsequent to the initial

recognition

If the probability of default of a financial asset in lifetime as determined on the balance sheet date is significantly higher than the probability of default in lifetime as determined at the initial recognition, the credit risk of the financial asset increases significantly.

No matter what method the Company is applied to evaluate whether credit risk has increased significantly, it usually inferred that the credit risk of the financial instrument has increased significantly if the contract payments are more than 30 days past due, unless the Company can get the reasonable and valid information at reasonable cost to evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

Except in special cases, the Company shall use the change of default risk in the next 12 months as a reasonable estimate of the change of default risk in lifetime to determine whether the credit risk has increased significantly to the initial recognition

c) Approach of assessing expected credit risk on a portfolio basis and determine basis

The company evaluates credit risk individually for the credit risk of significantly different notes receivable, accounts receivable and other receivables with the following characteristics. Such as: accounts receivable in dispute with the other party or involving litigation or arbitration; notes receivable, accounts receivable that have shown clear signs that the debtor is likely to be unable to meet repayment obligations.

When it is impossible to evaluate the ECL information of an individual financial asset at a reasonable cost, the Company divides the receivables into several portfolio according to the credit risk characteristics, and calculates the ECL on collective basis. The basis for determining the portfolio is as following:

Account name	Portfolio Name	Approach of assessing expected credit risk
notes receivable / Account receivable financing	Portfolio 1: Bank acceptance bill Portfolio	The management evaluates that such funds has low credit risk , and does not provision for bad debts.
	Portfolio 2: Commercial acceptance bill Portfolio	the Company refers to the historical credit loss experience, and combines the current situation and the forecast of future economic situation, and then estimates ECL with the exposure at default and the life time expected credit loss rate
Account receivable	Portfolio 1: Balance portfolio - related parties	The management evaluates that such funds has low credit risk , and does not provision for bad debts.
	Portfolio 2: Balance portfolio – non-related parties	the Company referees to the historical credit loss experience, and combines the current situation and the forecast of future economic situation, it forms a comparison table between overdue ages of accounts receivable and the life time expected credit loss rate to estimate ECL.
Other receivable	credit risk characteristics portfolio	the Company referees to the historical credit loss experience, and combines the current situation and the forecast of future economic situation, according to the exposure at default 、 In the next 12 months or the life time expected credit loss rate to estimate ECL.

The Company shall take the provision or transfer the loss into the current profit and loss. For the debt instrument investment measured at fair value through other comprehensive income, the Company shall adjust other comprehensive income while recording the impairment loss or gain into the current profit and loss.

9. Inventories

9.1 Classification of inventories

Inventories are classified as: raw materials for repairmen such as main port machinery accessories, fuel, low-cost consumables, stock commodities, developed products, development cost, revolving materials and engineering construction, etc.

9.2 Measurement method of dispatched inventories

Materials and stock commodities are accounted for by using the weighted average method.

9.3 Basis to determine net realizable values of inventories and method of provision for diminution in value of inventories

a) Determination basis of net realizable values of inventories

i. In normal operation process, for merchandise inventories held directly for sale, including stock commodities (finished goods) and materials for sale, their net realizable values are determined at their estimated selling prices minus their estimated selling expenses and relevant taxes and surcharges.

ii. For the inventory of processed materials, in the normal production and operation process, the estimated price of the finished product is subtracted from the estimated cost, estimated sales cost and the amount of related taxes and fees to be incurred at the time of completion, and the net realizable value is determined.

iii. For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in the sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

iv. The materials held for production shall be measured at cost if the net realizable value of the finished products is higher than the cost. If a decline in the value of materials shows that the net realizable value of the finished products is lower than the cost, the materials shall be measured at the net realizable value.

b) Provision for diminution in value of inventory

Provisions for diminution in value of inventory are made at the lower of costs or net realizable values on a single basis.

i. Provisions for diminution in value of inventory are made at the lower of costs or net realizable values on a single basis.

ii. For inventories that have large quantities but low value, the Company provides for diminution in value of inventory on a category basis.

iii. For inventories that are related to product ranges produced and sold in the same district or used for the same or similar ultimate purpose and are difficult to be measured separately from other inventories, the Company provides for diminution in value of inventory on a consolidation basis.

9.4 Inventory system

The Company adopts perpetual inventory system and takes physical inventory counts on a regular basis.

9.5 Amortization method of revolving materials

a) Amortization method of low-cost consumables:

Low-cost consumables are amortized in full at once.

b) Amortization method of packaging materials

Packing materials are amortized in full at once when fetched for use by the Company.

10. Contract assets

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer that is conditional on something other than the passage of time.Contract assets main include guarantee and unsettled portion of finished project. A contract asset and a contract liability relating to the same contract are represented on a net basis after offsetting, while that relating to different contract should not be offset.

The measurement and assessment ECL of contract assets refer to Note 8.8.

11. Long-term equity investments

11.1 Recognition of the initial investment costs of long-term equity investments

a) For long-term equity investments from business combinations, the initial investment cost shall be recognized in accordance with accounting treatment methods for business combination under and not under common control which are in the item 3 of the note 4.

b) Except for the long-term equity investments arising from business combinations, those obtained by other means shall recognize their initial investment costs in accordance with the following provisions:

i. For the long-term equity investments acquired by cash paid, the initial investment cost shall be the actual purchase price has been paid. Initial investment cost also includes those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment.

ii. For the long-term equity investments acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued. If the fair value of the long-term equity investment obtained is more reliable than equity securities issued, the initial investment cost shall be the fair value of the long-term equity investment made by the investors. The cost directly attributable to the issue of equity securities, including fees, commissions, etc., write-downs premium price of the issue, if premium price of the issue is insufficient, write-downs surplus reserve and undistributed profit in turn. For the long-term equity investments acquired by the issue of debt securities, reference through the issuance of equity securities..

iii. For long-term equity investments obtained by debt restructuring, the Company recognizes the fair value of shares of debt-for-equity swap as the initial investment costs.

iv. For long-term equity investments obtained by non-monetary assets exchange, under the condition that an exchange of non-monetary assets is of commerce nature and the fair value of assets exchanged can be reliably measured, non-monetary assets traded in is initially stated at the fair value of the assets traded out, unless there is conclusive evidence indicating that the fair value of the assets traded in is more reliable; if the above conditions are not satisfied, initial investment costs of long-term equity investments traded in shall be recognized at the book value of the assets traded out and the relevant taxes and surcharges payable.

Expenses, taxes and other necessary expenses incurred to the Company and that are directly related to the obtainment of long-term equity investments shall be recognized as the initial investment costs of long-term equity investments.

For long-term equity investments obtained by the Company by any means, cash dividends or profits declared but not yet distributed in the actual payments or the consideration actually paid for the investment shall be separately accounted as dividends receivable and shall not constitute the costs of long-term equity investments.

11.2 Subsequent measurement and recognition of gains and losses of long-term equity investments

a) Long-term equity investments measured under the cost method

i. Long-term equity investments that can control the investee, which are long-term equity investments in subsidiaries, are measured under the cost method.

ii. For long-term equity investments accounted at the cost method, except cash dividends or profits

declared but not yet distributed which are included in the actual payments or the consideration actually paid for the investment, the cash dividends or profits declared by the investee shall be recognized as the investment income irrespective of net profits realized by the investee before investment or after investment.

b) Long-term equity investments measured under the equity method

i. For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting.

ii. For long-term equity investments measured at the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profit and loss and at the same time the adjustment will be made to the initial costs of the long-term equity investments.

iii. After obtaining the long-term equity investments, the Company shall, according to the shares of net profits and losses realized by the investee that shall be enjoyed or borne by the Company, recognize the profit and loss on the investments and adjust the book value of the long-term equity investments. When recognizing the net profits and losses of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of the investee after appropriate adjustments. However, where the Company is unable to obtain the relevant information due to failure to reasonably determine the fair value of the investee's identifiable assets, minor difference between the investee's identifiable assets and the book value thereof or other reasons, the profits or losses on the investments shall be directly calculated and recognized based on the net book profits and losses of the investee. The Company shall calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of the long-term equity investments.

When recognizing the income from investments in associates and joint ventures, the Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company and recognize the profit and loss on investments on such basis. Where the losses on internal transactions between the Company and the investee fall into the scope of losses on assets impairment, full amounts of such losses shall be recognized. Profit and loss from internal unrealized transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments there from shall be recognized on such basis.

When the share of net loss of the investee attributable to the Company is recognized, it is treated in the following sequence: Firstly, write off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are recognized to the extent that book value of long-term equity which form net investment in the investee in other substances and the book value of long-term receivables shall be written off; after all the above treatments, if the Company still assumes additional obligation according to investment contracts or agreements, the obligation expected to be assumed should be recognized as provision and included into the investment loss in the current period. If the investee is profitable in subsequent accounting periods, the Company shall treat the loss in reverse order against that described above after deducting unrecognized share of loss: i.e. write down the book value of the recognized provision, then restore the book value of long-term interests which substantially form net investments in the investee, then restore the book value of long-term investments, and recognize investment income at the same time.

11.3 Basis for judgment of common control or significant influence over the investee

a) Basis for judgment of common control over investee

Common control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities of an arrangement usually include selling and purchasing of goods or

services, managing financial assets, acquiring or disposing of assets, researching and developing activities and financing activities. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. The parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, which is a joint operation, but not a joint venture.

b) Basis for judgment of significant influence over investee

The term 'significant influence' refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies. Where the Company is able to exert significant influence over the investee, the investee is its associate.

12. Investment property

12.1 Scope of investment property

Investment property is the property that is held to earn rent or capital appreciation or both and can be measured and sold separately. The company's investment property includes buildings already rent, land use right already rent, and land use right held for appreciation and then sold.

12.2 Recognition of investment property

Investment property can be recognized when satisfying the following conditions at the same time:

a) It is probable that the economic benefits relevant to the investment property will flow into the Company.

b) The cost of the investment property can be measured reliably

12.3 Subsequent measurement of investment property using cost model

The company uses the cost model for subsequent measurement of the investment property at the balance sheet date.

a) Depreciation and amortization method of investment property

i. For buildings using cost model as subsequent measurement, referring to subsequent measurement of fixed assets, depreciates on a monthly basis.

ii. For land use right using cost model as subsequent measurement, referring to subsequent measurement of intangible assets, amortizes on a monthly basis.

13. Fixed assets

13.1 Recognition and measurement of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously:

a) It is probable that the economic benefits relating to the fixed assets will flow into the Company;

b) The cost of the fixed assets can be measured reliably.

13.2 Depreciation of all fixed assets

a) Except for the fixed assets that have been fully depreciated but are still in use and the land, the Company makes provisions for depreciation of all fixed assets.

b) Depreciation of fixed assets of the Company is provided for on a straight-line basis from the month immediately following the month when they reach the working condition for their intended use. The depreciation amount and depreciation rate shall be calculated and recognized according to the category, estimated useful lives and estimated net residual value rate of fixed assets and respectively included into the costs of the relevant assets or the current profit and loss by purpose.

c) Category, estimated useful lives, estimated net residual value rate and annual depreciation rate of fixed assets are listed as follows:

Category of fixed assets	Estimated useful lives (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Ships for the port	18	3	5.39
Vehicle	10	3	9.70
Loading and unloading machine	10	3	9.70
Harbor facilities	40	3	2.42
Warehouses and open yard facilities	40	3	2.42
Communication and navigation equipment	10	3	9.70
Machinery and equipment	10-12	3	8.08-9.70
Production houses	40	3	2.42
Buildings	10-50	3	1.94-9.70
Other production tools	10	3	9.70
Non-production machinery and tools	6-16	3	6.06-16.17
Non-production houses	40-45	3	2.16-2.42

When making provision for impairment on fixed assets, the Company shall recalculate the depreciation rate and depreciation amount according to the book value, the estimated net residual value rate and useful lives of the fixed assets.

On the balance sheet date, the Company reviews the estimated useful life, estimated net residual value rate and depreciation method of the fixed assets. If there is any change, they shall be treated as changes in accounting estimate.

d) Fixed assets renovation costs eligible for capitalization in fixed assets during the two renovations or remaining useful life, whichever is the shorter period, is depreciated separately using the straight line method.

14. Construction in progress

14.1 Category

Construction in progress is accounted on individual project basis.

14.2 Criteria of conversion of construction in progress into fixed assets

The book entry values of the fixed assets are stated at total expenditures incurred before construction in progress reaches the working condition for their intended use. For self-operating projects, total expenditures are measured according to the expenditures of direct materials, direct labor, direct measurement mechanical construction costs and other expenditures; for contracting projects, total expenditures are measured according to project costs payable and other expenditures. Borrowing costs incurred before the projects that are undertaking with borrowing costs reach working condition for their intended use and meeting the condition for capitalization shall be capitalized and included into the costs of construction in progress.

For construction in progress that has reached working condition for intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working condition for intended use and the fixed assets shall be depreciated in accordance with the Company's policy on fixed asset depreciation; adjustment shall be made to the estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

15. Borrowing costs

15.1 Scope

The Company's borrowing costs include interest thereon, amortization of discounts or premiums,

ancillary expenses and exchange differences incurred from foreign currency borrowings, etc.

15.2 Recognition principles of capitalization of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into the current profit and loss.

Assets eligible for capitalization include fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale by acquisition and construction or production activities for quite long time.

15.3 Recognition of capitalization period of borrowing costs

a) Recognition of commencement of capitalization of borrowing costs

Borrowing costs may be capitalized when asset disbursements have already been incurred, borrowing costs have already been incurred and the acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started. Among which, asset disbursements include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization.

b) Recognition of period of capitalization suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalization are interrupted abnormally and this condition lasts for more than three months, the capitalization of borrowing costs should be suspended. The borrowing costs incurred during interruption are charged to profit or loss for the current period, and the capitalization of borrowing costs continues when the acquisition and construction or production activities of the asset resume. If the interruption is necessary for the acquisition and construction or production to prepare the assets for their intended use or sale, the capitalization of borrowing costs should continue.

c) Recognition of period of capitalization cessation of borrowing costs

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalization have reached the working condition for their intended use or sale should be recognized as the current profit and loss when they incur.

If all parts of the acquired and constructed or produced assets are completed, each part may be used or sold externally in the process of continuous construction of other parts and the necessary acquisition or production activities have been substantially completed to make the part of assets reach the working condition for their intended use or sale, the capitalization of borrowing costs related to the part of assets should be ceased; if all parts of the acquired and constructed or produced assets are completed but the assets cannot be used or sold externally until overall completion, the capitalization of borrowing costs should cease at the time of overall completion of the said assets.

15.4 Recognition of capitalized amounts of borrowing costs

a) Recognition of capitalized amounts of interest on borrowing costs

During the period of capitalization, capitalized amount of the interest of each accounting period (including amortization of discounts or premiums) shall be recognized according to the following provisions:

i. As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in the current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs.

ii. As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset

disbursements in excess of special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

iii. Where there are discounts or premiums on borrowings, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for the period by effective interest method.

iv. During the period of capitalization, the capitalized amount of interest of each accounting period shall not exceed the current actual interest of the relevant borrowings.

b) Recognition of capitalized amounts of auxiliary expenses of borrowings

i. Auxiliary expenses incurred from special borrowings before the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be capitalized when they incur and charged to the costs of assets eligible for capitalization; those incurred after the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be recognized as costs according to the amounts incurred when they incur and charged to the current profit or loss.

ii. Auxiliary expenses incurred from general borrowings shall be recognized as costs according to the amounts incurred when they occur and included in the current profit and loss.

c) Recognition of capitalized amount of exchange differences

During the period of capitalization, exchange differences incurred from the principal and interest of special foreign currency borrowings should be capitalized and included in the costs of the assets eligible for capitalization.

16. Right of use assets

Right of use assets refers to the right of the company as the lessee to use the leased assets during the lease term.

On the beginning date of the lease term, the company recognizes the right to use assets and lease liabilities for leases other than short-term leases and low value asset leases, and recognizes depreciation expenses and interest expenses respectively during the lease term. The company shall record the lease payment amount of short-term lease and low-value asset lease into the relevant asset cost or current profit and loss by using the straight-line method or other systematic and reasonable methods in each period of the lease term.

16.1 Initial measurement

On the beginning date of the lease term, the company initially measures the right to use assets according to the cost. The cost includes the following four items: ① the initial measurement amount of lease liabilities; ② For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; ③ The initial direct expenses incurred are the incremental costs incurred in reaching the lease; ④ The costs expected to occur for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms, except those incurred for the production of inventories.

The amount shall be included in the cost of relevant assets or current profits and losses by using the straight-line method or other systematic and reasonable methods during each period of the lease term.

16.2 Subsequent measurement

a) Measurement basis

After the beginning date of the lease term, the company adopts the cost model for subsequent measurement of the right to use assets, that is, the right to use assets are measured at cost less accumulated depreciation and accumulated impairment losses.

If the company remeasures the lease liabilities in accordance with the relevant provisions of the lease standards, the book value of the right to use assets shall be adjusted accordingly.

b) Depreciation of right of use assets

From the beginning of the lease term, the company accrues depreciation for the right of use assets. The right of use assets shall be depreciated from the month when the lease term begins. The amount of depreciation accrued shall be included in the cost of relevant assets or current profits and losses according to the purpose of the right of use assets. When determining the depreciation method of right of use assets, the company adopts the straight-line method to depreciate the right of use assets according to the expected consumption mode of economic benefits related to the right of use assets. If the right of use asset is impaired, the company will conduct subsequent depreciation according to the book value of the right of use asset after deducting the impairment loss. The depreciation period of right of use assets is calculated according to the lease term.

17. Intangible assets

17.1 Initial measurement of internally researched and developed intangible assets

Costs of internally researched and developed intangible assets shall be recognized according to the total expenses during the period after the assets are eligible for capitalization and before they reach the intended purpose and the expenses that have been included in the previous periods shall no longer be adjusted.

Expenses on the research phase of internally researched and developed intangible assets shall be included in the current profit and loss when they incur; those on the development phase ineligible for capitalization shall be included in the current profit and loss; those eligible for capitalization shall be recognized as intangible assets. If it is unable to distinguish expenditure on the research phase and expenditure on development phase, the research and development expenditures shall be all included in the current profit and loss.

17.2 Subsequent measurement of intangible assets

The useful lives of intangible assets are analyzed on acquisition. Intangible assets obtained by the Company are divided into intangible assets with limited useful lives and intangible assets with indefinite useful lives.

a) Subsequent measurement of intangible assets with limited useful lives

The intangible assets with limited useful lives are amortized on a straight-line basis when they reach intended use over their useful lives with no residual value reserved. Amortizations of intangible assets are usually recorded into the current profit and loss; where the economic benefits of an intangible asset are realized by the products or other assets produced there from, the amortizations are recorded into the costs of the relevant assets.

Category, estimated useful life, estimated net residual value rate and annual amortization rate of intangible assets are shown below:

Category of intangible assets	Estimated useful life (years)	Estimated net residual value rate (%)	Annual amortization rate (%)
Land use right	50	0	2
Right to use sea area	50	0	2

Category of intangible assets	Estimated useful life (years)	Estimated net residual value rate (%)	Annual amortization rate (%)
Computer software	6	0	16.67
Patent	The service life of the contract agreement	0	

The useful lives and amortization methods of intangible assets at the end of the current year are not different from previous estimates after review.

b) Subsequent measurement of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized in the holding period, but impairment tests are performed at the end of each year.

17.3 Estimates of useful lives of intangible assets

a) For intangible assets from any contractual right or other statutory rights, their useful lives shall be recognized according to the period no more than that of the contractual or other statutory rights; when the contractual right or other statutory rights contract is extended due to renewal of contracts and there is evidence that the renewal of the Company does not need large costs, the renewal period shall be included into the useful lives.

b) Where the contract or the law fails to specify the useful lives, the Company integrates situations in all aspects and determine the period of intangible assets that can bring economic benefits for the Company by hiring the relevant experts to demonstrate or comparing with the situation of the industry as well as referring to the Company's historical experience or otherwise.

c) If it is still unable to reasonably determine that intangible assets may bring economic benefits for the Company according to the above methods, the intangible assets are taken as intangible assets with indefinite useful lives.

17.4 Specific criteria for classifying the research phase and the development phase of an internal research and development project

According to the actual situation of the research and development, the Company classifies the research and development project into that on the research phase and that on the development phase.

a) Research stage

Research stage is the stage when creative and planned investigations and research activities are conducted to acquire and understand new scientific or technological knowledge.

b) Development stage

Development stage is the stage when the research achievements or other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

Expenditure of an internal research and development project on the research phase shall be included in current profit and loss when it occurs.

17.5 Specific criteria for qualifying expenditure on the development phase for capitalization

Expenditure on the development phase of an internal research and development project shall be recognized as intangible assets only when the following conditions are simultaneously satisfied:

a) It is technically feasible to finish intangible assets for use or sale;

b) It is intended to finish and use or sell the intangible assets;

c) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the

intangible assets will be used internally;

d) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;

e) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

17.6 Treatment of land use right

a) The land use right obtained by the Company is usually recognized as intangible assets, but the purpose of the land use right is changed to be used for earning rent or increasing capital, it shall be transferred to investment property.

b) For plants and other buildings developed and constructed by the Company, the relevant land use right and buildings shall be treated separately.

c) Payments for externally purchased land and buildings are distributed between the value of buildings and the land use right; those difficult to be distributed shall be all taken as fixed assets.

18. Non-current assets impairment

If there are impairment indicators of long-term equity investment, investment property measured at cost model, fixed assets, construction in progress, intangible assets with indefinite useful lives and other long-term assets at balance sheet date, impairment test should be performed. If the result of impairment test shows that recoverable amount is less than its book value, the difference should be provided for impairment and recorded into impairment loss. The recoverable amount is the higher of fair values less costs of disposal and the present values of the future cash flows expected to be derived from the asset. Provision for impairment is calculated and recognized on the basis of individual asset. If recoverable amount of individual asset is difficult to be estimated, the Company should recognize the recoverable amount of the asset group which the individual asset belongs to. Asset group is the minimum asset group which can generate cash inflow separately.

The Company should perform impairment test for goodwill and intangible assets with indefinite life at least at each year end, no matter whether there is impairment indicator.

When the Company performs impairment test, book value of goodwill arising from business combination should be amortized to relevant asset group using the reasonable method from the date of purchase. If it is difficult to amortize it to relevant asset group, amortize it to relevant asset group portfolio. Apportion book value of goodwill to relevant asset group or asset group portfolio according to the proportion of fair value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. If fair value is difficult to be measured reliably, amortize according to the proportion of book value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. When perform impairment test for asset group or asset group portfolio including goodwill, if there is impairment indicator of asset group or asset group portfolio relevant to goodwill, perform impairment test for asset group or asset group portfolio without goodwill firstly, calculate its recoverable amount, compare with relevant book value and recognize impairment loss. Then perform impairment test for asset group or asset group portfolio including goodwill, compare book value of the asset group or asset group portfolio (including proportional book value of goodwill) and its recoverable amount, if recoverable amount of relevant asset group or asset group portfolio is less than its book value, recognize impairment loss of goodwill.

Once impairment loss stated above is recognized, reversal is not allowed in the subsequent accounting periods.

19. Long-term deferred expenses

19.1 Scope

Long-term deferred expenses refer to various expenses which have been already incurred but will be born in this period and in the future with an amortization period of over 1 year (exclusive).

19.2 Initial measurement of long-term deferred expenses

Long-term deferred expenses shall be initially measured according to the actual costs incurred.

19.3 Amortization of long-term deferred expenses

Long-term deferred expenses are amortized using the straight-line method over the beneficial period.

20. Contract liabilities

Contractual liabilities refer to the obligations of the company to transfer goods to customers for consideration received or receivable from customers. If the customer has paid the contract consideration or the company has obtained the unconditional collection right before the company transfers the goods to the customer, the company will list the received or receivable as contract liabilities at the earlier of the actual payment and due payment by the customer. The contract assets and contract liabilities under the same contract are presented in net amount, and the contract assets and contract liabilities under different contracts are not offset.

21. Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

21.1 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that fall due within 12 months from the end of the period in which the employees provide their services.

Short-term benefits including: wages, bonuses, allowances and subsidies, welfare, medical insurance, work injury insurance, maternity insurance and other social insurance, housing funds, labor union funds, employee education funds, short-term compensated absences, short-term profit-sharing plan, non-monetary benefits and other short-term remuneration.

Short-term benefits should be recognized as an employee provides his services to the entity. The benefit will normally be treated as an expense, and a liability should be recognized for any unpaid balance at the year-end.

21.2 Post-employment benefits - defined contribution plans

Contributions such as the basic pension insurance, unemployment insurance, annuity payment and so on are paid by the entity for workers according to the relevant regulations. The entity should recognize contributions payable as an expense or associated costs of assets in the period in which the employee provides services. A liability should be recognized where contributions arise in relation to an employee's service, but remain unpaid at the period end.

21.3 Termination benefits

Termination benefits, are employee benefits payable on the termination of employment, through voluntary redundancy or as a result of a decision made by the employer to terminate employment before the normal retirement date. Termination benefits are recognized as an expense when the entity is committed to either:

a) When companies cannot unilaterally withdraw termination benefits due to termination of employment or layoff proposal provided.

b) Enterprise recognizes termination benefits involving the restructuring payment of costs or expenses related to the time.

21.4 Other long-term employee benefits

Other long-term employee benefits, are defined as employee benefits except short-term employee benefits, post-employment benefits and termination benefits etc. During the reporting period, costs of other long-term employee benefits are recognized as an integral part of the following:

a) The service costs.

b) Net interest of net liabilities or net assets of other long-term employee benefits.

c) Changes arising from remeasured net liabilities or net assets of other long-term employee benefits.

To simplify the related accounting treatment, the total net amount is recognized into profit or loss or associated costs of assets.

22. Lease liabilities

22.1 Initial measurement

The company initially measures the lease liabilities according to the present value of the unpaid lease payments at the beginning of the lease term.

a) Lease payments

Lease payment refers to the amount paid by the company to the lessor in connection with the right to use the leased assets during the lease term, including: ① fixed payment and substantial fixed payment. If there is lease incentive, the amount related to lease incentive shall be deducted; ② The amount of variable lease payments depending on the index or ratio, which is determined at the initial measurement according to the index or ratio on the beginning date of the lease term; ③ When the company reasonably determines that it will exercise the purchase option, the exercise price of the purchase option; ④ The lease term reflects the amount to be paid when the company will exercise the option to terminate the lease; ⑤ The amount expected to be paid according to the residual value of the guarantee provided by the company.

b) Discount rate

When calculating the present value of lease payments, the company adopts the interest rate embedded in the lease as the discount rate. If the embedded interest rate of the lease cannot be determined, the incremental loan interest rate shall be used as the discount rate. The incremental loan interest rate refers to the interest rate that the company must pay to borrow funds with similar mortgage conditions during similar periods in order to obtain assets close to the value of use right assets under similar economic environment. Based on the bank loan interest rate and considering relevant factors, the company obtains the incremental loan interest rate.

22.2 Subsequent measurement

After the beginning date of the lease term, the company makes subsequent measurement of the lease liability according to the following principles: ① when confirming the interest of the lease liability, increase the book amount of the lease liability; ② When paying the lease payment, reduce the carrying amount of the lease liability; ③ When the lease payment changes due to revaluation or lease change, the book value of the lease liability shall be remeasured.

After the beginning date of the lease term, in case of the following circumstances, the company shall re measure the book value of the lease liability according to the present value of the changed lease payment, and adjust the book value of the right to use asset accordingly. If the book value of the right of use asset has been reduced to zero, but the lease liability still needs to be further reduced, the company shall record the remaining amount into the current profit and loss.

a) Changes in the actual fixed payment amount;

b) The expected payable amount of guarantee residual value changes;

c) The index or ratio used to determine the lease payment changes;

d) Changes in the evaluation results or actual exercise of the purchase option, renewal option or termination option;

The interest expense of each period during the lease term shall be included in the current profits and losses, except those that should be capitalized.

23. Estimated liabilities

23.1 Recognition of estimated liabilities

When the obligations related with external security matters, pending litigation or arbitration, product quality assurance, loss of contracts, restructuring and other meet the following three conditions are confirmed as estimated liabilities:

a) The obligation is a present obligation of the company

b) The fulfillment of this obligation is likely to lead to outflow of economic benefits

c) The amount of the obligation can be reliably measured

23.2 Measurement

Amount of estimated liabilities are measured at the best estimate of the expenditure for contingent liabilities.

a) There is a continuous range of expenditure required and the likelihood of various outcomes within the same possibility, the best estimate is determined according to the median within the range.

b) In other cases, the best estimate is treated separately in the following situations:

i. Contingent matters relating to individual projects, confirmed with the amount most likely to be.

ii. Contingent matters involve several items, calculated in accordance with all possible outcomes and associated probabilities.

24. Recognition of revenue

24.1 The principal of revenue recognition and measurement

a) The principal of revenue recognition.

The Company recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. At the inception of the contract, the Company should assess the goods or services that have been promised to the customer, and identify as a performance obligation, and then judge the performance obligation is satisfied over time or at a point in time, and then recognize the revenue when each performance obligation is satisfied by transferring a promised good or services to a customer .

b) The principle of measurement of revenue

Where a contract has multiple performance obligations, the Company allocates the transaction price to the performance obligations in the contract reference to their relative stand-alone selling prices of each distinct goods or service at the inception of the contract, and then measures the revenue with the transaction price allocated. When determine the transaction price, the Company may consider variable amount, existing of significant financing component, non-monetary amount and due to customer amount etc, and assume that goods or service will be transferred to a customer as promised in the existing contract and the contract will not be canceled, renewed or changed.

Specific revenue recognition policies

i. Loading and unloading income: refers to the income from the company's handling and unloading services including coal and its products, alumina, coke, fertilizer, plywood, steel, iron ore and other goods. According to the flow of goods, it can be divided into foreign trade and domestic trade. Foreign trade handling income is the income obtained by providing port handling services for international trade goods; domestic trade handling income is the income obtained by providing port handling

services for domestic trade goods; the confirmation time is when the loading and unloading services are completed and the cargo handling operations are confirmed by both parties.

ii. Stockpiling income: refers to the income that our company obtains from providing customers with the service of stockpiling goods in the port, which is charged according to the storage tonnage days of goods in the port and the charging standard. Storage tonnage days refer to the sum of the quantity of goods stored in a certain period of time and the number of storage days. The number of storage days is calculated from the first day when the goods enter the yard.., according to the natural days, the last day does not count.

iii. Port administration income including freight port fee, berthing fee, mooring and unmooring fee, etc. The basis of the charges is the relevant provisions of the Regulations on Port Charges of the Ministry of Communications of the People's Republic of China (Foreign Trade Part) revised by Ministry of Communications Decree No. 11, 2001 and the relevant provisions of Decree No. 8, 2005 of the Ministry of Communications of the People's Republic of China (Domestic Trade Part). The confirmation time of mooring and unmooring fees, berthing fee is the time that ships leave berth at the end of operation. The confirmation time of port charges for goods before 2012 is when both sides confirm the amount of loading and unloading operations and the revenue of loading and unloading. According to the Notice of Jiangsu Provincial Finance Department, Price Bureau and Transport Department on Regulating the Management of Port Charges for Goods (Su Caizong [2011] 43#) and the Port Bureau of Jiangsu Provincial Transport Department on Defining the Port Cargo and Port Administration of Jiangsu Provincial Port Notice on matters related to fee management (Port Delivery [2011] 3#) stipulates that, as of January 1, 2012, port charges for goods shall be adjusted to administrative fees, which shall be levied by the port administration. The port administration shall return 50% of the levied port charges for foreign trade goods to the port operator, and the company shall include them in its non-operating income upon receipt of the refund. According to Jiangsu Provincial Finance Department ,Jiangsu Provincial Price Bureau (Su Caizong [2014] 95#)"Notice on Cancellation of Port Freight Fees Collecting by Transport and Port Administration" from January 1, 2015, the port Freight Fees Collecting by Transport and Port Administration Departments at all levels in Jiangsu Province will be cancelled.

25. Contract cost

Contract cost is divided into contract performance cost and contract acquisition cost.

The cost incurred by the company for the performance of the contract is recognized as an asset when the following conditions are met:

a) The cost is directly related to a current or expected contract.

b) The cost increases the resources used by the company to fulfill its performance obligations in the future.

c) The cost is expected to be recovered.

If the incremental cost incurred by the company to obtain the contract is expected to be recovered, it shall be recognized as the contract acquisition cost as an asset.

The assets related to the contract cost are amortized on the same basis as the recognition of the income from goods or services related to the assets; However, if the amortization period of contract acquisition cost does not exceed one year, the company will record it into the current profit and loss when it occurs.

If the book value of the assets related to the contract cost is higher than the difference between the following two items, the company will withdraw the impairment provision for the excess part and recognize it as asset impairment loss:

a) The residual consideration expected to be obtained due to the transfer of goods or services related to the asset;

b) The estimated cost to be incurred for the transfer of the relevant goods or services.

In case of subsequent reversal of the above asset impairment provision, the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date assuming that the impairment provision is not withdrawn.

26. Government grants

26.1 Types of government grants

Government grants are monetary assets and non-monetary assets acquired free of charge by the Company from the government, including government grants related to assets and government grants related to income.

26.2 Recognition principles of government grants

Government grants are recognized when all the following conditions are met:

a) The Company can meet the attached conditions for the government grants;

b) The Company can receive the grants.

26.3 Measurement of government grants

a) If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount.

b) If a government grant is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount (a nominal amount is RMB 1).

26.4 Accounting treatment method of government grants

a) The government grants related to assets shall be written off the book value of the related assets at the time of acquisition, or recognized as deferred income. Government grants measured as deferred income, allocated evenly over the useful lives of the relevant assets, and included in the current profit or loss. Government grants measured at the nominal amount shall be directly included in current profit and loss.

b) Government grants related to income shall be separately handled according to the following circumstances:

i. If government grants related to income are used to compensate the Company's relevant expenses or losses in future periods, such government grants should be recognized as deferred income on acquisition and be included into the current profit and loss during the period of recognition of the relevant expenses or written off the related costs.

ii. If government grants related to income are used to compensate the Company's relevant expenses or losses incurred, such government grants are directly included into the current profit and loss on acquisition or written off the related costs.

c) For the government grants which include the assets related part and the income related part at the same time, if it can be divided into different parts to carry on the accounting treatment separately; if it is difficult to distinguish, the whole is classified as the government grants related to the income.

d) Government grants related to the daily operation of the company, in accordance with the economic nature of the business, shall be accounted for other income or written off related costs. Government grants which have nothing to do with the daily activities of the enterprise shall be included in the non-operating income. If the department of finance dispenses the interest fund directly to the company, the interest fund shall be offset related borrowing costs.

e) Recognized government grants required to be refunded shall be handled according to the following circumstances:

i. If there is related deferred income, the book value of relevant deferred income is written down and the exceeding part is recorded in the current profit and loss.

ii. If there is no related deferred income, the exceeding part is directly included in the current profit

and loss.

27. Deferred tax assets and deferred tax liabilities

The Company adopts the balance sheet liability method to account for income tax.

27.1 Recognition of deferred tax assets or deferred tax liabilities

a) The Company recognizes its tax base on acquisition of assets and liabilities. On the balance sheet date, the Company analyzes and compares the book value of the assets and liabilities and the tax base. If there are temporary differences in book value of the assets and liabilities and the tax base, under the circumstance that the temporary differences incur in the current period and meet the recognition criteria, the Company shall respectively recognize taxable temporary differences or deductible temporary differences as deferred tax liability or deferred tax assets.

b) Recognition basis of deferred tax assets

i. Deferred tax assets incurred from deductible temporary differences are recognized to the extent that they shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. In determining the taxable income probably obtained in future periods, including the taxable income from normal production and operation activities in future periods and the increase of taxable income due to the reversal of taxable temporary differences during the period of reversal of deductible temporary differences.

ii. For deductible losses and tax credits that can be carried forward to the next years, the Company is likely to recognize the corresponding deferred tax assets to the extent that the assets shall not exceed the taxable income in the future for deducting deductible losses and tax credits and that are probably obtained by the Company.

iii. On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is probably unable to obtain sufficient taxable income in the future period to offset the benefits of the deferred tax assets, the Company shall write down the book value of the deferred tax assets; when it is probable to obtain sufficient taxable income, the write-downs shall be reversed.

c) Recognition basis of deferred tax liabilities

The Company recognizes the current and previous taxable temporary differences payable but unpaid as deferred tax liabilities. But they exclude temporary differences arising from goodwill, transactions which are formed other than from business combinations and neither affect the accounting profits nor affect taxable income at the time of occurrence.

27.2 Measurement of deferred tax assets or deferred tax liabilities

a) On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period of expected recovery of the assets or liquidation of the liabilities in accordance with the provisions of the tax law.

b) Where the applicable tax rate changes, the Company remeasures deferred tax assets and deferred tax liabilities recognized, except for those incurred in transactions or events directly recognized in the owner's equity, of which the effect shall be included in the income tax expenses in the current period when the rate changes.

c) When the Company measures the deferred tax assets and deferred tax liabilities, the tax rate and tax base in consistent with the expected recovery of assets or liquidation of liabilities shall be adopted.

d) Deferred tax assets and deferred tax liabilities of the Company shall not be discounted.

28. Adjustments for changes in major accounting policies and accounting estimates

28.1 Changes in accounting policies

There were no adjustments for changes in major accounting policies in the reporting period.

28.2 Changes in accounting estimates

There were no adjustments for changes in major accounting estimates in the reporting period.

IV. Taxation

1. Major tax types and tax rates

Tax type	Taxation Basis	Tax rate
Value-added tax	sales income	13%、9%、6%
City construction tax	taxable flow tax	7%,5%
Education fee additional tax	taxable flow tax	3%
Local education fee additional tax	taxable flow tax	2%,1%
Income tax	taxable income	25%,15%

Note:

The subsidiary Lianyungang port engineering design and Research Institute Co., Ltd. was recognized as a high-tech enterprise on December 2, 2020, with certificate number of GR202032011280 and validity period of 3 years; Jiangsu Xinhang Electric Co., Ltd. was recognized as a high-tech enterprise on October 12, 2022 It is recognized as a high-tech enterprise with certificate No. GR202232002444 and validity period of 3 years. The corporate income tax rate of 15% shall be applied to high-tech enterprises and 25% shall be applied to other enterprises.

V. Notes to the Main Items of the Financial Statements (All amounts are stated in CNY unless otherwise stated)

1. Cash

Items	12/31/2022	1/1/2022
Cash on hand	13,345.49	33,149.53
Cash in bank	3,250,290,222.38	1,912,563,359.26
Other monetary funds	977,161,720.34	1,326,106,061.76
Total	4,227,465,288.21	3,238,702,570.55

Including: Other monetary fund details are as follow

Items	12/31/2022	1/1/2022
Guarantee deposits	975,131,389.94	1,325,760,998.58
Deposit in securities account	2,030,330.40	345,063.18
Total	977,161,720.34	1,326,106,061.76

2. Financial assets held for trading

Items	12/31/2022	1/1/2022
Financial products		20,000,000.00
Futures	2,976,405.00	
Total	2,976,405.00	20,000,000.00

3. Notes receivable

3.1 Classification of notes receivable

Items	12/31/2022	1/1/2022
Bank acceptance	377,030,631.90	436,177,258.07
Total	377,030,631.90	436,177,258.07

3.2 As of December 31, 2022, the pledge of notes receivable was zero.

3.3 As of December 31, 2022, Notes receivable endorsed or discounted by the company at the end of the period and not yet due on the balance sheet date

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance		17,424,041.93
Bank acceptance		17,424,041.93

3.4 As of December 31, 2022, the company is not due to the issuer's inability to perform the contract and will turn the notes to accounts receivable

4. Accounts receivable

4.1 Disclosed by Aging

Aging	12/31/2022	1/1/2022
Within 1 year	4,170,391,704.60	4,212,365,374.33
1-2 year	254,980,752.03	259,003,717.78
2-3 year	135,497,852.75	342,319,111.69
3-4 year	240,319,817.93	370,594,717.13
4-5 year	165,490,769.80	382,123,432.43
Over 5 year	330,655,310.21	13,729,051.10
Book balance sub-total	5,297,336,207.32	5,580,135,404.46
Less: Bad debt provision	345,249,930.84	304,763,252.57
Net value	4,952,086,276.48	5,275,372,151.89

4.2 Disclosed by bad debt accrual method

Items	12/31/2022				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad debt provisions are made by portfolio	5,297,336,207.32	100.00	345,249,930.84	6.52	4,952,086,276.48
Including: overdue aging combination	4,680,174,482.57	88.35	345,249,930.84	7.38	4,334,924,551.73
Other combinations	617,161,724.75	11.65			617,161,724.75
Total	5,297,336,207.32	100.00	345,249,930.84	6.52	4,952,086,276.48

Continued on the table

Items	1/1/2022				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad	5,580,135,404.46	100.00	304,763,252.57	5.46	5,275,372,151.89

Items	1/1/2022				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
debt provisions are made by portfolio					
Including: overdue aging combination	4,639,324,125.35	83.14	304,763,252.57	6.57	4,334,560,872.78
Other combinations	940,811,279.11	16.86			940,811,279.11
Total	5,580,135,404.46	100.00	304,763,252.57	5.46	5,275,372,151.89

In the portfolio, accounts receivable for which bad debt provision is withdrawn by overdue aging analysis method:

Overdue aging	12/31/2022			1/1/2022		
	Book balance	Bad debt provision	Accrual proportion%	Book balance	Bad debt provision	Accrual proportion%
Not overdue	4,170,391,704.60	208,519,585.23	5	4,212,365,374.33	210,618,268.72	5
Within 1 year	254,980,752.03	25,498,075.20	10	259,003,717.78	25,900,371.78	10
1-2 year	135,497,852.75	40,649,355.83	30	88,380,981.53	26,514,294.46	30
2-3 year	42,269,387.95	16,907,755.18	40	49,212,337.98	19,684,935.19	40
3-4 year	46,719,251.67	23,359,625.84	50	16,632,662.63	8,316,331.32	50
Over 4 year	30,315,533.57	30,315,533.57	100	13,729,051.10	13,729,051.10	100
Total	4,680,174,482.57	345,249,930.84	7.38	4,639,324,125.35	304,763,252.57	6.57

In the portfolio, bad debt reserves are not withdrawn for other portfolios.

4.3 Bad debt provision

Items	1/1/2022	Changes in current period			12/31/2022
		Increase	Reversal	Deduct	
Non-related parties portfolio	304,763,252.57	40,486,678.27			345,249,930.84
Total	304,763,252.57	40,486,678.27			345,249,930.84

4.4 Top five entities with the largest balances of the accounts receivable

Debtor's name	Closing balance	Proportion in the total accounts' receivables (%)	Provision Amount
Lianyungang Jinrong wharf Co., Ltd	427,649,682.00	8.07	21,382,484.10
Lianyungang Port Public Assets Management Co., Ltd	365,490,769.80	6.90	
SMRT CONCEPT INTERNATIONAL INVESTMENT LIMITED	286,912,464.40	5.42	14,345,623.22
Lianyungang Jingang Bay Construction and Development Co., Ltd	251,331,178.31	4.74	
Lianyungang Golden Orient Port Investment Co.,	132,932,861.25	2.51	6,646,643.06

Debtor's name	Closing balance	Proportion in the total accounts' receivables (%)	Provision Amount
Ltd.			
Total	1,464,316,955.76	27.64	42,374,750.38

5. Accounts receivable financing

Items	12/31/2022	1/1/2022
Bank acceptance	65,346,676.90	168,544,625.04
Total	65,346,676.90	168,544,625.04

6. Advances to suppliers

6.1 Aging analysis

Aging	12/31/2022		1/1/2022	
	Amount	%	Amount	%
Within 1 year	1,193,216,724.63	76.21	968,830,041.84	67.79
1-2 year	218,071,471.96	13.93	297,838,575.40	20.84
2-3 year	96,058,026.10	6.13	101,200,790.79	7.08
Over 3 year	58,412,793.18	3.73	61,194,847.68	4.29
Total	1,565,759,015.87	100.00	1,429,064,255.71	100.00

6.2 Top five entities with the largest balances of prepayments

Company name	Amount	Proportion in the total (%)
Lianyungang Xinshuntong New Material Co., Ltd	203,582,347.98	13.00
Lianyungang Railway Construction Leading Group Office	160,000,000.00	10.22
Lianyungang Railway Office East Longhai Railway Electrification Reconstruction Project	85,000,000.00	5.43
Xinyang Iron&Steel Co., Ltd of Angang Group	71,950,000.00	4.60
Wuchan Zhongda International Trade Group Co., Ltd	54,522,351.10	3.48
Total	575,054,699.08	36.73

7. Other receivables

7.1 Category

Items	12/31/2022	1/1/2022
Interests receivable		
Dividends receivable		13,650,000.00
Other receivables	9,949,722,496.91	9,351,177,437.59
Total	9,949,722,496.91	9,364,827,437.59

7.2 Dividend receivable

Items	12/31/2022	1/1/2022	Aging	Overdue reason	Whether impair and determination basis
Lianyungang Wanbang Bulk Cargo Logistics Co., Ltd.		13,650,000.00			
Total		13,650,000.00			

7.3 Other receivables

a) Classification of other receivables by aging

Aging	12/31/2022	1/1/2022
Within 1 year	3,164,836,859.14	3,990,332,374.41
1-2 year	2,716,060,799.80	1,964,066,171.02
2-3 year	1,627,859,890.38	3,264,840,052.90
3-4 year	2,487,830,463.94	429,293,514.23
4-5 year	257,230,949.81	4,072,265.95
Over 5 year	6,448,058.54	2,459,959.89
Book balance sub-total	10,260,267,021.61	9,655,064,338.40
Less: Bad debt provision	310,544,524.70	303,886,900.81
Net value	9,949,722,496.91	9,351,177,437.59

b) Classification of other receivables by nature

Nature of payment	12/31/2022	1/1/2022
Related transactions	8,175,156,566.76	7,617,267,123.61
Security deposit	73,389,864.23	40,432,041.62
Petty cash	9,461,589.44	10,151,920.00
Loan	1,821,228,529.45	1,732,999,295.91
Other receivables	181,030,471.73	254,213,957.26
Book balance sub-total	10,260,267,021.61	9,655,064,338.40
Less: Bad debt provision	310,544,524.70	303,886,900.81
Net value	9,949,722,496.91	9,351,177,437.59

c) Disclosed by bad debt accrual method

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
1/1/2022	52,721,618.72	251,165,282.09		303,886,900.81
Opening balance in current period				
——Move to phase II			——	
——Move to phase III				
——Back to phase II				
——Back to phase I				
Current increase	228,457.34	6,429,166.55		6,657,623.89
Current Reversal				
Current Deduct				
Other changes				
12/31/2022	52,950,076.06	257,594,448.64		310,544,524.70

d) Bad debt provision

Items	1/1/2022	Changes in current period			12/31/2022
		Increase	Reversal	Deduct	
Non-related parties portfolio	303,886,900.81	6,657,623.89			310,544,524.70
Total	303,886,900.81	6,657,623.89			310,544,524.70

e) top five entities with the largest balances of the account receivables

Company name	Business content	Amount	Aging	Proportion in the total (%)	Bad debt provision
Lianyungang Port Holding Group Co., Ltd.	Related contacts	3,388,242,222.49	Within 1 year 781337179.15; 1-2 year 920737000; 2-3 year 844500000; 3-4 year 785486791.72; 4-5 year 56181251.62	33.02	
Jiangsu Golden Harbour Investment Co., Ltd.	Related contacts	2,097,979,868.07	Within 1 year 171378627.78; 1-2 year 143622840.29; 2-3 year 462841746.11; 3-4 year 1320136653.89	20.45	
Lianyungang Xu Wei Port Investment Group Co., Ltd.	Non-related contacts	990,875,538.55	Within 1 year 37538009.71; 1-2 year 263337528.84; 2-3 year 290000000; 3-4 year 200000000; 4-5 year 200000000	9.66	182,166,876.44
Lianyungang Port Public Assets Management Co., Ltd	Related contacts	842,000,000.00	Within 1 year 340182937.66; 1-2 year 501817062.34	8.21	
Lianyungang Xinxin International Logistics Co., Ltd	Related contacts	816,143,585.34	1-2 year	7.95	

Company name	Business content	Amount	Aging	Proportion in the total (%)	Bad debt provision
Total		8,135,241,214.45		79.29	182,166,876.44

8. Inventories

8.1 Categories of Inventory

Items	12/31/2022			1/1/2022		
	Cost	Provision for inventory write-down	Net value	Cost	Provision for inventory write-down	Net value
Raw materials	83,961,443.55	101,836.85	83,859,606.70	62,926,265.05	101,836.85	62,824,428.20
Development cost	1,598,343,664.41		1,598,343,664.41	1,684,211,149.67		1,684,211,149.67
Develop products	235,065,335.13		235,065,335.13	234,489,792.42		234,489,792.42
Finished goods	810,414,198.07	8,320,000.00	802,094,198.07	757,941,847.58	8,320,000.00	749,621,847.58
Circulation material	55,920.20		55,920.20	55,920.20		55,920.20
Construction works	534,608,785.38		534,608,785.38	169,576,914.15		169,576,914.15
Total	3,262,449,346.74	8,421,836.85	3,254,027,509.89	2,909,201,889.07	8,421,836.85	2,900,780,052.22

8.2 Provision for decline in value of inventories

Category	1/1/2022	Increases in current period		Decreases in current period		12/31/2022
		provision	Other	Reversal as increase of asset value	Other	
Raw material	101,836.85					101,836.85
Finished goods	8,320,000.00					8,320,000.00
Total	8,421,836.85					8,421,836.85

9. Other current assets

Items	12/31/2022	1/1/2022
Input VAT allowances	271,723,076.55	451,475,169.57
Bank financial products	106,097,172.68	329,900,964.95
Loan by mandate		56,936,352.80
Prepaid income tax	1,790,588.09	5,744,248.39
Trust guarantee fund		9,271,000.00
Other	3,465,289.72	1,022,622.01
Accrued interest		1,950,000.00
Total	383,076,127.04	856,300,357.72

10. Long-term receivables

Item	12/31/2022			1/1/2022		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Finance lease	263,038,444.23		263,038,444.23	243,895,799.13		243,895,799.13
Less: Unrealized Financing Profits	72,673,386.21		72,673,386.21	58,024,815.43		58,024,815.43
Total	190,365,058.02		190,365,058.02	185,870,983.70		185,870,983.70

11. Long-term equity investment

Investee	1/1/2022	Changes in Current Period								12/31/2022	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
(I)Associated Enterprise											
Lianyungang Qianhong Petrochemical warehousing Co. Ltd	38,783,465.61			28,417.16			64,343.00			38,747,539.77	
Fengyi Oil Technology (Lianyungang) Co., Ltd	128,115,179.92			24,328,627.60						152,443,807.52	
Yi Hai (Lianyungang) grain and Oil Co., Ltd.	211,173,238.58			-11,443,484.11						199,729,754.47	
Lianyungang Zhonglian tallying Co	4,531,328.69			2,746,644.23			2,954,578.21			4,323,394.71	
Lianyungang Port international Petrochemical Storage Co., Ltd	40,211,290.33			-1,713,821.44						38,497,468.89	
Fengyi alcohol industry (Lianyungang) Co., Ltd	41,754,029.43			1,996,746.99						43,750,776.42	
Lianyungang Ximyi international freight forwarding Co., Ltd	665,959.51									665,959.51	
Lianyungang Harbor Travel Company	250,000.00									250,000.00	
Lianyungang Xinxin Port Logistics Co., Ltd	52,983,029.08								-52,983,029.08		
Lianyungang Taidi Petrochemical Co., Ltd	93,522,453.12			6,920,322.37						100,442,775.49	
New Land Bridge (lianyungang) Terminal Co., Ltd	194,186,817.12			15,692,872.75			13,003,683.95			196,876,005.92	

Investee	1/1/2022	Changes in Current Period								12/31/2022	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
Lianyungang New Oriental International Container Terminal Co., Ltd	378,211,385.73			37,159,515.53	2,621,554.65		45,000,000.00			372,992,455.91	
Lianyungang Shihua crude oil terminal Co., Ltd	9,720,823.11	142,100,000.00		-36,252.01						151,784,571.10	
Lianyungang Tianjia International Logistics Co., Ltd	1,875,912.05			2,633.61						1,878,545.66	
Lianyungang Wanbang Bulk Cargo Logistics Co., Ltd	76,213,946.72			17,307,529.83						93,521,476.55	
Huaian East China International Logistics Co., Ltd	2,670,349.43									2,670,349.43	
Shanxi Lian Fang International Logistics Co., Ltd	8,729,446.38									8,729,446.38	
Lianyungang Jinneng Logistics Co., Ltd	8,641,499.96			-30,117.34						8,611,382.62	
Lianyungang Lianhe New Building Materials Technology Co., Ltd											
Hkhc express project investment	242,276,600.00				22,378,200.00					264,654,800.00	
Lianyungang Gangtie International Multimodal Transport Co., Ltd.	2,425,566.60			177,721.85						2,603,288.45	
Lianyungang Yuangang Logistics Co., Ltd.	18,615,919.11			371,938.59						18,987,857.70	
Lianyungang Ocean Shipping Agency Ltd	26,146,856.36			5,597,206.66			3,039,794.62			28,704,268.40	
Jiangsu new Coast International Logistics Co., Ltd	26,240,929.21			-1,238,551.02						25,002,378.19	

Investee	1/1/2022	Changes in Current Period								12/31/2022	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
Lianyungang Xinaogang Clean Energy Co., Ltd	4,599,066.56			-2,268,342.95						2,330,723.61	
Jiangsu Xinwei Multimodal transport Co., Ltd	31,304,641.17			2,931,689.86						34,236,331.03	
Lianyungang Friendship Hotel	3,104,949.50									3,104,949.50	3,104,949.50
Lianyungang Port Automobile Repair Factory	207,782.62			-207,782.62							
Lianyungang Juchuang New Building Materials Technology Co., Ltd	200,000.00			-200,000.00							
Lianyungang Xianzhi Construction Technology Co., Ltd	37,147,095.02			-1,351,020.72						35,796,074.30	
Lianyungang New Silk Road International Container Development Co., Ltd	5,297,526.01			1,038,660.63						6,336,186.64	
Subtotal	1,689,807,086.93	142,100,000.00		97,811,155.45	24,999,754.65		64,062,399.78		-52,983,029.08	1,837,672,568.17	3,104,949.50
Less: provision for impairment	3,104,949.50									3,104,949.50	3,104,949.50
Total	1,686,702,137.43	142,100,000.00		97,811,155.45	24,999,754.65		64,062,399.78		-52,983,029.08	1,834,567,618.67	

Note:

Changes in Current Period-other including: Lianyungang Xinxin Port Logistics Co., Ltd. (formerly Lianyungang Sino-foreign Transport International Logistics Co., Ltd.) obtained the control right this year and was included in the consolidation scope this year. The original long-term equity investment accounted by the Equity method decreased by 52,983,029.08 yuan.

12. Investment in other equity instruments

12.1 Investment in other equity instruments

Items	12/31/2022	1/1/2022
Bank of Jiangsu	46,489,525.56	37,178,866.12
Total	46,489,525.56	37,178,866.12

12.2 Equity instruments which not held for trading

Items	Accumulated gains included in other comprehensive income	Reasons for designation as measured at fair value with changes included in other comprehensive income
Bank of Jiangsu	26,047,144.18	Long-term holding not for trading
Total	26,047,144.18	

Note: The company held 6,377,164 shares of Bank of Jiangsu, with a market price of 7.29 yuan per share and a fair value of 46,489,525.56 yuan at the end of the period.

13. Other non-current financial assets

Items	12/31/2022	1/1/2022
Financial assets classified as financial assets measured at fair value and whose changes are included in current profits and losses	211,272,624.49	85,507,576.49
Including: Debt instrument investment		
Equity instrument investment	211,272,624.49	85,507,576.49
Total	211,272,624.49	85,507,576.49

13.1 Details of equity instrument investment

Name of investee	1/1/2022	Increase	1/1/2022	12/31/2022	investment ratio (%)
Lianyungang Yushengda Industrial Co., Ltd	50,000.00			50,000.00	12.20
Lianyungang Fanya Logistics Co., Ltd	3,100,000.00			3,100,000.00	4.56
Lianyungang Jinrun Logistics Co., Ltd	7,422,576.49			7,422,576.49	5.00
Wuxi Ruigang Hotel Co., Ltd	1,200,000.00			1,200,000.00	17.14
Jiangsu Lianyungang International Logistics Park Investment Co., Ltd	50,000,000.00			50,000,000.00	9.00
Jiangsu International Freight Train Co., Ltd	23,735,000.00	66,265,048.00		90,000,048.00	2.50
Jiangsu Huadian Ganyu Liquefied Natural Gas Co., Ltd		58,500,000.00		58,500,000.00	20.00
Lianyungang Jia'ao Equity Investment Fund Partnership (limited partnership)		1,000,000.00		1,000,000.00	
Total	85,507,576.49	125,765,048.00		211,272,624.49	

14. Investment properties

14.1 Investment property using cost model

Item	Properties and buildings	Land use rights	Total
1.Original book value			
1.Opening balance	103,379,682.11	848,650,813.05	952,030,495.16
2.Addition this period	3,176,762.01		3,176,762.01
(1)Purchase	3,176,762.01		3,176,762.01
3.Decrease this period			

Item	Properties and buildings	Land use rights	Total
(1)Disposal			
4.Closing balance	106,556,444.12	848,650,813.05	955,207,257.17
II. Accumulated depreciation and amortization			
1.Opening balance	21,474,925.70	154,285,954.05	175,760,879.75
2.Addition this period	2,983,457.09	21,107,911.63	24,091,368.72
(1)Provision or amortization	2,983,457.09	21,107,911.63	24,091,368.72
(2)Other			
3. Decrease this period			
(1)Disposal			
(2)Other transfer out			
4.Closing balance	24,458,382.79	175,393,865.68	199,852,248.47
III. Provision for impairment			
IV. Book value			
1.Closing book value	82,098,061.33	673,256,947.37	755,355,008.70
2.Opening book value	81,904,756.41	694,364,859.00	776,269,615.41

15. Fixed assets

15.1 Category

Items	12/31/2022	1/1/2022
Fixed Assets	15,401,751,384.83	14,914,985,079.01
Disposal of fixed assets		
Total	15,401,751,384.83	14,914,985,079.01

15.2 Details of Fixed Assets

Item	Ships for the port	Vehicle	Loading and unloading machine	Harbor facilities	Warehouses and open yard facilities	Communication and navigation equipment	Machinery and equipment	Production houses	Buildings	Other production tools	Non-production machinery and tools	Non-production houses	Total
I. Original cost of fixed assets													
1.Opening Balance	1,295,752,384.81	297,569,579.43	2,152,696,183.10	6,117,968,889.77	1,644,426,268.79	42,937,788.32	2,790,593,617.73	5,823,422,372.85	1,381,739,825.69	162,542,522.93	339,432,970.55	312,023,915.23	22,361,106,319.20
2.Increase in current period	124,072,046.05	34,378,996.88	20,313,565.57	681,338,888.07	184,451,159.00	9,304,795.28	229,336,201.69	35,318,946.63	63,731,161.05	3,806,959.43	59,984,377.64	1,214,389.55	1,347,251,485.85
(1)External purchase	18,255,523.43	33,137,614.42	15,907,402.33	36,777,123.97	57,624,370.68	6,136,653.68	144,781,641.25	17,458,977.55	16,239,056.15	3,806,959.43	54,500,201.22	1,214,389.55	405,839,913.66
(2)Transfer from construction in progress	105,816,522.62	133,154.87	4,406,163.24	544,561,764.10	126,826,788.32	3,168,141.60	84,011,140.00	17,859,969.08	47,492,104.91		5,274,101.29		939,549,850.03
(3) Business combination		1,108,226.59					543,420.44				210,075.13		1,861,722.16
(4)Others													
3.Decrease in current period	44,000,000.00	20,611,562.16	3,967,456.71	31,400.70		41,636.00	32,254,034.08	3,368,277.06	22,753,654.36	124,958,984.55	5,407,866.65	803,231.06	258,188,123.33
(1)Disposal or scrap		19,887,325.39	3,967,456.71	31,400.70		41,636.00	32,254,034.08	226,200.00			5,069,283.51	803,231.06	62,270,567.45
(2) Business combination	44,000,000.00	724,236.77						3,142,077.06	22,753,654.36	124,958,984.55	338,583.14		195,917,555.88
(3)Others													
4.Closing Balance	1,375,824,430.86	311,337,013.15	2,169,052,291.96	6,699,276,377.14	1,828,877,427.79	52,200,947.60	2,987,675,785.34	5,855,373,042.42	1,422,717,332.39	41,390,497.81	394,009,461.54	312,435,073.72	23,450,169,681.72
II.Accumulated depreciation													
1.Opening Balance	634,219,742.96	218,952,420.68	1,241,372,201.47	1,299,571,739.03	382,817,231.92	33,167,691.99	1,493,477,072.07	1,509,211,952.76	199,862,269.62	98,075,084.29	252,749,381.61	82,644,451.79	7,446,121,240.19
2.Increase in current period	62,835,365.16	18,739,327.47	127,620,884.16	141,940,203.19	41,574,027.02	1,454,516.28	152,921,401.12	124,571,039.39	38,731,697.52	1,107,978.35	28,938,335.29	8,866,282.74	749,301,057.69
(1)Provision	62,835,365.16	18,632,319.51	127,620,884.16	141,940,203.19	41,574,027.02	1,454,516.28	152,839,776.18	124,571,039.39	38,731,697.52	1,107,978.35	28,904,914.44	8,866,282.74	749,079,003.94

Item	Ships for the port	Vehicle	Loading and unloading machine	Harbor facilities	Warehouses and open yard facilities	Communicati on and navigation equipment	Machinery and equipment	Production houses	Buildings	Other production tools	Non-produ-ction machinery and tools	Non-produc-tion houses	Total
(2) Business combinati-on		107,007.96					81,624.94				33,420.85		222,053.75
(3)Others													
3 Decrease in current period	19,151,281.98	19,339,530.52	3,473,599.83	30,458.68		40,386.87	30,798,677.20	636,448.64	2,596,798.85	65,453,219.13	5,145,974.60	337,624.69	147,004,000.99
(1)Disposal or scrap		18,847,863.46	3,473,599.83	30,458.68		40,386.87	30,798,677.20	141,346.98		-	4,843,892.84	337,624.69	58,513,850.55
(2) Business combinati-on	19,151,281.98	491,667.06						495,101.66	2,596,798.85	65,453,219.13	302,081.76		88,490,150.44
(3)Others												-	
4 Closing Balance	677,903,826.14	218,352,217.63	1,365,519,485.80	1,441,481,483.54	424,391,258.94	34,581,821.40	1,615,599,795.99	1,633,146,543.51	235,997,168.29	33,729,843.51	276,541,742.30	91,173,109.84	8,048,418,296.89
III. Impairment provision													
IV.Carrying Amount													
1 Closing carrying amount	697,920,604.72	92,984,795.52	803,532,806.16	5,257,794,893.60	1,404,486,168.85	17,619,126.20	1,372,075,989.35	4,222,226,498.91	1,186,720,164.10	7,660,654.30	117,467,719.24	221,261,963.88	15,401,751,384.83
2.Opening carrying amount	661,532,641.85	78,617,158.75	911,323,981.63	4,818,397,150.74	1,261,609,036.87	9,770,096.33	1,297,116,545.66	4,314,210,420.09	1,181,877,556.07	64,467,438.64	86,683,588.94	229,379,463.44	14,914,985,079.01

16. Construction in progress

16.1 Category

Items	12/31/2022	1/1/2022
construction in progress	22,682,747,757.22	19,453,790,226.55
Construction supplies		
Total	22,682,747,757.22	19,453,790,226.55

16.2 Construction supplies

a) Details of the construction in progress

Items	12/31/2022			1/1/2022		
	Cost	Impairment provision	Net value	Cost	Impairment provision	Net value
Yanwei Port Areaproject	497,684,751.78		497,684,751.78	482,949,713.98		482,949,713.98
New Gulf Pier construction	37,045,839.88		37,045,839.88	34,205,823.93		34,205,823.93
Xinsu Port Pier construction	240,771,802.52		240,771,802.52	309,191,717.14		309,191,717.14
Logistics land bridge bonded warehouse project	19,805,055.18		19,805,055.18	67,941,561.59		67,941,561.59
Special railway line for Middle Yuntai Logistics Park	1,300,663,340.91		1,300,663,340.91	1,179,595,298.60		1,179,595,298.60
Xuwei Port Area Phase I project	99,786,641.58		99,786,641.58	824,416,794.07		824,416,794.07
Shanhai mortgage asset decoration project	22,628,383.54		22,628,383.54	22,628,383.54		22,628,383.54
Technical improvement project of 68# berths taking into account both passenger and roll functions	69,561,495.53		69,561,495.53	69,421,872.89		69,421,872.89
Renovation project of berth 33 in Lianyungang Port	19,587,816.35		19,587,816.35	18,805,434.11		18,805,434.11
New Silo Construction	356,073,490.87		356,073,490.87	351,764,095.65		351,764,095.65
Dongliang Wharf New Coast Office Building	9,634,121.37		9,634,121.37			
Shanghe Logistics Park	2,951,320,646.16		2,951,320,646.16	2,830,252,603.85		2,830,252,603.85
Logistics Industrial Park Phase II project	352,222,982.52		352,222,982.52	233,108,895.75		233,108,895.75
Port dredging project in Jingang Bay	2,547,942,296.71		2,547,942,296.71	2,948,411,867.41		2,948,411,867.41
Stacking in Ganyu port area	1,241,605,965.07		1,241,605,965.07	333,544,127.49		333,544,127.49
Wide gauge railway special line	28,354,995.00		28,354,995.00	28,354,995.00		28,354,995.00
Breakwater and Wharf Works in Qitai operation area	3,031,255,708.25		3,031,255,708.25	1,798,490,594.37		1,798,490,594.37
Relocation project of No.79 Navy Brigade	479,027,396.64		479,027,396.64	743,504,995.70		743,504,995.70
Auxiliary works of Haibin Avenue port area	428,172,174.42		428,172,174.42	428,172,174.42		428,172,174.42
Reconstruction project of passenger station -- international passenger station	374,492,061.97		374,492,061.97	407,742,069.05		407,742,069.05
Phase I project of container terminal in Dadi port area	266,787,523.92		266,787,523.92	266,787,523.92		266,787,523.92
Internal special railway project of liquid bulk cargo berth in Qitai operation area	415,388,723.75		415,388,723.75	414,280,141.33		414,280,141.33
Port support system	424,985,052.86		424,985,052.86	415,715,610.45		415,715,610.45
Xuwei east port area pipe gallery foundation project	153,254,689.08		153,254,689.08	172,127,660.51		172,127,660.51

Items	12/31/2022			1/1/2022		
	Cost	Impairment provision	Net value	Cost	Impairment provision	Net value
Shanghe Logistics Park Railway loading and unloading station project	434,547,729.85		434,547,729.85	427,897,111.29		427,897,111.29
Berth project of Xuwei port area	2,651,885,573.66		2,651,885,573.66	1,317,823,912.86		1,317,823,912.86
North port area freight yard project	497,351,813.02		497,351,813.02	497,351,813.02		497,351,813.02
East port area freight yard project	1,124,399,226.36		1,124,399,226.36	488,447,273.79		488,447,273.79
Land Formation in Dam Working Area	195,596,024.01		195,596,024.01	195,596,024.01		195,596,024.01
Renovation project of main port area	1,379,213,529.77		1,379,213,529.77	1,336,383,746.32		1,336,383,746.32
Lianyungang central freight station project	731,259,965.68		731,259,965.68	710,794,885.67		710,794,885.67
New Coast - xishuwan A10 building decoration project	63,347,017.52		63,347,017.52	63,347,017.52		63,347,017.52
Miaoling phase III pier				6,669,998.84		6,669,998.84
Sino Kazakhstan logistics station project				8,856,471.22		8,856,471.22
Others	237,093,921.49		237,093,921.49	19,208,017.26		19,208,017.26
Total	22,682,747,757.22		22,682,747,757.22	19,453,790,226.55		19,453,790,226.55

b) Main construction in progress

Name of project	1/1/2022	Increase	Decrease		12/31/2022
			Turn to fixed assets	Turn to Investment properties	
Yanwei Port Areaproject	482,949,713.98	14,735,037.80			497,684,751.78
New Gulf Pier construction	34,205,823.93	2,840,015.95			37,045,839.88
Xinsu Port Pier construction	309,191,717.14	26,133,687.21	37,729,848.29	56,823,753.54	240,771,802.52
Logistics land bridge bonded warehouse project	67,941,561.59			48,136,506.41	19,805,055.18
Special railway line for Middle Yuntai Logistics Park	1,179,595,298.60	121,068,042.31			1,300,663,340.91
Xuwei Port Area Phase I project	824,416,794.07	29,639,703.89	754,269,856.38		99,786,641.58
Shanhai mortgage asset decoration project	22,628,383.54				22,628,383.54
Technical improvement project of 68# berths taking into account both passenger and roll functions	69,421,872.89	139,622.64			69,561,495.53
Renovation project of berth 33 in Lianyungang Port	18,805,434.11	782,382.24			19,587,816.35
New Silo Construction	351,764,095.65	4,309,395.22			356,073,490.87
Dongliang Wharf New Coast Office Building		9,634,121.37			9,634,121.37
Shanghe Logistics Park	2,830,252,603.85	121,068,042.31			2,951,320,646.16
Logistics Industrial Park Phase II project	233,108,895.75	119,114,086.77			352,222,982.52
Port dredging project in Jingang Bay	2,948,411,867.41	31,939,042.04		432,408,612.74	2,547,942,296.71
Stacking in Ganyu port area	333,544,127.49	908,061,837.58			1,241,605,965.07
Wide gauge railway special line	28,354,995.00				28,354,995.00
Breakwater and Wharf Works in Qstai operation area	1,798,490,594.37	1,232,765,113.88			3,031,255,708.25
Relocation project of No.79 Navy Brigade	743,504,996.70			264,477,599.06	479,027,396.64
Auxiliary works of Haibin Avenue port area	428,172,174.42				428,172,174.42
Reconstruction project of passenger station -- international passenger station	407,742,069.06	13,573,265.15	46,823,272.23		374,492,061.97

Name of project	1/1/2022	Increase	Decrease		12/31/2022
			Turn to fixed assets	Turn to Investment properties	
Phase I project of container terminal in Dadi port area	266,787,523.92				266,787,523.92
Internal special railway project of liquid bulk cargo berth in Qitai operation area	414,280,141.33	1,108,582.42			415,388,723.75
Port support system	415,715,610.45	9,269,442.41			424,985,052.86
Xuwei east port area pipe gallery foundation project	172,127,660.51			18,872,971.43	153,254,689.08
Shanghe Logistics Park Railway loading and unloading station project	427,897,111.29	6,650,618.56			434,547,729.85
Berth project of Xuwei port area	1,317,823,912.86	1,334,061,660.80			2,651,885,573.66
North port area freight yard project	497,351,813.02				497,351,813.02
East port area freight yard project	488,447,273.79	635,951,952.57			1,124,399,226.36
Land Formation in Dam Working Area	195,596,024.01				195,596,024.01
Renovation project of main port area	1,336,383,746.32	128,030,186.52	85,200,403.07		1,379,213,529.77
Lianyungang central freight station project	710,794,885.67	20,465,080.01			731,259,965.68
New Coast - xishuwan A10 building decoration project	63,347,017.52				63,347,017.52
Miaoling phase III pier	6,669,998.84		6,669,998.84		
Sino Kazakhstan logistics station project	8,856,471.22		8,856,471.22		
Others	19,208,017.26	217,885,904.23			237,093,921.49
Total	19,453,790,226.55	4,989,226,823.88	939,549,850.03	820,719,443.18	22,682,747,757.22

Note: Current capital of interest expenses was 449,293,874.46 yuan.

17. Right of use assets

Item	Buildings	Machinery and equipment	Other equipment	Total
I. Original book value of intangible assets				
1.Opening Balance	21,126,247.10	5,764,266.07	129,058,628.09	155,949,141.26
2.Increase in current period				
(1) New lease				
3.Decrease in current period			129,058,628.09	129,058,628.09
(1)Disposal				
(2) Disposal of subsidiaries				
(3)Other			129,058,628.09	129,058,628.09
4.Closing Balance	21,126,247.10	5,764,266.07		26,890,513.17
II. Accumulated amortization of intangible assets				
1.Opening Balance	5,481,769.12	1,758,455.27	31,236,546.21	38,476,770.60
2.Increase in current period	2,947,416.24	188,068.44		3,135,484.68
(1)Provision	2,947,416.24	188,068.44		3,135,484.68
3.Decrease in current period			31,236,546.21	31,236,546.21
(1) Disposal				
(2)Other			31,236,546.21	31,236,546.21
Closing Balance	8,429,185.36	1,946,523.71		10,375,709.07
III. Provision for				

Item	Buildings	Machinery and equipment	Other equipment	Total
fixed asset impairment				
IV.Net value of intangible assets				
Closing Book Value	12,697,061.74	3,817,742.36		16,514,804.10
Opening Book Value	15,644,477.98	4,005,810.80	97,822,081.88	117,472,370.66

18. Intangible asset

Item	Land use rights	patent right	Right to use sea areas	Software	Total
I. Original book value of intangible assets					
1.Opening Balance	3,153,773,412.59	1,013,205.38	127,580,389.00	236,837,012.41	3,519,204,019.38
2.Increase in current period	91,717,948.77			6,516,882.42	98,234,831.19
(1)External purchase				6,516,882.42	6,516,882.42
(2) Internal research and development					
(3)Business combination	91,717,948.77				91,717,948.77
(4)Other					
3.Decrease in current period	14,838,036.68			35,234,964.50	50,073,001.18
(1)Disposal	14,838,036.68			75,120.48	14,913,157.16
(2) Business combination				35,159,844.02	35,159,844.02
(3)Other					
4.Closing Balance	3,230,653,324.68	1,013,205.38	127,580,389.00	208,118,930.33	3,567,365,849.39
II. Accumulated amortization of intangible assets					
1.Opening Balance	170,957,705.43	952,235.71	29,626,993.00	113,147,769.63	314,684,703.77
2.Increase in current period	103,959,494.77	9,300.00	2,781,999.84	24,063,123.21	130,813,917.82
(1)Provision	86,238,869.18	9,300.00	2,781,999.84	24,063,123.21	113,093,292.23
(2)Business combination	17,720,625.59				17,720,625.59
(3)Other					
3.Decrease in current period	1,678,813.33			11,820,762.79	13,499,576.12
(1) Disposal	1,678,813.33			75,120.48	1,753,933.81
(2)Business combination				11,745,642.31	11,745,642.31
(3)Other					
Closing Balance	273,238,386.87	961,535.71	32,408,992.84	125,390,130.05	431,999,045.47
III. Provision for fixed asset impairment					
IV.Net value of intangible assets					
Closing Book Value	2,957,414,937.81	51,669.67	95,171,396.16	82,728,800.28	3,135,366,803.92
Opening Book Value	2,982,815,707.16	60,969.67	97,953,396.00	123,689,242.78	3,204,519,315.61

19. Long-term prepaid assets

Item	1/1/2022	Increase	Decrease		12/31/2022
			Amortization	Others	
67-69# Berth upgrade and transformation fee	9,683,759.80		5,282,050.80		4,401,709.00
Renovation costs for office or rental housing	3,150,113.49	1,748,728.35	719,938.43		4,178,903.41
New Oriental Wharf Maintenance Cost	3,033,915.11		1,807,255.86		1,226,659.25
Transfer fee of three supply and one industry of Lianyungang Lianyun District Finance Bureau	65,250,000.00	30,000,000.00	8,500,000.00		86,750,000.00
Dredging and maintenance project of naval wharf basin and berth	19,813,614.62		3,803,604.31		16,010,010.31
Dredging project of Xinsu port wharf	50,375,122.68		6,168,382.32		44,206,740.36
rent for parking spaces	1,022,759.23		219,245.02		803,514.21
Reconstruction project of Hou Gong building	443,279.81		61,941.96		381,337.85
Overhaul of Dual-purpose Machine in Dongliang Wharf	1,791,117.49		457,230.24		1,333,887.25
Maintenance and Renovation Project for Material and Goods Yard	659,813.69		95,380.08		564,433.61
Land bridge new warehouse relocation project	9,867,122.39		574,731.72		9,292,390.67
Dredging cost	19,980,079.06		7,579,064.15		12,401,014.91
Land maintenance cost	3,355,794.16	1,194,855.39	732,054.01		3,818,595.54
South Square of Passenger Station Renovation Project		6,686,605.50	55,721.71		6,630,883.79
Room renovation and additional construction project in the concentrated residential area of site 6 #		683,219.63	132,849.29		550,370.34
Renovation of AC and DC screens at New Bay Wharf		133,008.88	4,433.72		128,575.16
Renovation of shore power equipment at the New Bay Wharf		309,734.51	17,207.62		292,526.89
Pipeline system insulation project		882,596.07	14,710.23		867,885.84
Modification of cable release hook system		487,234.50	8,120.74		479,113.76
Renovation of laser berthing system		377,367.25	6,289.58		371,077.67
Liquefied Tank Farm Tank Insulation Project		198,523.37	3,308.79		195,214.58
Deepening and dredging of the 250000 ton dock and harbor basin		56,823,753.54	473,531.28		56,350,222.26
Renovation and decoration engineering		7,998,155.61	199,953.89		7,798,201.72
Greening cost of Xuwei Phase I project		3,561,367.19	712,273.44		2,849,093.75
Others	7,186,140.77	1,505,056.25	473,442.88		8,217,754.14
Total	195,612,632.30	112,590,206.04	38,102,722.07		270,100,116.27

20. Deferred income tax assets

20.1 Details of recognized deferred income tax assets

Items	12/31/2022		1/1/2022	
	Temporary differences	Deferred income tax assets	Temporary differences	Deferred income tax assets
Bad debt provision	655,794,455.54	163,948,613.89	608,650,153.38	152,162,538.35

Items	12/31/2022		1/1/2022	
	Temporary differences	Deferred income tax assets	Temporary differences	Deferred income tax assets
Education funds	924,367.04	231,091.76	1,232,552.18	308,138.05
Provision for long-term equity investment write-down	3,104,949.52	776,237.38	3,104,949.52	776,237.38
Interest of government appropriations being replaced by loans	29,900,000.00	7,475,000.00	31,050,000.00	7,762,500.00
Deferred income			28,663,229.05	7,165,807.26
Deductible losses	167,599,406.84	41,899,851.71	172,426,817.76	43,106,704.44
Long-term employee benefits payable	20,338,130.70	5,084,532.68	21,706,587.23	5,426,646.81
Provision for inventory write-down	8,421,836.85	2,105,459.21	8,421,836.85	2,105,459.21
Medical care for the only child	88,324,872.39	22,081,218.10	88,324,872.39	22,081,218.10
Counterbalance of consolidated income	97,784,454.32	24,446,113.58	101,856,157.60	25,464,039.40
Provision for impairment of credit commitment	2,619,923.01	654,980.75	245,000.00	61,250.00
Lease liabilities	68,046,098.64	17,011,524.67	62,268,788.63	15,567,197.16
Employee benefits payable	460,002.20	96,140.46	1,634,534.59	396,574.17
Total	1,143,318,497.05	285,810,764.19	1,129,585,479.18	282,384,310.33

20.2 Details of recognized deferred income tax liabilities

Items	12/31/2022		1/1/2022	
	Temporary differences	Deferred income tax liabilities	Temporary differences	Deferred income tax liabilities
Changes in fair value of other equity instrument	34,729,525.52	8,682,381.38	25,418,866.12	6,354,716.52
The difference between fixed assets depreciation and tax law depreciation	45,475,799.88	11,368,949.97	17,963,834.40	4,490,958.60
Total	80,205,325.40	20,051,331.35	43,382,700.52	10,845,675.12

21. Other non-current assets

Items	12/31/2022	1/1/2022
Advance payment for real estate of Dongtai Donghu Science and Technology City	315,438,275.22	315,438,275.22
Margin for financial leasing	11,027,747.64	10,095,283.38
Advance payment for project		203,539.82
Total	326,466,022.86	325,737,098.42

22. Short-term loan

22.1 Categories of short-term loans

Items	12/31/2022	1/1/2022
Credit loans	7,127,418,511.10	6,047,540,462.78
Mortgage loan	10,000,000.00	116,290,000.00
Guaranteed loans	2,044,958,365.00	2,056,434,316.82
Pledge loan	1,000,000.00	10,000,000.00
Accrued interest	6,197,420.23	42,270,796.64
Total	9,189,574,296.33	8,272,535,576.24

22.2 There are no short-term loans overdue in this year.

23. Notes payable

Category	12/31/2022	1/1/2022
Bank acceptances	641,269,044.96	402,273,930.21
Commercial acceptance bill	300,000,000.00	390,000,000.00
Domestic letter of credit	743,100,000.00	473,930,000.00
Total	1,684,369,044.96	1,266,203,930.21

24. Accounts payable

24.1 Aging presentation of accounts payable

Aging	12/31/2022		1/1/2022	
	Amount	%	Amount	%
Within 1 year	1,037,123,551.09	66.59	698,945,869.53	44.15
1-2 year	316,703,311.00	20.33	456,285,130.94	28.82
2-3 year	97,707,782.03	6.27	190,100,542.54	12.01
Over 3 year	106,102,339.73	6.81	237,686,262.42	15.02
Total	1,557,636,983.85	100.00	1,583,017,805.43	100.00

24.2 Top five entities with the largest balances of accounts payable

Company name	Relationship with the Company	Amount	Aging	Proportion in the total (%)
Hong Kong Great Wall Mining Development Co., Ltd	Non related party	97,798,306.12	Within 1 year	6.28
Lianyungang Golden Orient Port Investment Co., Ltd.	Non related party	64,740,000.00	1-2 year	4.16
CCCC Shanghai Waterway Survey and Design Institute Co., Ltd	Non related party	41,100,514.71	Within 1 year	2.64
MITSUBISHI CORPORATION RTM INTERNATIONAL PTE. LTD.	Non related party	40,956,912.27	Within 1 year	2.63
Lianyungang Port Public Infrastructure Management Center	Non related party	37,208,835.23	1-2 year	2.39
Total		281,804,568.33		18.10

25. Contract liabilities

Category	12/31/2022	1/1/2022
Receipts in advance	578,134,704.73	310,942,334.69
Total	578,134,704.73	310,942,334.69

26. Employee benefits payable

26.1 General situation

Items	1/1/2022	Increase	Decrease	12/31/2022
Short-term employee benefits	97,647,212.64	1,205,736,750.65	1,187,814,718.83	115,569,244.46
Post-employment benefits	57,887.61	249,648,877.18	249,706,764.79	
Termination benefits				
Other benefits due in 1 year				
Total	97,705,100.25	1,455,385,627.83	1,437,521,483.62	115,569,244.46

26.2 Short-term employee benefits

Item	1/1/2022	Increase	Decrease	12/31/2022
Wages,bonuses, allowances and subsidies	30,629,252.05	916,280,044.62	914,553,252.05	32,356,044.62
Employees' welfare	160,395.74	108,321,163.97	108,481,559.71	

Item	1/1/2022	Increase	Decrease	12/31/2022
Social insurance premiums	661,732.00	89,217,963.05	89,879,695.05	
including: Medical insurance premium	492,031.07	69,982,392.15	70,474,423.22	
Work-related injury insurance premium	125,694.36	10,903,871.56	11,029,565.92	
Maternity insurance premium	44,006.57	8,331,699.34	8,375,705.91	
Housing funds	526,303.38	49,316,980.36	49,816,098.85	27,184.89
Trade union expenditures and employee education funds	65,669,529.47	42,154,048.84	24,637,563.36	83,186,014.95
Short-term paid absences		446,549.81	446,549.81	
Short-term paid absences profit-sharing plan				
Other short-term employee benefits				
Total	97,647,212.64	1,205,736,750.65	1,187,814,718.83	115,569,244.46

26.3 Defined contribution plans

Defined contribution plans item	1/1/2022	Increase	Decrease	12/31/2022
Basic endowment insurance premium	55,906.58	160,138,058.24	160,193,964.82	
Unemployment insurance premium	1,981.03	1,410,520.38	1,412,501.41	
Payment of annuity		59,007,797.05	59,007,797.05	
Allowance for retired personnel		29,092,501.51	29,092,501.51	
Total		3,973,576.74	3,973,576.74	

27. Taxes and dues payable

Items	12/31/2022	1/1/2022
Value added tax	15,434,028.66	16,989,666.81
City construction tax	1,001,911.87	1,163,707.43
Education fee additional tax	437,105.99	511,708.40
Local education fee additional tax	291,403.93	289,720.34
Increment tax on land value		40,053.14
Land use tax	638,490.02	1,164,214.93
Urban real estate tax	1,402,400.90	3,178,239.25
Income tax	69,380,197.66	80,033,572.93
Stamp tax	1,104,365.86	439,163.25
Individual income tax	672,697.68	1,621,180.19
Port security fee , etc.	46,669,849.58	45,929,381.56
Total	137,032,452.15	151,360,608.23

28. Other payables

28.1 Category

Items	12/31/2022	1/1/2022
Interests payable		
Dividends payable	9,800,000.00	10,170,000.00
Other payables	537,419,968.04	573,257,049.70
Total	547,219,968.04	583,427,049.70

28.2 Dividends payable

Major Investor Name	12/31/2022	1/1/2022
Jiangsu shagang Group Co Ltd	2,000,000.00	800,000.00
Wanbang Industrial Port Development Management Co., Ltd	7,800,000.00	3,120,000.00
Korea Xingya Shipping Co., Ltd		6,250,000.00
Total	9,800,000.00	10,170,000.00

28.3 Other payables

a) Aging presentation of other payables

Aging	12/31/2022		1/1/2022	
	Amount	%	Amount	%
Within 1 year	197,772,345.59	36.80	420,009,370.31	73.27
1-2 year	241,889,580.80	45.01	53,048,442.50	9.25
2-3 year	42,621,732.98	7.93	53,674,178.84	9.36
Over 3 year	55,136,308.67	10.26	46,525,058.05	8.12
Total	537,419,968.04	100.00	573,257,049.70	100.00

b) Classification of other receivables by nature

Nature of payment	12/31/2022	1/1/2022
Security deposit	89,908,785.28	91,092,994.20
Third party payment	125,529,425.52	102,056,443.51
Medical co-ordination fund	101,768,839.39	88,324,872.39
Other payables	220,212,917.85	257,482,739.60
Loan		34,300,000.00
Total	537,419,968.04	573,257,049.70

c) Top five entities with the largest balances of other payables

Company name	Relationship with the Company	Amount	Aging	Proportion in the total (%)	Business content
Shanghai Yuzhou Shipping Co., Ltd	Related party	108,842,626.68	1-2 year	20.25	Payment for other
Lianyungang Port holding group Guanyun Co., Ltd	Related party	102,732,739.60	Within 1 year 64,478,690.89; 1-2 year 38,254,048.71	19.12	Payment for other
Medical co-ordination fund	Non related party	101,768,839.39	Within 1 year 21,467,223.88; 1-2 year 18,015,898.94; 2-3 year 12,962,363.99, Over 3 year 49,323,352.58	18.94	Medical co-ordination fund
Shanghai Cooperation Organization (Lianyungang) International Logistics Park Management Committee	Non related party	20,000,000.00	1-2 year	3.72	Payment of subsidies
Yunlian (Tianjin) Commercial Factoring Co., Ltd	Non related party	14,348,094.80	Within 1 year	2.67	Factoring agent payment
Total		347,692,300.47		64.70	

29. Non-current liabilities due within one year

Item	12/31/2022	1/1/2022
Long-term loans due within one year	2,952,396,429.99	1,731,365,062.41

Item	12/31/2022	1/1/2022
Bond payable due within one year	5,682,910,158.67	6,987,267,032.01
Long-term payable due within one year	590,672,405.34	624,231,340.26
Accrued interest	131,843,515.68	113,396,018.21
Total	9,357,822,509.68	9,456,259,452.89

30. Other current liabilities

Items	12/31/2022	1/1/2022
Output tax to be transferred	44,495,564.24	31,929,585.48
Short-term financing bonds	5,455,000,000.00	1,600,000,000.00
Endorsed negotiable instruments not derecognized	17,424,041.93	75,010,070.66
Accrued interest	28,795,972.23	45,493,150.68
Total	5,545,715,578.40	1,752,432,806.82

31. Long-term loan

Items	12/31/2022	1/1/2022
Credit loans	2,455,077,271.34	4,739,918,887.30
Mortgage loan	3,757,049,942.70	2,890,074,791.73
Guaranteed loans	2,520,850,000.00	1,910,904,782.37
Accrued interest	18,491,554.30	23,516,622.64
Total	8,751,468,768.34	9,564,415,084.04

32. Bonds payable

32.1 Bonds payable exhibit by item

Items	12/31/2022	1/1/2022
Agricultural Bank 18 Lianyungang MTN001	497,193,906.06	497,193,906.06
Bank of Ningbo 19 Lianyungang PPN001		499,600,255.34
China Everbright Bank 19 Lianyungang PPN002		499,583,537.80
Agricultural Bank 19 Lianyungang PPN003		498,662,868.35
PSBC 19 Lianyungang PPN004		499,204,035.29
China Merchants Bank 19 Lianyungang MTN001	897,051,419.63	894,659,946.53
Bank of Communications 19 Lianyungang MTN002	800,000,000.00	800,000,000.00
China Merchants Bank 19 Lianyungang MTN003	497,805,036.81	496,505,999.51
Bank of Communications 19 Lianyungang MTN004		700,000,000.00
Non public issuance of corporate bonds 19 Lianyungang 01		999,025,326.71
20 Lianyungang PPN001	498,683,505.41	498,683,505.41
20 Lianyungang PPN002	499,545,933.07	499,545,933.07
20 Yungang 01	998,160,513.02	998,160,513.02
20 Lianyungang PPN003	498,050,796.48	498,050,796.48
20 Lianyungang PPN004	499,297,003.50	499,297,003.50
20 Lianyungang PPN006	199,206,605.08	199,206,605.08

Items	12/31/2022	1/1/2022
20 Lianyungang PPN007	497,498,049.41	497,498,049.41
20 Lianyungang MTN001	696,320,169.12	696,320,169.12
17 Lianyungang's 1 billion debt raising fund (to be renewed on August 4, 2020)		994,902,000.00
21 Lianyungang PPN002	498,953,677.52	498,953,677.52
21 Lianyungang PPN001		299,784,000.00
21 Lianyungang MTN001	300,000,000.00	300,000,000.00
19 Lianyungang Port MTN001		449,472,217.61
2022 Lianyungang MTN001	540,940,048.56	
2022 Lianyungang PPN001	500,542,744.60	
2022 Lianyungang PPN002	900,000,000.00	
22 Lianyungang MTN002	460,703,622.57	
22 Lianyungang PPN3A	300,000,000.00	
22 Lianyungang PPN3B	300,000,000.00	
22 Yungang 02	338,678,884.83	
22 Yungang 03	358,709,111.24	
22 Yungang 04	199,140,321.40	
22 Yungang 05	796,387,480.61	
US $400 million oversea foreign debt		2,546,816,790.91
US $250 million oversea foreign debt	1,725,558,596.53	
US $60 million oversea foreign debt	417,876,000.00	
Accrued interest	471,733,799.70	452,229,801.00
Less: bonds payable due within one year	5,682,910,158.67	6,987,267,032.01
Accrued interest on bonds due and payable within one year	131,843,515.68	111,204,700.99
Total	9,373,283,550.80	9,214,885,204.72

32.2 Changes in bonds payable

Name of Bond	Nominal Value	Issuance date	Bond Terms	Issuance Amount
Agricultural Bank 18 Lianyungang MTN001	500,000,000.00	2018-2-28	2023-2-28	500,000,000.00
Bank of Ningbo 19 Lianyungang PPN001	500,000,000.00	2019-4-26	2022-4-26	500,000,000.00
China Everbright Bank 19 Lianyungang PPN002	500,000,000.00	2019-10-25	2022-10-25	500,000,000.00
Agricultural Bank 19 Lianyungang PPN003	500,000,000.00	2019-11-26	2022-11-26	500,000,000.00
PSBC 19 Lianyungang PPN004	500,000,000.00	2019-12-10	2022-12-10	500,000,000.00
China Merchants Bank 19 Lianyungang MTN001	900,000,000.00	2019-2-22	2024-2-22	900,000,000.00
Bank of Communications 19 Lianyungang MTN002	800,000,000.00	2019-7-5	2024-7-5	800,000,000.00
China Merchants Bank 19 Lianyungang MTN003	500,000,000.00	2019-7-30	2024-7-30	500,000,000.00
Bank of Communications 19 Lianyungang MTN004	700,000,000.00	2019-8-23	2022-8-23	700,000,000.00
Non public issuance of corporate bonds 19 Lianyungang 01	1,000,000,000.00	2019-8-2	2022-8-2	1,000,000,000.00

Name of Bond	Nominal Value	Issuance date	Bond Terms	Issuance Amount
20 Lianyungang PPN001	500,000,000.00	2020-1-7	2023-1-5	500,000,000.00
20 Lianyungang PPN002	500,000,000.00	2020-1-16	2023-1-16	500,000,000.00
20 Yungang 01	1,000,000,000.00	2020-2-13	2023-2-13	1,000,000,000.00
20 Lianyungang PPN003	500,000,000.00	2020-4-30	2023-4-30	500,000,000.00
20 Lianyungang PPN004	500,000,000.00	2020-7-8	2023-7-8	500,000,000.00
20 Lianyungang PPN006	200,000,000.00	2020-8-3	2023-8-3	200,000,000.00
20 Lianyungang PPN007	500,000,000.00	2020-11-12	2023-11-10	500,000,000.00
20 Lianyungang MTN001	700,000,000.00	2020-10-9	2023-10-9	700,000,000.00
17 Lianyungang's 1 billion debt raising fund (to be renewed on August 4, 2020)	994,902,000.00	2020-8-4	2022-8-4	994,902,000.00
21 Lianyungang PPN002	500,000,000.00	2021-6-23	2023-6-23	500,000,000.00
21 Lianyungang PPN001	300,000,000.00	2021-2-4	2022-2-4	300,000,000.00
21 Lianyungang MTN001	300,000,000.00	2021-5-28	2023-5-28	300,000,000.00
19 Lianyungang Port MTN001	450,000,000.00	2019-4-23	2022-4-23	450,000,000.00
2022 Lianyungang MTN001	540,000,000.00	2022.2.25	2024-2-5	540,000,000.00
2022 Lianyungang PPN001	500,000,000.00	2022.3.16	2024-3-16	500,000,000.00
2022 Lianyungang PPN002	900,000,000.00	2022.7.14	2025-7-14	900,000,000.00
22 Lianyungang MTN002	460,000,000.00	2022.6.10	2024-6-10	460,000,000.00
22 Lianyungang PPN3A	300,000,000.00	2022.8.18	2024-8-18	300,000,000.00
22 Lianyungang PPN3B	300,000,000.00	2022.8.18	2025-8-18	300,000,000.00
22 Yungang 02	340,000,000.00	2022.6.28	2025-6-25	340,000,000.00
22 Yungang 03	360,000,000.00	2022.6.28	2024-6-25	360,000,000.00
22 Yungang 04	200,000,000.00	2022.9.21	2024-9-21	200,000,000.00
22 Yungang 05	800,000,000.00	2022.9.21	20259-21	800,000,000.00
US $400 million oversea foreign debt	2,609,960,000.00	2019-9-29	2022-9-29	2,609,960,000.00
US $250 million oversea foreign debt	1,741,150,000.00	2022.6.9	2025-6-9	1,741,150,000.00
US $60 million oversea foreign debt	417,876,000.00	2022.9.15	2025-9-15	417,876,000.00
Total	22,813,888,000.00			22,813,888,000.00

(Continued)

Name of Bond	1/1/2022	Increase	Decrease	12/31/2022
Agricultural Bank 18 Lianyungang MTN001	497,193,906.06			497,193,906.06
Bank of Ningbo 19 Lianyungang PPN001	499,600,255.34	399,744.66	500,000,000.00	
China Everbright Bank 19 Lianyungang PPN002	499,583,537.80	416,462.20	500,000,000.00	
Agricultural Bank 19 Lianyungang PPN003	498,662,868.35	1,337,131.65	500,000,000.00	
PSBC 19 Lianyungang PPN004	499,204,035.29	795,964.71	500,000,000.00	
China Merchants Bank 19 Lianyungang MTN001	894,659,946.53	2,391,473.10		897,051,419.63
Bank of Communications 19 Lianyungang MTN002	800,000,000.00			800,000,000.00
China Merchants Bank 19 Lianyungang MTN003	496,505,999.51	1,299,037.30		497,805,036.81
Bank of Communications 19 Lianyungang MTN004	700,000,000.00		700,000,000.00	
Non public issuance of corporate bonds 19 Lianyungang 01	999,025,326.71	974,673.29	1,000,000,000.00	

Name of Bond	1/1/2022	Increase	Decrease	12/31/2022
20 Lianyungang PPN001	498,683,505.41			498,683,505.41
20 Lianyungang PPN002	499,545,933.07			499,545,933.07
20 Yungang 01	998,160,513.02			998,160,513.02
20 Lianyungang PPN003	498,050,796.48			498,050,796.48
20 Lianyungang PPN004	499,297,003.50			499,297,003.50
20 Lianyungang PPN006	199,206,605.08			199,206,605.08
20 Lianyungang PPN007	497,498,049.41			497,498,049.41
20 Lianyungang MTN001	696,320,169.12			696,320,169.12
17 Lianyungang's 1 billion debt raising fund (to be renewed on August 4, 2020)	994,902,000.00		994,902,000.00	
21 Lianyungang PPN002	498,953,677.52			498,953,677.52
21 Lianyungang PPN001	299,784,000.00	216,000.00	300,000,000.00	
21 Lianyungang MTN001	300,000,000.00			300,000,000.00
19 Lianyungang Port MTN001	449,472,217.61		449,472,217.61	
2022 Lianyungang MTN001		540,940,048.56		540,940,048.56
2022 Lianyungang PPN001		500,542,744.60		500,542,744.60
2022 Lianyungang PPN002		900,000,000.00		900,000,000.00
22 Lianyungang MTN002		460,703,622.57		460,703,622.57
22 Lianyungang PPN3A		300,000,000.00		300,000,000.00
22 Lianyungang PPN3B		300,000,000.00		300,000,000.00
22 Yungang 02		340,264,677.82	1,585,792.99	338,678,884.83
22 Yungang 03		360,436,525.80	1,727,414.56	358,709,111.24
22 Yungang 04		200,121,642.14	981,320.74	199,140,321.40
22 Yungang 05		800,312,763.62	3,925,283.01	796,387,480.61
US $400 million oversea foreign debt	2,546,816,790.91		2,546,816,790.91	
US $250 million oversea foreign debt		1,741,150,000.00	15,591,403.47	1,725,558,596.53
US $60 million oversea foreign debt		417,876,000.00		417,876,000.00
Accrued interest	452,229,801.00			471,733,799.70
Less: bonds payable due within one year	6,987,267,032.01			5,682,910,158.67
Accrued interest on bonds due and payable within one year	111,204,700.99			131,843,515.68
Total	9,214,885,204.72	6,870,178,512.02	8,015,002,223.29	9,373,283,550.80

33. Lease liabilities

Items	12/31/2022	1/1/2022
Lease payments	17,328,473.88	146,237,455.10
Less: Unconfirmed financing costs	2,109,888.20	13,338,714.33
Total	15,218,585.68	132,898,740.77

34. Long-term payable

34.1 Category

Items	12/31/2022	1/1/2022
Long-term payable	4,231,483,480.64	3,982,008,878.59
Long-term employee benefits payable	20,338,130.69	21,706,587.23
Special payable	478,453,942.72	505,903,150.94
Total	4,730,275,554.05	4,509,618,616.76

34.2 Long-term payable

Items	12/31/2022	1/1/2022
Subsidiary borrows long-term funds from minority shareholders	58,800,000.00	
Finance lease payable	4,313,315,333.74	4,166,690,367.45
Less: Unconfirmed financing costs	140,631,853.10	184,681,488.86
Total	4,231,483,480.64	3,982,008,878.59

34.3 Long-term employee benefits payable

Items	12/31/2022	1/1/2022
Post-employment benefits-defined benefit plan net liabilities	20,338,130.69	21,706,587.23
Total	20,338,130.69	21,706,587.23

34.4 Special payable

Items	1/1/2022	Increase	Decrease	12/31/2022
The government appropriated funds for the construction of the project	14,775,951.77			14,775,951.77
Lianyungang frontier inspection station command center	20,000,000.00			20,000,000.00
Qitai operating area- Construction Funds of Special Railway Project in Liquid Bulk Berth	8,500,000.00			8,500,000.00
Lianyungang International Trade Single Window Subsidy Fund 2018	3,590,000.00		3,590,000.00	
Subsidies for the Construction of Integrated Information Platform for Port Video Supervision	2,410,000.00		2,410,000.00	
Subsidy for the improvement of the project construction of South shugang highway	46,600,000.00		46,600,000.00	
Port road transportation management system	4,500,000.00		4,500,000.00	
Interchange improvement project of South shugang highway	5,000,000.00		5,000,000.00	
Subsidies for the Construction of dust online monitoring system subsidizes the construction of Ecological Port	1,500,000.00		1,500,000.00	
Maintenance fund of Port Road	32,000,000.00		32,000,000.00	
Special fund for entrance channel project of liquid bulk cargo berth area in Xuwei port area of Lianyungang Port	24,820,000.00			24,820,000.00
Return of sea area use fee for Lianyungang South Port highway improvement project	63,000,000.00		40,585,951.77	22,414,048.23
Land formation of port support system in Lianyungang district and funds for public supporting projects	19,280,000.00			19,280,000.00

Items	1/1/2022	Increase	Decrease	12/31/2022
Special fund for harbor channel maintenance dredging project	77,410,000.00			77,410,000.00
Shanghai Cooperation Organization (Lianyungang) International Logistics Park Railway loading and unloading station project	58,000,000.00	30,000,000.00		88,000,000.00
Nanshugang highway improvement project	6,460,000.00	58,304,083.00		64,764,083.00
Compensation collected by Lianyun District housing levy Bureau	3,290,800.00			3,290,800.00
Special funds for dredging and maintenance	1,386,399.17			1,386,399.17
Special funds for belt conveyer system	10,780,000.00			10,780,000.00
Special railway project shaoxianghe super large bridge project	46,000,000.00			46,000,000.00
Special Subsidy from the Ministry of Communications	50,000,000.00			50,000,000.00
Foreign trade public service platform construction funds	1,000,000.00			1,000,000.00
Integrated logistics project (phase II)	4,000,000.00			4,000,000.00
Promote steady growth of foreign trade and adjust structure	1,600,000.00			1,600,000.00
Shore Power Project of Berths 103 and 104 in Xuwei Port Area of Port of Lianyungang		5,240,000.00		5,240,000.00
110KV Nangang Line/78C Port Area Branch Line Relocation Project of Liansu Expressway		15,192,660.55		15,192,660.55
Total	505,903,150.94	108,736,743.55	136,185,951.77	478,453,942.72

35. Provisions

Items	1/1/2022	Increase	Decrease	12/31/2022	Forming reason
Shanhai Guarantee Corporation - provision of the guarantee compensation	8,064,040.85	2,799,454.00		10,863,494.85	reserve
Shanhai Guarantee Corporation- provision of immature liability	926,752.33	166,100.55		1,092,852.88	reserve
Suqian Traffic Logistic - compensation	853,276.34			853,276.34	
Provision for impairment of credit commitment	245,000.00	2,374,923.01		2,619,923.01	
Total	10,089,069.52	5,340,477.56		15,429,547.08	

Note: The provision for impairment of credit commitment refers to the bank draft accepted by the subsidiary financial company as the acceptor. The provision for impairment of credit commitment is calculated according to 2.5% of the provision for impairment of credit commitment of the financial company.

36. Deferred Incomes

Items	1/1/2022	Increase	Decrease	12/31/2022
Government subsidy	33,696,379.08	14,864,923.40	4,424,654.83	44,136,647.65
Total	33,696,379.08	14,864,923.40	4,424,654.83	44,136,647.65

Note: Details of government grants are shown in Notes V-63. Government grants.

37. Paid-in capital

Items	1/1/2022		Increase	Decrease	12/31/2022	
	Amount	%			Amount	%
Lianyungang port Holding Group Co., Ltd.	7,000,000,000.00	89.51			7,000,000,000.00	89.51
Guo Kai Development Fund Co., Ltd.	820,000,000.00	10.49			820,000,000.00	10.49
Total	7,820,000,000.00	100.00			7,820,000,000.00	100.00

38. Other equity instruments

Items	1/1/2022	Increase	Decrease	12/31/2022
Perpetual capital securities	1,166,500,000.00	715,480,000.00	1,166,500,000.00	715,480,000.00
Total	1,166,500,000.00	715,480,000.00	1,166,500,000.00	715,480,000.00

39. Capital surplus

Items	12/31/2022	Increase	Decrease	12/31/2022
Ministry of communication return the port construction fees and pay the construction capital	1,051,144,343.25			1,051,144,343.25
State owned assets supervision and Administration Commission of Lianyungang transfer assets	517,226,185.29	2,497,780,460.00	1,173,582,670.90	1,841,423,974.39
Other capital surplus	1,838,658,555.80		6,653,700.00	1,832,004,855.80
total	3,407,029,084.34	2,497,780,460.00	1,180,236,370.90	4,724,573,173.44

Note :

Capital surplus changes in the current period:

(1) The SASAC injected assets to increase the capital reserve by 2,497,780,460.00 yuan; (2) Divestment of assets reduces capital reserve by 1,173,582,670.90 yuan; (3) The change in minority shareholders' equity of the subsidiary and other factors resulted in a reduction of capital reserve of 6,653,700.00 yuan.

40. Other Comprehensive Incomes

Item	Opening Balance	Current Period					Closing Balance
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit or loss	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	
1. Other comprehensive incomes that cannot be reclassified into the profit and loss	19,064,149.60	9,310,659.44		2,327,664.86	6,982,994.58		26,047,144.18
Include: Recalculate the defined benefit plan liabilities and net change in net assets							
Share of profit or loss that under the equity method investees cannot reclassify into other profit and loss							

Item	Opening Balance	Current Period					Closing Balance
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit or loss	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	
Changes in fair value of other equity instrument investments	19,064,149.60	9,310,659.44		2,327,664.86	6,982,994.58		26,047,144.18
2 Other consolidate incomes that will be reclassified into profit and loss	-44,930,935.89	-178,287,991.21			-178,287,991.21		-223,218,927.10
Include: share of profit or loss that under the equity method investees will reclassify into profit and loss	6,016,280.31						6,016,280.31
Changes in fair value of other debt investments							
Provision for credit impairment of other debt investments							
Effective part of profit and loss of cash flow hedging							
Difference from conversion of financial statements in foreign currency	-50,947,216.20	-178,287,991.21			-178,287,991.21		-229,235,207.41
Others							
Other comprehensive Income Total	-25,866,786.29	-168,977,331.77		2,327,664.86	-171,304,996.63		-197,171,782.92

41. Special reserves

Items	1/1/2022	Increase	Decrease	12/31/2022
Safe production cost	82,177.38			82,177.38
total	82,177.38			82,177.38

42. Surplus reserve

Items	1/1/2022	Increase	Decrease	12/31/2022
Statutory accumulation reserve	7,610,257.91			7,610,257.91
total	7,610,257.91			7,610,257.91

43. General risk preparedness

Items	1/1/2022	Increase	Decrease	12/31/2022	Reasons for change
General risk preparedness	29,169,577.24			29,169,577.24	

Items	1/1/2022	Increase	Decrease	12/31/2022	Reasons for change
total	29,169,577.24			29,169,577.24	

44. Undistributed profit

Items	2022	2021
Beginning balance before adjustment	176,526,540.14	134,152,316.99
Adjustment for beginning balance(increase+,decrease-)		
Beginning balance after adjustment	176,526,540.14	134,152,316.99
Plus: net profit attributable to owners of the parent company for the current period	59,761,059.79	60,374,223.15
Less: Withdrawal of statutory surplus reserves		
Turn over the income from State-owned Assets	44,990,000.00	18,000,000.00
Ending balance	191,297,599.93	176,526,540.14

45. Operating revenue

45.1 Sales and other operating income

Items	2022 (Jan-Dec)		2021 (Jan-Dec)	
	Revenue	Cost	Revenue	Cost
Main operations	14,978,010,568.25	13,007,476,024.26	13,790,357,145.31	12,243,190,705.02
Other operations	836,108,104.33	628,275,531.62	873,125,020.13	642,747,906.53
Total	15,814,118,672.58	13,635,751,555.88	14,663,482,165.44	12,885,938,611.55

45.2 Main operations (disclosure by branch line of business)

Items	2022 (Jan-Dec)		2021 (Jan-Dec)	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Loading and unloading income	3,381,631,916.77	2,326,178,236.55	3,006,591,975.17	2,151,566,452.23
Stockpiling income	247,497,246.86	187,732,703.40	269,078,136.17	204,928,852.05
Management revenue	495,565,151.58	393,331,401.96	406,724,547.49	340,821,071.36
Sales revenue	8,362,818,956.94	8,151,604,667.57	8,008,887,250.20	7,858,463,524.23
Engineering Income	2,427,555,254.14	1,922,942,903.17	2,032,768,691.28	1,657,067,717.57
Other	62,942,041.96	25,686,111.61	66,306,545.00	30,343,087.58
Total	14,978,010,568.25	13,007,476,024.26	13,790,357,145.31	12,243,190,705.02

45.3 Other operations

Items	2022 (Jan-Dec)		2021 (Jan-Dec)	
	Other operating revenue	Other operating cost	Other operating revenue	Other operating cost
Ship rental income	35,533,282.33	17,387,756.49	20,816,058.10	8,008,835.57
Rental income from other assets	83,725,632.61	12,024,261.51	84,487,363.57	14,443,092.89
Tally income	44,594,057.67	22,877,284.19	42,192,373.08	23,325,182.18
Agency income	519,790,541.37	452,712,586.65	513,143,245.76	449,872,683.56
Real estate income	36,731,725.84	37,375,674.82	75,967,043.50	60,642,153.73
Communication income	22,352,961.79	14,260,269.29	58,530,947.42	40,215,841.41
Supply income	36,596,369.60	29,295,640.25	31,017,580.93	25,673,039.52
Others	56,783,533.12	42,342,058.42	46,970,407.77	20,567,077.67
Total	836,108,104.33	628,275,531.62	873,125,020.13	642,747,906.53

46. Taxes and surcharge

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
City construction tax	7,734,563.72	9,206,540.84
Education fee additional tax	3,450,214.72	3,293,532.51
Local education fee additional tax	2,301,650.56	2,239,757.37
Urban real estate tax	6,322,923.66	9,810,980.25
Land use tax	4,596,688.54	17,586,012.81
Vehicle and vessel usage tax	338,537.79	375,286.64
Stamp tax	5,154,125.64	6,446,143.28
Increment tax on land value	335,614.73	14,879,940.12
Others	1,263,089.09	1,199,877.96
Total	31,497,408.45	65,038,071.78

47. Selling and distribution expenses

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Staff salary	2,453,255.49	2,703,643.63
Office expenses	143,468.89	122,798.55
Business entertainment	460,100.68	552,904.86
Travel expenses	105,843.33	604,526.91
Fuel	97,779.43	94,719.50
Post and Telecommunications fee	47,635.80	50,292.15
Repair cost	10,347.80	48,751.92
Property management fee		199,890.00
Others	61,069.18	106,473.32
Total	3,379,500.60	4,484,000.84

48. Administrative expenses

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Staff salary	561,566,119.88	544,238,608.01
Depreciation charge	120,575,255.60	114,087,308.03
Repair cost	16,052,921.51	16,371,039.59
Water and electricity	17,419,164.83	17,186,041.57
Business entertainment	18,332,337.88	20,683,696.38
Labor service fee	67,726,132.81	25,298,135.20
Office expenses	25,319,614.87	31,902,843.38
Travel expenses	7,304,762.21	12,843,239.70
Consulting fees	13,406,579.74	31,831,592.69
Insurance premium	9,797,033.85	9,268,786.47
Long-term prepaid expenses	12,172,953.47	8,842,290.79
Rental fee	13,260,931.34	13,549,121.63
Fuel	4,603,992.85	2,993,449.44
Material	2,861,655.40	1,685,298.97
Post and Telecommunications fee	7,174,393.90	7,514,437.92

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Amortization of intangible assets	113,093,292.23	80,725,355.16
Audit fee	3,420,658.84	4,534,567.96
Advertising and publicity expenses	1,938,168.37	2,651,315.31
Labor protection	4,061,664.63	5,131,479.25
Low value consumables	3,456,467.13	4,194,559.56
Conference fee	1,184,884.06	2,396,545.71
Board funding	599,075.87	1,296,361.76
Afforestation fees	1,050,965.59	882,552.82
Others	11,892,171.82	9,281,835.12
Total	1,038,271,198.68	969,390,462.42

49. Research and development expenses

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Staff salary	40,847,701.23	39,256,490.76
Direct inputs	31,208,888.54	33,972,005.34
Depreciation charge	4,368,208.82	3,627,297.13
Others	704,207.71	1,863,306.39
Entrust external R&D	1,226,415.09	1,421,322.91
Total	78,355,421.39	80,140,422.53

50. Financial expenses

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Interest expenses	1,442,441,431.68	1,327,186,181.27
Less: Interest income	102,518,334.79	134,591,064.48
Add:Exchange loss	12,120,109.26	-633,774.99
Add:Commission	21,974,747.80	78,117,589.25
Total	1,374,017,953.95	1,270,078,931.05

51. Other income

Items	2022 (Jan-Dec)	2021 (Jan-Dec)	Amount included in current non-recurrent gains and losses
Government subsidy	156,970,623.53	265,923,233.33	156,970,623.53
VAT plus and minus	15,739,580.94	7,165,998.49	15,739,580.94
Refund of handling charges for withholding individual income tax	199,962.36	117,967.69	199,962.36
Total	172,910,166.83	273,207,199.51	172,910,166.83

Note: Details of government grants are shown in Notes V-63. Government grants.

52. Investment income

Sources of investment income	2022 (Jan-Dec)	2021 (Jan-Dec)
Investment income from long-term equity investments under the equity method	97,811,155.45	117,818,953.43
Investment income from disposing long-term equity investments	585,830,787.47	702,290,704.78
Investment income obtained during the holding period of Financial assets held for trading	12,923.24	-8,656,544.02
Investment income obtained during the holding period of Investment in other equity instruments	1,850,000.00	
Others	5,000,000.00	8,765,231.08

Sources of investment income	2022 (Jan-Dec)	2021 (Jan-Dec)
Total	690,504,866.16	820,218,345.27

53. Gains from changes in fair value

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Financial assets held for trading	-1,262,750.00	8,695,000.00
Total	-1,262,750.00	8,695,000.00

54. Credit impairment loss ("-" for losses)

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Bad debt loss of accounts receivable	-40,486,678.27	17,335,654.39
Bad debt loss of other receivables	-6,657,623.89	-51,522,059.77
Provision for impairment of credit commitment	-2,374,923.01	260,460.00
Total	-49,519,225.17	-33,925,945.38

55. Credit impairment loss ("-" for losses)s

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Provision for inventory write-down		-101,836.85
Total		-101,836.85

56. Gains from disposal of assets

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Gains or losses from disposal of fixed assets	1,561,348.51	25,770,515.46
Gains or losses from disposal of Intangible assets		2,118,428.81
Gains or losses from disposal of Construction in progress	9,547,341.88	
Total	11,108,690.39	27,888,944.27

57. Non-operating income

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Debt restructuring gains		23,565.46
Repayment of port charges		2,341,628.80
Service charge for collection of port construction fee		539,600.62
Fine net income	6,227,274.21	688,100.00
Compensation	425,876.60	10,166,533.76
Return of rental subsidy		3,000,000.00
Accounts payable that cannot be disbursed	4,582,079.48	2,294,261.18
Others	7,097,916.39	4,235,956.57
Total	18,333,146.68	23,289,646.39

58. Non-operating expenses

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Donation expenses	3,467,608.00	1,231,361.84
Losses on scrapping of fixed assets	621,231.56	597,293.59
Fine expenditure	4,481,331.72	929,613.39
Port opening support funds	21,470,000.00	12,470,000.00
Others	2,907,337.38	1,738,846.72

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Total	32,947,508.66	16,967,115.54

59. Income tax

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Current income tax according to the Income Tax Law	155,134,092.95	186,331,105.31
Deferred income tax adjustment	3,451,537.51	14,174,896.98
Total	158,585,630.46	200,506,002.29

60. Cash flow statement

60.1 Cash received from other operating activities:

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Subsidy income	167,410,892.10	268,782,544.68
Deposit interest income	102,518,334.79	134,591,064.48
Rent income	119,258,914.94	105,303,421.67
Collect the allowance for container routes	30,000,000.00	60,600,000.00
Others	102,964,708.03	104,023,481.61
Fine net income	6,227,274.21	688,100.00
Collection of commission on behalf of others	199,962.36	539,600.62
Compensation	425,876.60	10,166,533.76
Refund of port charges		2,341,628.80
Total	529,005,963.03	687,036,375.62

60.2 Cash paid for other operating activities:

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Selling expenses, General and administrative expenses,R&D	261,472,866.82	260,533,892.28
Penalty or tax delay charge	4481331.72	929,613.39
Allowance for container routes	637,854,03.78	53,470,420.00
Payment of restricted monetary funds		694,557,605.86
Dealings between related companies	1,132,232,453.74	1,050,928,290.50
Port opening support funds	21,470,000.00	12,470,000.00
Others		1,231,361.84
Total	1,383,442,056.06	2,074,121,183.87

60.3 Cash Received from other investing activities

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Financial leasing		203,953,211.75
Increased net cash from acquisition of subsidiaries	70,774,659.14	36,686,316.01
Total	70,774,659.14	240,639,527.76

60.4 Cash paid for other investing activities

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Cash balance received from disposal of subsidiaries	15,891,303.53	2,303,017.22
Cash paid for financing leases	19,142,645.10	
Total	35,033,948.63	2,303,017.22

60.5 Cash Received from other financing activities

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Special accounts payable	108,736,743.55	71,060,000.00
Finance lease	146,624,966.29	2,485,328,673.79
Margin recovery	350,629,608.64	631,203,392.72
Issue of perpetual bonds	715,480,000.00	677,100,000.00
Loans and others	491,151,167.22	359,264,180.31
Total	1,812,622,485.70	4,223,956,246.82

60.6 Cash paid for other financing activities

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
Financing Commission	21,974,747.80	78,117,589.25
Cash paid for purchasing minority equity in subsidiaries	600,000,000.00	
Redemption of perpetual bonds	1,166,500,000.00	800,000,000.00
Payment of restricted monetary funds		631,203,392.72
Total	1,788,474,747.80	1,509,320,981.97

61. Supplementary information of cash flow statement

61.1 Reconciliation of net profit/(loss)to cash flows from operating activities

SUPPLEMENTARY INFORMATION	2022 (Jan-Dec)	2021 (Jan-Dec)
1.Reconciliation of net profit/(loss)to cash flows from operating activities		
Net profit	303,387,389.40	290,209,900.65
Add: Provision for credit impairment	49,519,225.17	33,925,945.38
Provision for asset impairment		101,836.85
Depreciation of fixed assets	776,305,857.34	774,824,425.64
Amortization of intangible assets	113,093,292.23	111,612,932.29
Amortization of long-term prepaid expenses	38,102,722.07	35,502,968.13
Losses on disposal of fixed assets, intangible assets&other long-term assets' deduct gains	-11,108,690.39	-27,888,944.27
Losses on disposal of fixed assets	621,231.56	573,728.13
Exposure to hedging gains		
Losses on changes of fair value	1,262,750.00	-8,695,000.00
Financial expenses	1,476,536,288.74	1,404,669,995.53
Losses arising from investments(deduct: gains)	-690,504,866.16	-820,218,345.27
Decrease in deferred tax debit	-3,426,453.86	13,266,202.96
Increase in deferred tax credit	6,877,991.37	4,306,721.67
Decrease in inventories(deduct: increase)	-344,825,620.82	-460,453,665.19
Decrease in operating receivables(deduct: increase)	-2,014,849,138.74	-1,548,409,918.20
Increase in operating payables(deduct: decrease)	580,370,630.85	506,633,306.01
Others		
Net cash flows from operating activities	281,362,608.76	309,962,090.31
2.Investing and financing activities that do not involve cash receipts and payment:		
Conversion of debt into capital		
Reclassification of convertible bonds expiring within one year as current liability		
Fixed assets acquired under finance leases		

SUPPLEMENTARY INFORMATION	2022 (Jan-Dec)	2021 (Jan-Dec)
3.Net increase/(decrease) in cash and cash equivalents		
Cash at end of year	3,252,333,898.27	1,912,941,571.97
Less: Cash at beginning of year	1,912,941,571.97	2,311,558,410.28
Plus: Cash equivalents at end of year		
Less: Cash equivalents at beginning of year		
Net increase/(decrease) in cash and cash equivalents	1,339,392,326.30	-398,616,838.31

61.2 Composition of Cash & Cash Equivalent

Items	2022 (Jan-Dec)	2021 (Jan-Dec)
1. Cash	3,252,333,898.27	1,912,941,571.97
Including: Cash On Hand	13,345.49	33,149.53
Cash in bank	3,250,290,222.38	1,912,563,359.26
Other monetary funds	2,030,330.40	345,063.18
2. Cash Equivalents		
Including: Bond Investment Maturing within 3 Months		
3. Closing Balance of Cash & Cash Equivalents	3,252,333,898.27	1,912,941,571.97

62. Assets with Restricted Ownership or Use Rights

Items	Amount	Limited reason
Cash & Cash Equivalents	975,131,389.94	Bank acceptance deposits
Intangible assets	3,052,586,333.97	Mortgage loan of land use right and sea area use right
Total	4,027,717,723.91	

63. Government grants

63.1 Details of government grants included in profit and loss or deduction of costs

Item	Related to Assets / Related to income	Amount	Presentation	Amount included in Profit or loss
Subsidy fund for port dredging road maintenance	Related to income	124,185,951.77	Other income	124,185,951.77
2022 Special Subsidy for Port Informatization by the Bureau	Related to income	2,342,000.00	Other income	2,342,000.00
Bond issuance subsidy	Related to income	2,324,624.73	Other income	2,324,624.73
Provincial Special Fund for Business Development of Port Group	Related to income	10,872,883.74	Other income	10,872,883.74
Economic Contribution Award by Finance Bureau of Development Zone	Related to income	4,750,600.00	Other income	4,750,600.00
Subsidy funds for small and medium-sized enterprises by the Science and Technology Bureau	Related to income	2,605,000.00	Other income	2,605,000.00
Port dredging road maintenance fund	Related to assets	6,000.00	Other income	6,000.00
Subsidy for application demonstration project of Internet of things for national container sea rail intermodal transport	Related to income	128,000.00	Other income	128,000.00

Science and Technology Innovation Fund by Finance Bureau of Lianyungang Economic and Technological Development Zone	Related to income	3,476,666.67	Other income	3,476,666.67
Subsidy for National Supply Chain Innovation and Application Demonstration Enterprises	Related to income	683,000.00	Other income	683,000.00
Special subsidy for inclusive finance	Related to income	500,000.00	Other income	500,000.00
other	Related to income	671,241.79	Other income	671,241.79
Current deferred income transferred in	Related to assets	4,424,654.83	Other income	4,424,654.83
Total		156,970,623.53		156,970,623.53

63.2 Details of government grants recorded into deferred revenue

Item	12/31/2020	Addition	Transfer to other income	Other deduction	12/31/2022	Related to Assets / Related to income
Subsidy for Lianyungang Ro Ro Terminal renovation project	8,269,038.56		300,000.00		7,969,038.56	Related to assets
Subsidy for 150 thousand tons of waterway expansion project	19,922,618.30		647,988.16		19,274,630.14	Related to assets
Subsidy for application demonstration project of Internet of things for national container sea rail intermodal transport	5,504,722.22		3,476,666.67		2,028,055.55	Related to assets
Port Dust Online Monitoring System		12,000,000.00			12,000,000.00	Related to assets
Demolition and reconstruction projects along the railway line		2,864,923.40			2,864,923.40	Related to assets
Total	33,696,379.08	14,864,923.40	4,424,654.83		44,136,647.65	

VI. Changes in Consolidated Scope

1. Business Combination not under common Control

Lianyungang Xinxin Port Logistics Co., Ltd. (formerly Lianyungang Sinotrans Chemical International Logistics Co., Ltd.) is a limited company established in January 2018, with the original registered capital of 150 million yuan, including 75 million yuan subscribed by Sinotrans Chemical International Logistics Co., Ltd., accounting for 50%, 52.5 million yuan subscribed by Port of Lianyungang Port Group Co., Ltd., accounting for 35%, and 22.5 million yuan subscribed by Sinotrans Road and Bridge Transportation Co., Ltd., accounting for 15%. According to the agreement, on July 31, 2022, Sinotrans Chemical International Logistics Co., Ltd. and Sinotrans Road and Bridge Transportation Co., Ltd. will reduce their capital and withdraw, while changing their registered capital to 52.5 million yuan. Lianyungang Xinxin Port Logistics Co., Ltd. will become a wholly-owned subsidiary.

2. Business Combination under common Control during Current Period

No.

3. Disposal subsidiary

3.1 Loss of control right in case of single disposal of investment in subsidiaries

Items	Lianyungang Jinhe Development and Construction Co., Ltd
Price of equity disposal	586,098,900.00
ratio(%)of equity disposal	100%
Method of equity disposal	Transfer by agreement
Time point of loss of control	December 30,2022
The basis for time point of loss of control	Transfer of Control
The difference between the disposal price and the net assets of the disposal investment in the consolidated financial statement	585,830,787.47
The proportion of the remaining shares in the day of the loss of control	
The book value of the remaining shares in the day of the loss of control	
The fair value of the remaining shares in the day of the loss of control	
Gains or losses arising from the remeasurement of the remaining shares	
The method and main assumptions of the fair value of the remaining shares	
The other comprehensive income related to the original ownership of the shares shall be transferred to the amount of the investment income	

4. Other changes in Consolidated Scope

Company name	Reason
Add::	
Lianyungang Port Holding Group Xuwei Co., Ltd	Equity transfer
Lianyungang Xinxin Port Logistics Co., Ltd	Acquisition of minority shareholder equity and acquisition of control
Lianyungang Xinxin Chemical Logistics Co., Ltd	Newly established company
Sulong (Gansu) Logistics Supply Chain Co., Ltd	Newly established company
Less:	
Lianyungang Jinhe Development and Construction Co., Ltd	Equity transfer

VII. Interests in Other Entities

1. Interests in Subsidiaries

1.1. Group Composition:

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
1	Jiangsu Lianyungang Port Corporation	Lianyungang	Lianyungang	Port loading and unloading, cargo storage, etc.	58.76		58.76	Investment
2	Lianyungang Xinlian Bulk Terminal Co., Ltd	Lianyungang	Lianyungang	Port loading and unloading, cargo storage, etc.		63.60	63.60	Investment
3	Lianyungang Port International Petrochemical Port Co., Ltd	Lianyungang	Lianyungang	To provide docks for ships; to provide cargo handling for clients; to lease and maintain port facilities, equipment and machinery		51.00	51.00	Investment
4	Jiangsu New Longhai Supply Chain Co., Ltd	Lianyungang	Lianyungang	Supply chain management; freight transportation agency; cargo loading and unloading, handling, storage services; road general cargo transportation; special cargo transportation (container); mechanical equipment leasing, maintenance, etc.		100.00	100.00	Investment
5	Lianyungang Port Group Finance Co., Ltd.	Lianyungang	Lianyungang	To absorb deposits of member units; to handle loans and financial leasing for member units; to handle internal transfer and settlement between member units and the design of corresponding settlement and settlement scheme; to assist member units in the collection and payment of transaction funds, etc	49.00	51.00	100.00	Investment
6	Lianyungang China Korea ferry Co., Ltd	Lianyungang	Lianyungang	Passenger and freight liner shipping business		75.00	75.00	Corporate merger not under the same control

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
7	Lianyungang ferry Co., Ltd	Lianyungang	Lianyungang	Marine agency business, comprehensive cargo transportation business, trade business, logistics business, travel business and related business of the above business		75.00	75.00	Corporate merger not under the same control
8	Jiangsu Zhugang Construction Group Co., Ltd	Lianyungang	Lianyungang	Class II general contracting for port and waterway engineering construction; class II general contracting for housing construction	56.28		56.28	Investment
9	Lianyungang Hua Da waterproof material Co., Ltd.	Lianyungang	Lianyungang	Production and sales of waterproof materials, anti-corrosion materials, ,roofing waterproof layer maintenance, construction materials, etc		100.00	100.00	Investment
10	Jiangsu Lianyungang Port Logistics Holding Co., Ltd.	Lianyungang	Lianyungang	Industrial investment; domestic freight forwarders; contractors shipping, land transport, air cargo import and export agency business for international transportation	100.00		100.00	Investment
11	Lianyungang Port Logistics Co., Ltd.	Lianyungang	Lianyungang	Container and cargo handling services; domestic freight forwarders, shipping agents: cargo warehousing		100.00	100.00	Investment
12	Lianyungang Lianhe Supply Chain Service Co., Ltd	Lianyungang	Lianyungang	Supply chain management services, etc		100.00	100.00	Investment
13	Lianyungang Yugang Bonded Service Co., Ltd.	Lianyungang	Lianyungang	Storage service		100.00	100.00	Investment
14	Lianyungang Port Group Freight Forwarding Company	Lianyungang	Lianyungang	Contractors shipping, land transportation, air freight, express the import and export of goods and goods in transit international transport agency business		100.00	100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
15	Lianyungang Bridge Public Bonded Warehouse	Lianyungang	Lianyungang	Storage for processing trade enterprises and foreign-invested enterprises for processing export products required for the production of raw materials imports and overseas general transit goods		100.00	100.00	Investment
16	Lianyungang Kaida International Logistics Co., Ltd.	Lianyungang	Lianyungang	To import and export cargo shipping international transport agency business, including: canvassing, booking, storage, transit, container LCL, freight settlement, customs clearance etc.		100.00	100.00	Investment
17	Lianyungang Best International Trade Co. Ltd.	Lianyungang	Lianyungang	Mineral products, steel, nonferrous metals, coke, chemical products, building materials, decoration materials, agricultural and sideline products sales		100.00	100.00	Investment
18	Lianyungang Xinlian Wood Industry Co., Ltd	Lianyungang	Lianyungang	Wood processing and wood, bamboo, rattan and grass products industry		100.00	100.00	Transfer
19	Lianyungang Lianheyi Commerce Technology Service Co., Ltd	Lianyungang	Lianyungang	Science and technology promotion and application services		100.00	100.00	Investment
20	Lianyungang Yada import and export auto parts trading comp	Lianyungang	Lianyungang	Cargo transportation insurance, motor vehicle insurance, auto parts sales		100.00	100.00	Transfer
21	Shanghai Yungang Shipping Co., Ltd.	Shanghai	Shanghai	Shipping agency, shipping		51.00	51.00	Investment
22	Lianyungang Dongliang Wharf Co., Ltd.	Lianyungang	Lianyungang	Port cargo unloading, warehousing (except hazardous chemicals), port transport; domestic freight forwarding etc.	71.89		100.00	Investment
23	Lianyungang New Bay Wharf Co., Ltd.	Lianyungang	Lianyungang	Wharf development and construction	65.00	25.00	90.00	Investment
24	Lianyungang Hongyun Industrial Co., Ltd.	Lianyungang	Lianyungang	Diving operations and maintenance of the ship; domestic shipping agent	100.00		100.00	Investment
25	Lianyungang Tianhua Industrial Co. Ltd.	Lianyungang	Lianyungang	Drinking purified water production, sales	100.00		100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
26	Lianyungang New Marine Investment Development Co., Ltd.	Lianyungang	Lianyungang	The development and operation of investment, terminal management and supporting facilities; import and export trade	100.00		100.00	Investment
27	Lianyungang Shenggang Disinfest Engineering Services Co., Ltd.	Lianyungang	Lianyungang	Pest control services and disinfest equipment retail; termite control, cleaning		100.00	100.00	Investment
28	Lianyungang Runtong Environmental Engineering Co. Ltd.	Lianyungang	Lianyungang	Environmental engineering construction		100.00	100.00	Investment
29	Lianyungang Xinhaiyue Tug Co. Ltd.	Lianyungang	Lianyungang	As the ship out of the harbor, dock, shifting with pushing and pulling service		70.00	70.00	Investment
30	Yancheng Haixing Tug Co. Ltd.	Yancheng	Yancheng	Tug service	70.00		70.00	Investment
31	Wuyishan Jinchuan Investment and Development Co., Ltd.	Wuyishan	Wuyishan	Real estate development and management, tourism project investment and development, property management, landscape art design and construction		59.51	59.51	Corporate merger not under the same control
32	Lianyungang Yunyang Investment Co., Ltd.	Lianyungang	Lianyungang	Trade		100.00	100.00	Investment
33	Xinyi Port (Lianyungang) Wharf Co., Ltd.	Lianyungang	Lianyungang	The development and operation of wharf and ancillary facilities, bulk cargo handling, storage, transit	100.00		100.00	Investment
34	Lianyungang Port Construction Project Management Co., Ltd.	Lianyungang	Lianyungang	Construction project management	100.00		100.00	Investment
35	Lianyungang Port Engineering Design & Research Institute Co., Ltd.	Lianyungang	Lianyungang	Waterway engineering design, earthwork foundation treatment	100.00		100.00	Investment
36	Lianyungang Keyi Engineering Construction Supervision Co., Ltd.	Lianyungang	Lianyungang	Engineering construction supervision		100.00	100.00	Investment
37	Lianyungang Xianda New Technology Engineering Company	Lianyungang	Lianyungang	Engineering Science and technology research, technical service. Foundation engineering, blasting engineering		100.00	100.00	Investment
38	Lianyungang Port Engineering Test Center Co., Ltd.	Lianyungang	Lianyungang	Engineering Materials Physics, chemical performance test, engineering quality inspection, etc.		100.00	100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
39	Jiangsu Golden Harbour International Logistics Industry Company	Lianyungang	Lianyungang	International freight forwarding; domestic freight forwarding; domestic shipping agency; storage; investment		100.00	100.00	Investment
40	Lianyungang Golden Harbour Dongsu port Expressway Co. Ltd.	Lianyungang	Lianyungang	Dongsu highway engineering construction investment, development and management		100.00	100.00	Investment
41	Lianyungang New Yuntai Terminal Co. Ltd.	Lianyungang	Lianyungang	Wharf construction engineering construction, technical consultation		100.00	100.00	Investment
42	Lianyungang Foreign Shipping Tally Co. Ltd.	Lianyungang	Lianyungang	International and domestic shipping tally business; international and domestic container business	84.00		84.00	Investment
43	Lianyungang Ocean Shipping Inspection Co., Ltd	Lianyungang	Lianyungang	inspection services		100.00	100.00	Investment
44	Jiangsu Wisdom Yungang Science and Technology Co. Ltd.	Lianyungang	Lianyungang	Communication equipment and communication cable engineering construction	100.00		100.00	Investment
45	Lianyungang Electronic Port Information Development Co., Ltd.	Lianyungang	Lianyungang	The port information platform of information system development and management, incoming data exchange service, information system engineering design, installation, technical consultation	50.61		50.61	Investment
46	Jiangsu Yunlian Information Corp	Nanjing	Nanjing	Logistics and Internet of information systems research and development, operations, management, services, information technology consulting services, etc		45.13	45.13	Corporate merger not under the same control
47	Lianyungang Shanhai Guarantee Co., Ltd.	Lianyungang	Lianyungang	Financing guarantee business	100.00		100.00	Investment
48	Shanhai (Hongkong) Investment and Development Co. Ltd.	Hongkong	Hongkong	Investment ,International trade etc.	100.00		100.00	Investment
49	Shanhai (Hongkong) International Trade Co. Ltd.	Hongkong	Hongkong	International trade		100.00	100.00	Investment
50	Shanhai (Hongkong) Leasing Co. Ltd.	Hongkong	Hongkong	Finance leasing		100.00	100.00	Investment
51	Shanhai (Hongkong) Ship Finance Leasing Co., Ltd.	Hongkong	Hongkong	Finance leasing		100.00	100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
52	Shanhai (Hongkong) International Investment Co. Ltd.	Hongkong	Hongkong	Investment ,International trade etc.		100.00	100.00	Investment
53	Lianyungang Xiangchang International Trade Co., Ltd.	Lianyungang	Lianyungang	Trade		100.00	100.00	Investment
54	Shanhai financial leasing (Lianyungang) Co. Ltd.	Lianyungang	Lianyungang	Lease		100.00	100.00	Investment
55	Jiangsu New Horizon International Trade Co., Ltd.	Nanjing	Nanjing	Trade		100.00	100.00	Investment
56	Lianyungang New Luyuan International Container Storage and Transportation Co., Ltd.	Lianyungang	Lianyungang	Container Storage and Transportation		100.00	100.00	Investment
57	Lianyungang New Road belt International Logistics Co., Ltd.	Lianyungang	Lianyungang	Logistics		51.00	51.00	Investment
58	Lianyungang Xinwei port wharf Co., Ltd	Lianyungang	Lianyungang	General storage service; wharf development and construction	100.00		100.00	Investment
59	Jiangsu New Longgang Port Co., Ltd.	Lianyungang	Lianyungang	Terminals and other port facilities services; provide cargo handling and storage services (only for trial operation); construction of port terminals	86.01		86.01	Investment
60	Lianyungang Jiangang Industrial Co., Ltd.	Lianyungang	Lianyungang	Harbor engineering design, consultation, measurement, construction contract, railway engineering construction	100.00		100.00	Investment
61	Lianyungang Zhongha International Logistics Co., Ltd.	Lianyungang	Lianyungang	International multimodal transport, disassembly and assembly boxes, shipping, warehousing, packaging, cargo loading and unloading, monitoring, acting and other international freight forwarding agent	51.00		51.00	Investment
62	Jiangsu Shanghe Logistics Park Development Co., Ltd.	Lianyungang	Lianyungang	Port infrastructure construction and investment	100.00		100.00	Investment
63	Lianyungang Hui Xin Asset Management Co., Ltd.	Lianyungang	Lianyungang	Investment and asset management	100.00		100.00	Investment
64	Lianyungang Hui Jia Asset Management Co., Ltd.	Lianyungang	Lianyungang	Investment and asset management		100.00	100.00	Investment
65	Lianyungang Lianhe International Container Development Co., Ltd	Lianyungang	Lianyungang	Container handling, loading and unloading, LCL and other services	100.00		100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
66	Lianyungang Kaida International Shipping Agency Co., Ltd.	Lianyungang	Lianyungang	The goods for customs clearance, shipping and transit cargo; and tourist organization, agreed to contact the water rescue .		100.00	100.00	Investment
67	Ningxia Gangtong International Logistics Co., Ltd	Ningxia	Ningxia	International transport agency business for the import and export of goods by sea		60.00	60.00	Corporate merger not under the same control
68	Suqian Traffic Logistics Co., Ltd.	Suqian	Suqian	Freight forwarding agent		60.00	60.00	Corporate merger not under the same control
69	Xi'an Continental Bridge International Logistics Co., Ltd.	Xian	Xian	Container ship loading and unloading and site operations		60.00	60.00	Corporate merger not under the same control
70	Xian Camel customer Electronic Commerce Co., Ltd.	Xian	Xian	Warehousing services, etc.		60.00	60.00	Investment
71	Xinjiang Bridge International Logistics Co., Ltd.	Khorgos	Khorgos	Agent; storage; loading and unloading		55.00	55.00	Corporate merger not under the same control
72	Lianyungang New Oriental Container Terminal Co., Ltd.	Lianyungang	Lianyungang	Container ship loading and unloading and site operations	51.00		51.00	Corporate merger not under the same control
73	Jiangsu New Sugang Investment Development Co., Ltd.	Lianyungang	Lianyungang	Investment, development and operation of port, wharf and supporting facilities; loading, unloading, warehousing and transit of cargo	40.00		51.00	Corporate merger not under the same control
74	Lianyungang New Sugang wharf Co., Ltd	Lianyungang	Lianyungang	Loading, unloading and stacking of goods, operation and management of wharfs and wharfs facilities		51.00	51.00	Corporate merger not under the same control
75	Lianyungang New Sugang International Logistics Co., Ltd	Lianyungang	Lianyungang	Cargo loading and unloading, cargo storage, port facilities, equipment and port machinery leasing and maintenance services		100.00	100.00	Corporate merger not under the same control

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
76	Lianyungang Xinjie Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
77	Lianyungang Xinliang Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
78	Lianyungang Xinyin Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
79	Lianyungang Xinbao Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
80	Lianyungang Xinbi Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
81	Lianyungang Xinhuan Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
82	Lianyungang Xinzheng Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
83	Lianyungang Port Catering Service Co., Ltd.	Lianyungang	Lianyungang	Catering service	100.00		100.00	Investment
84	Lianyungang Xinli Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
85	Lianyungang Xinya Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
86	Jiangsu Lanbao Star Technology Co., Ltd	Lianyungang	Lianyungang	R & D and consultation of Internet of things technology, intelligent technology and information technology	100.00		100.00	Investment
87	Jiangsu Xinhang Electric Co., Ltd	Lianyungang	Lianyungang	Development of ship, offshore platform electrification and automation engineering, shore power engineering, etc	100.00		100.00	Corporate merger not under the same control

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
88	Lianyungang new Coast Real Estate Development Co., Ltd	Lianyungang	Lianyungang	Real estate development	100.00		100.00	Corporate merger not under the same control
89	Lianyungang Xingang Property Management Co., Ltd	Lianyungang	Lianyungang	Property services		100.00	100.00	Investment
90	Lianyungang highway port Co., Ltd	Lianyungang	Lianyungang	Freight forwarding, transportation services	68.50		100.00	Corporate merger not under the same control
91	Lianyungang Port Group Power Supply Engineering Co., Ltd	Lianyungang	Lianyungang	Power engineering construction, power supply, etc	100.00		100.00	Investment
92	Lianyungang Port Maintenance Engineering Co., Ltd	Lianyungang	Lianyungang	Building construction; Waterproof engineering construction; Building maintenance in port	100.00		100.00	Restructured and merged into
93	Lianyungang Gangxin Sanitary Cleaning Co., Ltd	Lianyungang	Lianyungang	Cleaning, Pest and rodent control service		98.18	98.18	Restructured and merged into
94	Lianyungang Pengxiang Landscaping Engineering Co., Ltd	Lianyungang	Lianyungang	Landscape engineering design and construction		100.00	100.00	Restructured and merged into
95	Lianyungang Lianhe New Building Materials Technology Co., Ltd	Lianyungang	Lianyungang	Technology development, technical consultation, technical service, technology promotion and technology transfer of new building materials		90.00	90.00	Investment
96	Lianyungang Huishun Shipping Co., Ltd	Lianyungang	Lianyungang	Domestic shipping agency; Ship leasing; Ship port service		70.00	70.00	Investment
97	Lianyungang Port Printing Co., Ltd	Lianyungang	Lianyungang	Print binding services; Packaging and decoration printing; Printing of documents, materials and other printed materials	100.00		100.00	Restructured and merged into
98	Lianyungang Port Construction and Installation Engineering Co., Ltd	Lianyungang	Lianyungang	Housing construction works, indoor and outdoor decoration works, earthwork works, electromechanical equipment installation works and hoisting equipment installation works	100.00		100.00	Restructured and merged into

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
99	Lianyungang Hengxin Plastic Wood Co., Ltd	Lianyungang	Lianyungang	Sales of plastic products; Technical services, technical development, technical consultation, technical exchange, technology transfer and technology promotion		100.00	100.00	Restructured and merged into
100	Lianyungang Huaxiang Construction Machinery Co., Ltd	Lianyungang	Lianyungang	Leasing and maintenance of construction machinery; Template leasing and maintenance		100.00	100.00	Restructured and merged into
101	Lianyungang Huayi Door and Window Production Co., Ltd	Lianyungang	Lianyungang	Timber sales; Sales of doors and windows; Construction of metal doors and windows		100.00	100.00	Restructured and merged into
102	Lianyungang Port Handling Service Co., Ltd	Lianyungang	Lianyungang	Port cargo handling activities	100.00	100.00		Restructured and merged into
103	Lianyungang Port Holding Group Xuwei Co., Ltd	Lianyungang	Lianyungang	Port and dock loading and unloading and warehousing services, engineering management services.	100.00		100.00	Equity Replacement
104	Sulong (Gansu) Logistics Supply Chain Co., Ltd	Lanzhou	Lanzhou	Road freight transportation (excluding dangerous goods);	55.00		55.00	Investment
105	Lianyungang Xinxin Port Logistics Co., Ltd	Lianyungang	Lianyungang	Road freight transportation, freight forwarding, etc	100.00		100.00	Corporate merger not under the same control
106	Lianyungang Xinxin Chemical Logistics Co., Ltd	Lianyungang	Lianyungang	Road freight transportation, freight forwarding, etc	100.00		100.00	Investment
107	Lianyungang Jinzhong Development and Construction Co., Ltd	Lianyungang	Lianyungang	Municipal facility management	100.00		100.00	Investment

1.2 Important non-wholly owned subsidiaries

Subsidiaries	Shareholding ratio of minority shareholders(%)	Current net profit attributable to minority shareholders	Dividends paid to minority shareholders in the current period	Accumulated minority interests at the end of the period
Jiangsu Lianyungang Port Corporation	41.24	24,132,296.14	23,119,977.95	1,104,062,186.84
Lianyungang Foreign Shipping Tally Co. Ltd.	16	1,250,624.18	1,120,000.00	5,112,092.02
Lianyungang Electronic Port Information Development Co., Ltd.	49.39	4,401,572.63	4,900,000.00	24,637,371.07
Lianyungang New Road belt International Logistics Co., Ltd.	49	1,858,211.74		56,770,469.43
Lianyungang New Bay Wharf Co., Ltd.	10	3,828,977.82		91,886,696.29

Subsidiaries	Shareholding ratio of minority shareholders(%)	Current net profit attributable to minority shareholders	Dividends paid to minority shareholders in the current period	Accumulated minority interests at the end of the period
Jiangsu New Longgang Port Co., Ltd.	40	182,630.12		22,971,932.94
Lianyungang Zhongha International Logistics Co., Ltd.	49	2,912,582.92		210,423,024.76
Jiangsu New Sugang Investment Development Co., Ltd.	60	49,321,803.14		755,312,091.13
Lianyungang New Oriental Container Terminal Co., Ltd.	49	19,332,519.17		635,477,284.81

1.3 Major Financial Information of Important Non-wholly-owned Subsidiaries

Items	12/31/2022 / 2022 (Jan-Dec)								
	Jiangsu Lianyungang Port Corporation	Lianyungang Foreign Shipping Tally Co. Ltd.	Lianyungang Electronic Port Information Development Co., Ltd.	Lianyungang New Road belt International Logistics Co., Ltd.	Lianyungang New Bay Wharf Co., Ltd.	Jiangsu New Longgang Port Co., Ltd.	Lianyungang Zhongha International Logistics Co., Ltd.	Jiangsu New Sugang Investment Development Co., Ltd.	Lianyungang New Oriental Container Terminal Co., Ltd.
Current assets	3,128,033,107.89	15,102,155.19	77,957,797.66	34,860,791.41	124,714,691.61	257,651,207.08	92,540,625.07	129,485,920.41	108,144,791.93
Non-current assets	6,074,568,926.35	15,915,709.65	16,808,445.55	95,723,000.46	2,060,528,464.22	576,122,836.23	358,850,873.25	1,022,807,015.12	1,916,805,090.78
Total assets	9,202,602,034.24	31,017,864.84	94,766,243.21	130,583,791.87	2,185,243,155.83	833,774,043.31	451,391,498.32	1,152,292,935.53	2,024,949,882.71
Current liabilities	3,411,560,814.18	4,365,304.88	28,475,786.55	12,277,877.50	311,381,871.88	338,973,671.43	17,528,958.64	8,880,927.56	114,773,089.73
Non-current liabilities	361,675,983.99		771,277.68	2,447,813.49	954,994,321.03	330,597,849.06	4,427,795.28		613,284,375.01
Total liabilities	3,773,236,798.17	4,365,304.88	29,247,064.23	14,725,690.99	1,266,376,192.91	669,571,520.49	21,956,753.92	8,880,927.56	728,057,464.74
Operating income	2,231,840,722.06	40,900,750.78	38,373,001.22	76,406,721.22	371,392,936.64	77,311,485.75	80,990,639.92		294,259,883.57
Net profit	238,859,620.23	5,202,004.16	11,988,318.36	3,792,268.85	38,289,778.20	1,305,433.30	5,944,046.77	31,539,101.92	39,454,120.74
Total comprehensive income	241,547,213.25	5,202,004.16	11,988,318.36	3,792,268.85	141,393,722.64	1,305,433.30	5,944,046.77	31,539,101.92	39,454,120.74
Net cash flows from operating activities	562,442,121.52	-474,105.74	17,702,124.30	10,044,363.88	185,873,957.06	20,792,740.73	22,967,930.85	-4,246,975.48	141,393,722.64

(Continued)

Items	1/1/2022 / 2021 (Jan-Dec)								
	Jiangsu Lianyungang Port Corporation	Lianyungang Foreign Shipping Tally Co. Ltd.	Lianyungang Electronic Port Information Development Co., Ltd.	Lianyungang New Road belt International Logistics Co., Ltd.	Lianyungang New Bay Wharf Co., Ltd.	Jiangsu New Longgang Port Co., Ltd.	Lianyungang Zhongha International Logistics Co., Ltd.	Jiangsu New Sugang Investment Development Co., Ltd.	Lianyungang New Oriental Container Terminal Co., Ltd.
Current assets	3,002,319,580.45	21,276,225.48	73,607,366.54	22,769,205.02	181,118,733.12	-197,109,200.90	74,417,463.33	217,946,152.19	103,574,985.52
Non-current assets	6,245,283,360.41	14,951,219.49	11,793,936.64	100,132,949.48	2,124,745,939.54	563,726,805.36	369,878,425.32	3,049,831,219.94	2,008,617,072.84
Total assets	9,247,602,940.86	36,227,444.97	85,401,303.18	122,902,154.50	2,305,864,672.66	366,617,604.46	444,295,888.65	3,267,777,372.13	2,112,192,058.36
Current liabilities	3,724,394,924.61	5,093,270.99	15,210,198.19	6,012,308.08	492,792,481.47	319,980,621.94	15,559,799.91	1,064,876,867.07	109,888,136.12
Non-current liabilities	255,218,075.47			4,824,014.39	932,495,006.47	352,274,296.33	5,245,391.11	422,666,399.17	744,865,625.01
Total liabilities	3,979,613,000.08	5,093,270.99	15,210,198.19	10,836,322.47	1,425,287,487.94	672,254,918.27	20,805,191.02	1,487,543,266.24	854,753,761.13
Operating income	1,021,479,719.80	42,192,373.08	56,877,310.57	66,434,864.93	424,542,509.54	66,526,426.50	56,072,348.34	609,215,280.11	270,549,209.10
Net profit	184,257,728.10	7,391,198.80	12,437,906.46	2,990,512.94	53,046,294.58	-3,041,584.03	2,765,389.56	115,854,714.28	19,808,932.31
Total comprehensive income	183,883,642.80	7,391,198.80	12,437,906.46	2,990,512.94	53,046,294.58	-3,041,584.03	2,765,389.56	115,854,714.28	19,808,932.31
Net cash flows from operating activities	347,533,793.17	4,523,867.74	31,569,491.51	3,756,738.45	256,518,503.23	-26,827,857.88	15,650,309.71	287,431,544.89	186,777,243.14

2 Interests in Joint Ventures or Associates

2.1 Important Joint Ventures or Associates

Name of Joint Venture/Associate	Operation Site	Registration Place	Business Nature	Shareholding Proportion		Accounting Method
				Direct	Indirect	
Associates:						
Lianyungang New Oriental International Container Terminal Co., Ltd.	Lianyungang	Lianyungang	Container ship loading and unloading and site operations		45.00%	Equity method
Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang	Lianyungang	Production and processing of soybean products and by-products	20.00%		Equity method
New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang	Lianyungang	Terminal, loading and unloading, storage transit		38.00%	Equity method
Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang	Lianyungang	Surface active agent, auxiliary agent, natural spice	20.00%		Equity method
Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Lianyungang	Lianyungang	Processing and sale of liquefied petroleum gas	25.00%		Equity method
Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang	Lianyungang	Tally	35.00%		Equity method
Lianyungang Port International Petrochemical Storage Co., Ltd.	Lianyungang	Lianyungang	Cargo warehousing s	49.00%		Equity method
Lianyungang Taidi Petrochemical Co., Ltd	Lianyungang	Lianyungang	Petrochemical industry	20.00%		Equity method

2.2 Key financial information of important associated enterprises

Items	12/31/2022 / 2022 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang Taidi Petrochemical Co., Ltd	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Current assets	1,977,902,243.56	6,783,436.45	3,881,510,207.13	14,976,.085.41	507,728,223.76	20,955,204.01	250,230,789.11	241,728,902.34
Non-current assets	197,787,582.33	197548174.5	594,009,509.43	3,160,150.26	718,795,075.28	405,498,354.09	352,613,153.94	690,267,064.57
Total assets	2,175,689,825.89	204,331,610.91	4,475,519,716.56	18,136,235.67	1,226,523,299.04	426,453,558.10	602,843,943.05	931,995,966.91
Current liabilities	1,413,470,788.28	49,084,079.83	2,271,441,501.78	4,977,181.50	394,309,421.59	251,292,295.05	32,234,397.97	100,059,552.17
Non-current liabilities			1,205,429,442.41	806,497.86	330,000,000.00	96,595,000.00	58,656,823.14	1,968,622.68
Total liabilities	1,413,470,788.28	49,084,079.83	3,476,870,944.19	5,783,679.36	724,309,421.59	347,887,295.05	90,891,221.11	102,028,174.85
Non-controlling interests								
Total equity attributable to owners of the parent company	762,219,037.61	155,247,531.08	998,648,772.37	12,352,556.31	502,213,877.46	78,566,263.05	511,952,721.94	829,967,792.06
Share of net assets calculated by shareholding ratio	152,443,807.50	38,747,539.77	199,729,754.50	4,323,394.71	100,442,775.49	38,497,468.89	194,542,034.30	373,485,506.43
Adjustment items							2,333,971.62	-493,050.52
Including:Goodwill								
Unrealized profit of internal transaction							2,333,971.62	-493,050.52
Others								
Book value of equity investment in associated enterprises	152,443,807.50	38,811,882.77	199,729,754.50	4,323,394.71	100,442,775.49	38,497,468.89	196,876,005.92	372,992,455.91
Fair value of equity investment with public offer								

Items	12/31/2022 / 2022 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang Taidi Petrochemical Co., Ltd	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Operating income	3,523,709,445.00	52,698,493.27	8,673,470,026.85	29,528,103.40	107,380,107.23	97,021,919.23	327,235,333.10	358,664,366.43
Net profit	121,643,138.00	113,668.64	-57,217,420.55	7,847,554.94	34,601,611.85	-3,497,594.78	41,297,033.55	82,576,701.18
Other comprehensive income								
Total comprehensive income	121,643,138.00	113,668.64	-57,217,420.55	7,847,554.94	34,601,611.85	-3,497,594.78	41,297,033.55	82,576,701.18
Dividends received from associated enterprises in the current period		64,343.00		2,954,578.21			13,003,683.95	45,000,000.00

(Continued)

Items	1/1/2022 / 2021 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang New Century Petrochemical Co., Ltd.	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Current assets	2,176,554,062.36	8,497,285.34	2,984,155,597.07	13,519,043.21	509,298,671.35	35,100,797.38	233,319,967.99	217,937,586.83
Non-current assets	201,012,672.79	203,485,234.92	580,821,593.72	3,202,827.05	733,192,109.27	426,959,613.61	347,662,252.92	719,314,446.35
Total assets	2,377,566,735.15	211,982,520.26	3,564,977,190.79	16,721,870.26	1,242,490,780.62	462,060,410.99	580,982,220.91	937,252,033.18
Current liabilities	1,735,715,269.65	56,848,657.81	1,982,046,024.26	2,959,785.32	404,878,515.04	238,126,553.17	35,671,875.57	93,262,714.41
Non-current liabilities	1,275,565.88		527,064,973.49	815,431.55	370,000,000.00	141,870,000.00	38,225,746.08	1,997,062.04
Total liabilities	1,736,990,835.53	56,848,657.81	2,509,110,997.75	3,775,216.87	774,878,515.04	379,996,553.17	73,897,621.65	95,259,776.45
Non-controlling interests								

Items	1/1/2022 / 2021（Jan-Dec）							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang New Century Petrochemical Co., Ltd.	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Total equity attributable to owners of the parent company	640,575,899.63	155,133,862.45	1,055,866,193.04	12,946,653.39	467,612,265.58	82,063,857.82	507,084,599.26	841,992,256.73
Share of net assets calculated by shareholding ratio	128,115,179.92	38,783,465.61	211,173,238.58	4,531,328.69	93,522,453.12	40,211,290.33	192,692,147.72	378,896,515.53
Adjustment items							1,494,669.40	-685,129.80
Including:Goodwill								
Unrealized profit of internal transaction								
Others							1,494,669.40	-685,129.80
Book value of equity investment in associated enterprises	128,115,179.92	38,783,465.61	211,173,238.58	4,531,328.69	93,522,453.12	40,211,290.33	194,186,817.12	378,211,385.73
Fair value of equity investment with public offer								
Operating income	2,706,178,706.45	52,230,930.14	7,392,962,512.59	29,253,582.24	77,549,909.83	86,432,579.47	311,570,570.94	329,695,801.79
Net profit	134,652,328.83	766,538.90	141,728,752.38	8,441,652.03	4,786,442.76	-9,833,791.82	38,022,467.68	72,321,039.83
Other comprehensive income								
Total comprehensive income	134,652,328.83	766,538.90	141,728,752.38	8,441,652.03	4,786,442.76	-9,833,791.82	38,022,467.68	72,321,039.83

Items	1/1/2022 / 2021 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang New Century Petrochemical Co., Ltd.	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Dividends received from associated enterprises in the current period			10,000,000.00	2,308,383.50			13,367,374.33	31,500,000.00

VIII. Fair Value Disclosure

1. Continuous measurement at fair value and discontinuous measurement at fair value

Item	Closing fair value			
	Within Level 1 of the fair value hierarchy	Within Level 2 of the fair value hierarchy	Within Level 3 of the fair value hierarchy	Total
1.Disclosure of continuous measurement at fair value				
(1) Financial assets held for trading				
(a) Financial assets measured at FVTPL				
Liability instrument investment				
Equity instrument investment				
(b) Financial assets designated to be measured at FVTPL				
(2) Derivative financial assets	2,976,405.00			2,976,405.00
(3) Other debt investment				
(4) Other equity instrument investment	46,489,525.56			46,489,525.56
(5) Other non-current financial assets			211,272,624.49	211,272,624.49
(6) Investment properties				
Total amount of assets measured at fair value continuously	49,465,930.56		211,272,624.49	260,738,555.05
Total amount of liabilities measured at fair value continuously				
2.Disclosure of discontinuous measurement at fair value				
Total amount of assets measured at fair value discontinuously				
Total amount of liabilities measured at fair value discontinuously				

2. Determination basis of the market value of items measured continuously and discontinuously within Level 1 of the fair value hierarchy

Item	Fair value	Active market quote			
		Main market (Most favorable market)	Transaction price	Historical quantity of transactions	Sources
1.Continuous measurement at fair value					
(1) Financial assets held for trading					
(a) Financial assets measured at FVTPL					
Liability instrument investment					
Equity instrument investment					
(b) Financial assets designated to be measured at FVTPL					
(2) Derivative financial assets	2,976,405.00	future market			closing price
(3) Other debt investment					
(4) Other equity instrument investment					
Bank of Jiangsu	46,489,525.56	stock exchange	7.29		closing price.
(5) Other non-current financial assets					

Item	Fair value	Active market quote			
		Main market (Most favorable market)	Transaction price	Historical quantity of transactions	Sources
Total amount of assets measured at fair value continuously	49,465,930.56				

3. Items measured continuously and discontinuously within Level 2 of the fair value hierarchy, valuation technique adopted and quantitative and qualitative information of important parameters

No.

4. Items measured continuously and discontinuously within Level 3 of the fair value hierarchy, valuation technique adopted and quantitative and qualitative information of important parameters

The operating environment, operating conditions and financial conditions of the investee have not changed significantly, so the company takes the investment cost of the investee as an important reference basis for evaluating its fair value

IX. Related Parties and Related Party Transactions

1. The Parent Company of the Company

Name of parent company	Registration Place	Business nature	Registered capital (10 thousand)	Shareholding Proportion (%)	Voting rights (%)
Lianyungang port Holding Group Co., Ltd.	Lianyungang	Port operations, capital operation	1,054,915.00	89.51	100.00

2. Subsidiaries of the Company:

For details please see Note VII.1.

3. Joint Venture and Associate of the Company

For details please see Note VII.2.

4. Other related party

Name of other related party	Relationship with the Company
Lianyungang Port Holding Group Ganyu Co., Ltd.	Subsidiary company of parent company
Lianyungang Port Holding Group Guanyun Co., Ltd.	Subsidiary company of parent company
Lianyungang Port Public Property Management Co., Ltd.	Subsidiary company of parent company
Jiangsu Golden Harbour Investment Co., Ltd	Subsidiary company of parent company
Jiangsu Guanhe International Port Co., Ltd.	Subsidiary company of parent company
Lianyungang Golden Harbour Construction Development Co. Ltd.	Subsidiary company of parent company
Lianyungang Xinxin International Logistics Co., Ltd	Subsidiary company of parent company
Lianyungang Jinhe Development and Construction Co., Ltd	Subsidiary company of parent company
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	Subsidiary company of parent company

5. Related Party Transactions

Type	Provider	Receiver	2022(Jan-Dec)
Sale/Provide service	Lianyungang Electronic Port Information Development Co., Ltd.	China Lianyungang Ocean Shipping Agency Co., Ltd	1,737,154.08
Sale/Provide service	Lianyungang Electronic Port Information Development Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.	3,113,800.00
Purchasing goods / receiving services	Lianyungang Yuangang Logistics Co., Ltd	Jiangsu Lianyungang Port Corporation	17,524,751.46
Purchasing goods / receiving services	New Land Bridge (lianyungang) Terminal Co., Ltd.	Jiangsu Lianyungang Port Corporation	2,980,341.22
Purchasing goods / receiving services	Lianyungang Port International Petrochemical Storage Co., Ltd.	Jiangsu Lianyungang Port Corporation	6,589,892.72
Purchasing goods / receiving services	China Lianyungang Ocean Shipping Agency Co., Ltd	Jiangsu Lianyungang Port Corporation	1,658,322.11
Sale/Provide service	Jiangsu Lianyungang Port Corporation	China Lianyungang Ocean Shipping Agency Co., Ltd	85,141,772.41
Sale/Provide service	Jiangsu Lianyungang Port Corporation	Lianyungang Port International Petrochemical Storage Co., Ltd	25,792,967.98
Sale/Provide service	Jiangsu Lianyungang Port Corporation	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	3,990,383.06
Sale/Provide service	Jiangsu Lianyungang Port Corporation	New Land Bridge (lianyungang) Terminal Co., Ltd.	1,485,714.28
Sale/Provide service	Lianyungang Port Group Power Supply Engineering Co., Ltd	Lianyungang New Oriental International Container Terminal Co., Ltd.	8,138,910.71
Sale/Provide service	Lianyungang Port Group Power Supply Engineering Co., Ltd	New Land Bridge (lianyungang) Terminal Co., Ltd.	15,051,112.14
Sale/Provide service	Lianyungang Port Group Power Supply Engineering Co., Ltd	Lianyungang Port International Petrochemical Storage Co., Ltd	1,877,956.28
Sale/Provide service	Lianyungang Port Group Power Supply Engineering Co., Ltd	Lianyungang Taidi Petrochemical Co., Ltd	2,870,545.19
Purchasing goods / receiving services	Lianyungang Port International Petrochemical Storage Co., Ltd.	Lianyungang Port International Petrochemical Port Co., Ltd	6,841,805.26
Sale/Provide service	Lianyungang Port International Petrochemical Port Co., Ltd	Lianyungang Port International Petrochemical Storage Co., Ltd	30,601,614.73
Sale/Provide service	Lianyungang Port International Petrochemical Port Co., Ltd	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	3,990,383.11
Sale/Provide service	Lianyungang Port International Petrochemical Port Co., Ltd	China Lianyungang Ocean Shipping Agency Co., Ltd	1,098,416.21
Sale/Provide service	Lianyungang Xiangchang International Trade Co., Ltd.	Lianyungang Jinneng Logistics Co., Ltd.	273,075,163.50
Sale/Provide service	Lianyungang Dongliang Wharf Co., Ltd	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	3,172,943.76
Purchasing goods / receiving services	New Land Bridge (lianyungang) Terminal Co., Ltd.	Lianyungang Jiangang Industrial Co., Ltd.	1,777,848.66
Purchasing goods / receiving services	Lianyungang Gangtie International Multimodal Transport Co., Ltd.	Lianyungang Zhongha International Logistics Co., Ltd.	6,170,754.26
Purchasing goods / receiving services	Lianyungang New Silk Road International Container Development Co., Ltd	Lianyungang Zhongha International Logistics Co., Ltd.	20,333,338.66
Sale/Provide service	Lianyungang Zhongha International Logistics Co., Ltd.	Lianyungang New Silk Road International Container Development Co., Ltd	13,904,600.00
Sale/Provide service	Lianyungang Zhongha International Logistics Co., Ltd.	Lianyungang Gangtie International Multimodal Transport Co., Ltd.	1,053,214.80
Sale/Provide service	Jiangsu Zhugang Construction Group Co., Ltd	New Land Bridge (lianyungang) Terminal Co., Ltd.	2,246,962.34
Sale/Provide service	Dongfang Port Branch of Jiangsu Lianyungang Port Corporation	China Lianyungang Ocean Shipping Agency Co., Ltd	10,787,940.66

Type	Provider	Receiver	2022(Jan-Dec)
Sale/Provide service	Dongfang Port Branch of Jiangsu Lianyungang Port Corporation	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	4,183,352.69
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	4,189,500.00
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	1,153,158.48
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang New Oriental International Container Terminal Co., Ltd.	43,812,500.00
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang New Oriental International Container Terminal Co., Ltd.	1,706,539.00
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang Tianjia International Logistics Co., Ltd	79,582.00
Sale/Provide service	Lianyungang Port Group Co., Ltd	New Land Bridge (lianyungang) Terminal Co., Ltd.	26,400,000.00
Sale/Provide service	Lianyungang Port Group Co., Ltd	New Land Bridge (lianyungang) Terminal Co., Ltd.	3,853,833.03
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang Port International Petrochemical Storage Co., Ltd	1,102,500.00
Sale/Provide service	Lianyungang Port Construction and Installation Engineering Co., Ltd	Lianyungang Xianzhi Construction Technology Co., Ltd	36,000,000.00
Sale/Provide service	Jiangsu Wisdom Yungang Science and Technology Co. Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.	1,471,721.02
Sale/Provide service	Ganyu Ship Barge Branch of Lianyungang Port Group Co., Ltd	China Lianyungang Ocean Shipping Agency Co., Ltd	3,783,600.00
Sale/Provide service	Lianyungang Xinhaiyue Tug Co. Ltd.	China Lianyungang Ocean Shipping Agency Co., Ltd	4,706,290.00
Sale/Provide service	Ship Barge Branch of Lianyungang Port Group Co., Ltd	China Lianyungang Ocean Shipping Agency Co., Ltd	4,109,690.00
Sale/Provide service	Railway Transportation Branch of Lianyungang Port Group Co., Ltd.	Lianyungang Gangtie International Multimodal Transport Co., Ltd.	1,647,750.00
Sale/Provide service	Railway Transportation Branch of Lianyungang Port Group Co., Ltd.	Lianyungang Yuangang Logistics Co., Ltd	12,709,066.71
Sale/Provide service	Railway Transportation Branch of Lianyungang Port Group Co., Ltd.	New Land Bridge (lianyungang) Terminal Co., Ltd.	33,344,011.46
Sale/Provide service	Foreign Ship Service Branch of Lianyungang Port Group Co., Ltd.	New Land Bridge (lianyungang) Terminal Co., Ltd.	2,266,033.96
Sale/Provide service	Foreign Ship Service Branch of Lianyungang Port Group Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	6,622,113.27
Sale/Provide service	Foreign Ship Service Branch of Lianyungang Port Group Co., Ltd.	Fengyi Oil Technology (Lianyungang) Co., Ltd.	2,156,441.59
Sale/Provide service	Foreign Ship Service Branch of Lianyungang Port Group Co., Ltd.	Fengyi alcohol industry (Lianyungang) Co., Ltd	799,432.91
Sale/Provide service	Lianyungang Port Logistics Co., Ltd	Lianyungang Jinneng Logistics Co., Ltd.	180,950,943.24
Sale/Provide service	China Lianyungang Ocean Shipping Agency Co., Ltd	Lianyungang Kaida Container Logistics Co., Ltd	1,372,472.41
Sale/Provide service	Lianyungang Lianhe International Container Development Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	12,484,133.39
Sale/Provide service	Lianyungang New Oriental Container Terminal Co., Ltd.	Lianyungang Yuangang Logistics Co., Ltd	1,912,166.30
Sale/Provide service	Lianyungang New Oriental Container Terminal Co., Ltd.	China Lianyungang Ocean Shipping Agency Co., Ltd	8,082,741.90
Sale/Provide service	Lianyungang Foreign Shipping Tally Co. Ltd.	China Lianyungang Ocean Shipping Agency Co., Ltd	6,890,185.43
Sale/Provide service	Lianyungang Xinwei port wharf Co., Ltd	China Lianyungang Ocean Shipping Agency Co., Ltd	2,547,911.14
Sale/Provide service	Lianyungang Port Handling Service Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	7,652,081.00
Sale/Provide service	Lianyungang Port Handling Service Co., Ltd	Lianyungang New Oriental International Container Terminal Co., Ltd.	13,295,188.87
Sale/Provide service	Lianyungang Port Handling Service Co., Ltd	New Land Bridge (lianyungang) Terminal Co., Ltd.	24,128,413.55
Total			1,008,421,962.94

6. Receivables and Payables of Related Parties

6.1 Receivables

Related parties	12/31/2022		1/1/2022	
	Book Balance	Provision for bad debt	Book Balance	Provision for bad debt
Accounts receivable:				
Lianyungang Port Public Property Management Co., Ltd.	365,490,769.80		365,490,769.80	
Lianyungang Golden Harbour Construction Development Co. Ltd.	251,331,178.31		245,751,608.11	
Jiangsu Golden Harbour Investment Co., Ltd.	339,776.64			
Lianyungang Port Holding Group Xuwei Co., Ltd.			329,568,901.20	
Sub-total	617,161,724.75		932,624,757.06	
Other receivables:				
Jiangsu Guanhe International Port Co., Ltd.	150,640,254.69		123,652,438.04	
Lianyungang Port Public Property Management Co., Ltd.	842,000,000.00		548,000,000.00	
Lianyungang Jinhe Development and Construction Co., Ltd	657,600,000.00			
Lianyungang Port Holding Group Guanyun Co., Ltd.	72,226,301.81		8,863,677.07	
Lianyungang Port Holding Group Co., Ltd.	3,388,242,222.49		2,706,905,043.34	
Lianyungang Golden Harbour Construction Development Co. Ltd.	150,324,334.36		148,430,000.00	
Lianyungang Golden Harbour Investment Co. Ltd.	2,097,979,868.07		1,926,601,240.29	
Lianyungang Xinxin International Logistics Co., Ltd	816,143,585.34		815,207,291.25	
Lianyungang Port Holding Group Xuwei Co., Ltd.			1,339,607,433.62	
Sub-total	8,175,156,566.76		7,617,267,123.61	
Total	8,792,318,291.51		8,558,078,402.72	

X. Commitments and Contingencies

1. Commitment Issues

There is no significant commitment at December 31, 2021.

2. Contingencies

The company provides guarantees to generate contingent liabilities:

As of December 31, 2022, the company's external guarantee for the total amount within group of RMB 10477. 76million, detailed as follows:

Name of the insured company	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Within group:				
Lianyungang Dongliang Wharf Co., Ltd	27,000.00	2022-3-31	2035-12-26	No
Lianyungang Dongliang Wharf Co., Ltd	1,000.00	2021-6-1	2024-6-1	No
Lianyungang New Oriental International Container Terminal Co., Ltd.	30,000.00	2016-10-8	2034-10-7	No

Name of the insured company	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang New Oriental International Container Terminal Co., Ltd.	40,000.00	2017-1-24	2034-12-20	No
Lianyungang New Bay Wharf Co., Ltd.	10,000.00	2013-5-7	2024-12-20	No
Lianyungang New Bay Wharf Co., Ltd.	78,800.00	2020-6-1	2030-6-17	No
Lianyungang New Bay Wharf Co., Ltd.	35,000.00	2019-4-20	2023-4-10	No
Lianyungang New Bay Wharf Co., Ltd.	6,000.00	2022-4-24	2025-4-20	No
Lianyungang New Bay Wharf Co., Ltd.	6,000.00	2022-7-20	2025-7-20	No
Lianyungang New Bay Wharf Co., Ltd.	5,000.00	2021-4-14	2026-4-22	No
Lianyungang New Bay Wharf Co., Ltd.	4,000.00	2022-12-8	2023-12-7	No
Lianyungang New Bay Wharf Co., Ltd.	5,000.00	2022-3-8	2023-3-7	No
Lianyungang Xinwei port wharf Co., Ltd	76,000.00	2019-7-8	2033-7-8	No
Lianyungang Xinwei port wharf Co., Ltd	2,820.00	2021-12-27	2028-12-29	No
Lianyungang Xinwei port wharf Co., Ltd	2,000.00	2022-8-29	2029-8-28	No
Lianyungang Xinwei port wharf Co., Ltd	500	2022-10-21	2023-10-20	No
Lianyungang Xinwei port wharf Co., Ltd	500	2022-11-18	2023-11-19	No
Lianyungang Xinwei port wharf Co., Ltd	80	2022-7-28	2023-1-27	No
Lianyungang Xinwei port wharf Co., Ltd	1,500.00	2022-2-24	2024-2-20	No
Lianyungang Xinwei port wharf Co., Ltd	700	2022-4-27	2023-4-26	No
Lianyungang Xinwei port wharf Co., Ltd	300			No
Lianyungang Xinwei port wharf Co., Ltd	800	2022-4-28	2023-4-27	No
Lianyungang Xinwei port wharf Co., Ltd	390	2022-6-30	2023-6-29	No
Jiangsu New Longgang Port Co., Ltd.	30,000.00	2022-9-1	2023-9-1	No
Jiangsu New Longgang Port Co., Ltd.	3,160.00	2018-1-30	2025-9-19	No
Jiangsu New Longgang Port Co., Ltd.	650	2021-12-24	2028-3-24	No
Jiangsu New Longgang Port Co., Ltd.	1,500.00	2022-8-19	2027-12-23	No
Jiangsu New Longgang Port Co., Ltd.	1,000.00	2022-11-29	2025-8-18	No
Jiangsu New Longgang Port Co., Ltd.	2,000.00	2022-11-7	2023-12-28	No
Jiangsu New Longgang Port Co., Ltd.	2,000.00	2022-2-23	2023-11-3	No

Name of the insured company	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Jiangsu New Longgang Port Co., Ltd.	1,900.00	2022-3-4	2023-2-22	No
Jiangsu New Longgang Port Co., Ltd.	1,000.00	2022-7-13	2023-7-6	No
Jiangsu Shanghe Logistics Park Development Co., Ltd.	108,000.00	2021-3-30	2025-3-30	No
Lianyungang Xinyin Bay Terminal Co., Ltd.	70,000.00	2021-4-28	2026-4-28	No
Lianyungang Xinyin Bay Terminal Co., Ltd.	30,000.00	2021-6-28	2039-6-28	No
Lianyungang Xinyin Bay Terminal Co., Ltd.	20,000.00	2021-6-28	2039-6-28	No
Lianyungang Xinyin Bay Terminal Co., Ltd.	10,000.00	2021-6-28	2039-6-28	No
Lianyungang Xinyin Bay Terminal Co., Ltd.	10,000.00	2021-6-28	2039-6-28	No
Lianyungang Xinyin Bay Terminal Co., Ltd.	20,000.00	2021-6-28	2039-6-28	No
Lianyungang New Yuntai Terminal Co. Ltd.	55,000.00	2021-3-25	2036-12-21	No
Lianyungang New Yuntai Terminal Co. Ltd.	4,000.00	2014-11-6	2024-9-15	No
Lianyungang New Yuntai Terminal Co. Ltd.	500	2022-3-3	2023-3-2	No
Lianyungang New Yuntai Terminal Co. Ltd.	3,500.00	2020-3-18	2023-3-17	No
Lianyungang New Yuntai Terminal Co. Ltd.	800	2020-5-6	2023-5-5	No
Lianyungang New Yuntai Terminal Co. Ltd.	3,000.00	2021-1-26	2024-1-25	No
Lianyungang New Yuntai Terminal Co. Ltd.	2,000.00	2022-2-9	2023-2-8	No
Shanhai (Hongkong) International Trade Co. Ltd.	13,929.20	2022-2-25	2023-2-24	No
Shanhai (Hongkong) International Trade Co. Ltd.	13,929.20	2019-8-22	2024-6-10	No
Shanhai (Hongkong) International Trade Co. Ltd.	20,893.80	2022-7-14	2024-7-14	No
Shanhai (Hongkong) International Trade Co. Ltd.	20,893.80	2022-7-14	2024-7-14	No
Subtotal	783,046.00			
Enterprises outside the group:				
Lianyungang Port Public Property Management Co., Ltd.	15,000.00	2016-1-17	2026-1-17	No
Lianyungang Port Public Property Management Co., Ltd.	22,000.00	2016-2-17	2026-2-16	No
Lianyungang Port Public Property Management Co., Ltd.	20,000.00	2020-8-12	2028-8-21	No
Lianyungang Port Public Property Management Co., Ltd.	60,000.00	2020-11-30	2027-11-30	No
Lianyungang Port Public Property Management Co., Ltd.	15,500.00	2020-12-16	2025-12-15	No

Name of the insured company	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang Port Public Property Management Co., Ltd.	10,000.00	2020-12-15	2025-12-14	No
Lianyungang Port Holding Group Guanyun Co., Ltd	24,000.00	2022-9-9	2023-3-3	No
Lianyungang Jinhe Development and Construction Co., Ltd	50,000.00	2017-9-7	2027-9-1	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	32,000.00	2021-6-28	2039-6-28	No
Lianyungang Duwang Logistics Co., Ltd	500	2022-1-25	2023-1-21	No
Lianyungang Hailange Trading Co., Ltd	300	2022-1-25	2023-1-21	No
Jiangsu Cisco Power Engineering Co., Ltd	500	2022-1-26	2023-1-25	No
Lianyungang Lianying Municipal Engineering Co., Ltd	200	2022-1-13	2023-1-10	No
Lianyungang Lianying Municipal Engineering Co., Ltd	150	2022-4-9	2023-2-8	No
Feng Yan	150	2022-4-11	2023-2-10	No
Lianyungang Xingyi Fastener Co., Ltd	150	2022-2-24	2023-2-24	No
Lianyungang Junxuan Commerce Co., Ltd	300	2022-3-4	2023-3-3	No
Lianyungang Bincheng Building Materials Co., Ltd	500	2022-3-3	2023-3-2	No
Lianyungang Zejia International Logistics Co., Ltd	380	2022-4-7	2023-3-6	No
Lianyungang Huachu Logistics Co., Ltd	360	2022-5-11	2023-4-10	No
Jiangsu Xiangying Logistics Co., Ltd	150	2022-4-19	2023-4-12	No
Lianyungang Yilingda Electromechanical Engineering Co., Ltd	420	2022-4-22	2023-4-17	No
Lianyungang Water Conservancy Construction and Installation Engineering Co., Ltd	700	2022-4-20	2023-4-19	No
Lianyungang Water Conservancy Construction and Installation Engineering Co., Ltd	350	2021-5-17	2024-4-25	No
Lianyungang Chunxuan Trading Co., Ltd	280	2022-5-17	2023-5-15	No
Lianyungang Kaimeng Trading Co., Ltd	500	2022-5-17	2023-5-16	No
Lianyungang Taidi Energy Co., Ltd	1,000.00	2022-7-12	2023-6-11	No
Lianyungang Fubang International Logistics Co., Ltd	200	2022-6-30	2023-6-24	No
Lianyungang Huihai Aquaculture Co., Ltd	180	2022-7-20	2023-7-17	No
Lianyungang Deyi Materials Trading Co., Ltd	500	2022-7-19	2023-7-18	No
Yu Hongfeng	370	2022-7-15	2025-7-4	No
Lianyungang Fubang International Logistics Co., Ltd	90	2022-8-19	2023-8-4	No
Lianyungang Longpan Huju Trading Co., Ltd	400	2022-8-19	2023-8-17	No
Jiangsu Jihui Construction Engineering Co., Ltd	70	2022-8-30	2023-8-29	No

Name of the insured company	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang Deyi Materials Trading Co., Ltd	1,000.00	2022-9-19	2023-8-18	No
Lianyungang Pingchuang Industrial Co., Ltd	200	2022-9-6	2025-8-17	No
Lianyungang Rongxiang Trading Co., Ltd	500	2022-9-2	2023-8-30	No
Li Xiaoxia	100	2022-9-16	2023-9-7	No
Lianyungang Huashengyun Science and Trade Co., Ltd	300	2022-9-26	2023-9-22	No
Lianyungang Tian'an Mechanical and Electrical Engineering Co., Ltd	500	2022-10-10	2023-9-23	No
Lianyungang Qiuhui New Building Materials Co., Ltd	500	2022-10-21	2023-10-19	No
Yuan Jingjing	400	2022-10-28	2023-10-27	No
Guanyun Shengyuanchang Communication Equipment Sales Co., Ltd	500	2022-10-25	2023-10-10	No
Lianyungang Shungang Building Materials Co., Ltd	500	2022-11-30	2023-11-29	No
Lianyungang Fuxin Shipping Engineering Co., Ltd	200	2022-11-4	2023-11-3	No
Lianyungang Jinhuichuan Logistics Co., Ltd	80	2022-11-4	2023-11-3	No
Lianyungang Fengshili Property Management Co., Ltd	500	2022-11-30	2023-11-29	No
Lianyungang Boquan Trading Co., Ltd	450	2022-11-10	2023-11-9	No
Tao Songqing	500	2022-12-14	2023-12-13	No
Jiangsu Xiangying Logistics Co., Ltd	300	2022-12-24	2023-12-24	No
Lianyungang Ansheng Hotel Management Co., Ltd	100	2022-12-20	2023-12-19	No
Lianyungang Rongjin Commercial Concrete Co., Ltd	300	2022-12-20	2023-12-19	No
Lianyungang Langlang Agricultural Technology Co., Ltd	100	2022-12-28	2023-12-20	No
Lianyungang Dingsheng Agricultural Development Co., Ltd	500	2022-12-26	2023-12-25	No
Subtotal	264,730.00			
Total	1,047,776.00			

XI. Post Balance Sheet Event

The Company has no outstanding events occurring after the balance sheet date that require disclosure.

XII. Other Important Information

The Company has no outstanding events occurring after the balance sheet date that require disclosure.

XIII、Notes to the Main Items of the Financial Statements of Parent Company (All currency unit is CNY, except other statements)

1. Accounts receivable

(1) Disclosed by Aging

Aging	12/31/2022	1/1/2022
Within 1 year	245,627,981.14	151,252,838.50
1-2 year	135,764,547.84	101,339,792.83
2-3 year	98,176,977.90	31,804,270.78
3-4 year	31,021,885.72	10,007,701.51
4-5 year	9,883,606.01	241,328,379.04
Over 5 year	346,301,908.47	312,551,292.95
Book balance sub-total	866,776,907.07	848,284,275.61
Less: Bad debt provision	31,159,849.11	37,520,538.62
Net value	835,617,057.96	810,763,736.99

1.2 Disclosed by bad debt accrual method

Items	12/31/2022				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad debt provisions are made by portfolio	866,776,907.07	100.00	31,159,849.11	3.59	835,617,057.96
Including: overdue aging combination	190,776,293.64	22.01	31,159,849.11	16.33	159,616,444.53
Other combinations	676,000,613.43	77.99			676,000,613.43
Total	866,776,907.07	100.00	31,159,849.11	3.59	835,617,057.96

Continued on the table

Items	1/1/2022				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad debt provisions are made by portfolio	848,284,275.61	100.00	37,520,538.62	4.42	810,763,736.99
Including: overdue aging combination	204,625,370.06	24.12	37,520,538.62	18.34	167,104,831.44
Other combinations	643,658,905.55	75.88			643,658,905.55
Total	848,284,275.61	100.00	37,520,538.62	4.42	810,763,736.99

In the portfolio, accounts receivable for which bad debt provision is withdrawn by overdue aging analysis method:

Overdue aging	12/31/2022			1/1/2022		
	Book balance	Bad debt provision	Accrual proportion%	Book balance	Bad debt provision	Accrual proportion%
Not overdue	147,779,271.31	7,388,963.57	5	135,396,296.49	6,769,814.82	5
Within 1 year	8,113,220.81	811,322.08	10	7,450,156.85	745,015.69	10
1-2 year	6,687,633.30	2,006,289.99	30	8,142,888.94	2,442,866.68	30
2-3 year	7,291,142.76	2,916,457.10	40	6,392,976.93	2,557,190.77	40
3-4 year	5,736,418.20	2,868,209.10	50	44,474,800.39	22,237,400.20	50

Overdue aging	12/31/2022			1/1/2022		
	Book balance	Bad debt provision	Accrual proportion%	Book balance	Bad debt provision	Accrual proportion%
Over 4 year	15,168,607.27	15,168,607.27	100	2,768,250.46	2,768,250.46	100
Total	190,776,293.64	31,159,849.11	16.33	204,625,370.06	37,520,538.62	18.34

In the portfolio, bad debt reserves are not withdrawn for other portfolios.

1.3 Bad debt provision

Items	1/1/2022	Changes in current period			12/31/2022
		Increase	Reversal	Deduct	
Non-related parties portfolio	37,520,538.62		6,360,689.51		31,159,849.11
Total	37,520,538.62		6,360,689.51		31,159,849.11

1.4 Top five entities with the largest balances of the accounts receivable

Debtor's name	Closing balance	Proportion in the total accounts' receivables (%)	Provision Amount
Lianyungang Port Public Property Management Co., Ltd.	365,490,769.80	42.18	
Lianyungang New Coast Real Estate Development Co., Ltd	105,008,277.54	12.11	
Lianyungang Port Holding Group Xuwei Co., Ltd	55,755,630.35	6.43	
Lianyungang Zhonggangyin Ccoal Blending Co., Ltd	44,474,800.39	5.13	17,789,920.16
Jiangsu Zhugang Construction Group Co., Ltd	27,304,676.99	3.15	
Total	598,034,155.07	69.00	17,789,920.16

2. Other receivables

2.1 Category

Items	12/31/2022	1/1/2022
Interests receivable		
Dividends receivable	455,546,736.45	73,371,736.45
Other receivables	17,735,724,740.63	16,866,498,227.11
Total	18,191,271,477.08	16,939,869,963.56

2.2 Dividend receivable

Items	12/31/2022	1/1/2022
Lianyungang Port Engineering Design & Research Institute Co., Ltd.	57,839,879.59	30,839,879.59
Lianyungang New Coast Real Estate Development Co., Ltd	26,000,000.00	26,000,000.00
Lianyungang Jiangang Industrial Co., Ltd.	39,376,736.05	9,376,736.05
Jiangsu Wisdom Yungang Science and Technology Co. Ltd.	42,155,120.81	7,155,120.81
Yancheng Haixing Tugboat Co., Ltd	175,000.00	
Lianyungang Xinwei Port Terminal Co., Ltd	45,000,000.00	
Jiangsu Zhugang Construction Group Co., Ltd	230,000,000.00	
Lianyungang Port Group Power Supply Engineering Co., Ltd	15,000,000.00	

Items	12/31/2022	1/1/2022
Total	455,546,736.45	73,371,736.45

2.3 Other receivables

a) Classification of other receivables by aging

Aging	12/31/2022	1/1/2022
Within 1 year	4,492,548,889.57	6,824,359,051.38
1-2 year	4,081,868,786.58	3,306,966,348.24
2-3 year	3,152,068,239.62	3,659,355,950.80
3-4 year	3,284,637,901.43	2,470,431,054.55
4-5 year	2,165,332,819.31	333,183,628.37
Over 5 year	810,953,586.95	502,850,997.35
Book balance sub-total	17,987,410,223.46	17,097,147,030.69
Less: Bad debt provision	251,685,482.83	230,648,803.58
Net value	17,735,724,740.63	16,866,498,227.11

b) Classification of other receivables by nature

Nature of payment	12/31/2022	1/1/2022
Related transactions	3,796,768,231.16	4,791,050,315.79
Security deposit	1,056,331.92	943,153.50
Petty cash	83,701.71	73,746.00
Loan	14,112,834,339.98	12,291,343,877.24
Other receivables	76,667,618.69	13,735,938.16
Book balance sub-total	17,987,410,223.46	17,097,147,030.69
Less: Bad debt provision	251,685,482.83	230,648,803.58
Net value	17,735,724,740.63	16,866,498,227.11

c) Disclosed by bad debt accrual method

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
1/1/2022		230,648,803.58		230,648,803.58
Opening balance in current period				
——Move to phase II			——	
——Move to phase III				
——Back to phase II				
——Back to phase I				
Current increase		21,036,679.25		21,036,679.25
Current Reversal				
Current Deduct				
Other changes				
12/31/2022		251,685,482.83		251,685,482.83

d) Bad debt provision

Items	1/1/2022	Changes in current period			12/31/2022
		Increase	Reversal	Deduct	
Non-related parties portfolio	230,648,803.58	21,036,679.25			251,685,482.83
Total	230,648,803.58	21,036,679.25			251,685,482.83

e) top five entities with the largest balances of the account receivables

Company name	Business content	Amount	Proportion in the total (%)	Bad debt provision
Lianyungang Jinzhong development and Construction Co., Ltd	Related contacts	4,451,050,000.00	24.75	
Lianyungang Port Holding Group Co., Ltd.	Related contacts	3,388,242,222.49	18.84	
Jiangsu Golden Harbour Investment Co., Ltd.	Related contacts	2,097,979,868.07	11.66	
Lianyungang new Coast Real Estate Development Co., Ltd	Related contacts	1,130,240,444.45	6.28	
Lianyungang Xuwei Port Investment Co., Ltd.	Loan	990,875,538.55	5.51	182,166,876.44
Total		12,058,388,073.56	67.04	182,166,876.44

3. Long-term equity investment

Item	12/31/2022			1/1/2022		
	Book balance	Provision for impairment	Book Value	Book balance	Provision for impairment	Book Value
Investment in subsidiary	13,924,448,083.57	3,104,949.50	13,921,343,134.07	12,129,179,604.49	3,104,949.50	12,126,074,654.99
Investment in associate, joint venture	585,187,663.42		585,187,663.42	617,287,500.28		617,287,500.28
Total	14,509,635,746.99	3,104,949.50	14,506,530,797.49	12,746,467,104.77	3,104,949.50	12,743,362,155.27

3.1 Investment in subsidiary

Investee	1/1/2022	Increase	Decrease	12/31/2022	Provision for impairment in the current period	Closing balance of provision for impairment
Jiangsu Lianyungang Port Corporation	1,927,427,702.16			1,927,427,702.16		
Lianyungang Shipping Tally Co. Ltd.	6,305,544.00			6,305,544.00		
Lianyungang Electronic Port Information Development Co., Ltd.	20,016,768.05			20,016,768.05		
Lianyungang New Marine Investment Development Co., Ltd.	149,000,000.00			149,000,000.00		
Lianyungang Port Design & Research Institute Co., Ltd.	17,039,275.52			17,039,275.52		

Investee	1/1/2022	Increase	Decrease	12/31/2022	Provision for impairment in the current period	Closing balance of provision for impairment
Lianyungang Jinhe development and Construction Co., Ltd	627,226,185.29		627,226,185.29			
Jiangsu Zhugang Construction Group Co., Ltd	508,117,522.11	500,000,000.00		1,008,117,522.11		
Lianyungang New Sea Real Estate Development Company	763,812,700.00			763,812,700.00		
Lianyungang Shanhai Guarantee Co., Ltd.	200,000,000.00			200,000,000.00		
Xinyi Port (Lianyungang) Wharf Co., Ltd.	185,867,900.00			185,867,900.00		
Lianyungang New Bay Wharf Co., Ltd.	455,000,000.00			455,000,000.00		
Shanhai (Hongkong) Investment and Development Co. Ltd.	810,350,114.98	282,370,850.00		1,092,720,964.98		
Jiangsu New Longgang Port Co., Ltd.	147,592,700.00			147,592,700.00		
Jiangsu Lianyungang Port Logistics Holding Co., Ltd.	1,209,000,000.00			1,209,000,000.00		
Jiangsu Wisdom Yungang Science and Technology Co. Ltd.	29,500,000.00			29,500,000.00		
Lianyungang Dongliang Wharf Co., Ltd.	273,831,518.50	100,000,000.00		373,831,518.50		
Lianyungang Xinwei Port Wharf Co. Ltd.	595,480,000.00			595,480,000.00		
Lianyungang Port Construction Project Management Co., Ltd.	20,000,000.00			20,000,000.00		
Lianyungang JianGang Industrial Co., Ltd.	28,700,911.69			28,700,911.69		
Lianyungang New Oriental Container Terminal Co., Ltd.	838,520,460.00			838,520,460.00		
Lianyungang Zhongha International Logistics Co., Ltd.	214,200,000.00			214,200,000.00		
Lianyungang Huixin Asset Management Co., Ltd	20,000,000.00			20,000,000.00		
Jiangsu New Sugang Investment Development Co.,	387,466,103.85			387,466,103.85		

Investee	1/1/2022	Increase	Decrease	12/31/2022	Provision for impairment in the current period	Closing balance of provision for impairment
Ltd.						
Jiangsu Shanghe Logistics Park Development Co., Ltd.	730,000,000.00			730,000,000.00		
Lianyungang Port Group Finance Co., Ltd.	490,000,000.00			490,000,000.00		
Lianyungang Port Catering Service Co., Ltd.	5,000,000.00			5,000,000.00		
Lianyungang Xinbao Bay Terminal Co., Ltd.	35,000,000.00			35,000,000.00		
Lianyungang Xinhuan Bay Terminal Co., Ltd.	45,000,000.00			45,000,000.00		
Lianyungang Xinjie Bay Terminal Co., Ltd.	5,000,000.00			5,000,000.00		
Lianyungang Xinying Bay Terminal Co., Ltd.	100,000,000.00	100,000,000.00		200,000,000.00		
Lianyungang Xinzheng Bay Terminal Co., Ltd.	5,000,000.00			5,000,000.00		
Lianyungang Xinliang Bay Terminal Co., Ltd.	15,000,000.00			15,000,000.00		
Lianyungang Xinbi Bay Terminal Co., Ltd.	40,000,000.00			40,000,000.00		
Lianyungang Friendship Hotel	3,104,949.50			3,104,949.50		3,104,949.50
Lianyungang Xinli Bay Terminal Co.	5,000,000.00			5,000,000.00		
Lianyungang Xinya Bay Terminal Co.	5,000,000.00			5,000,000.00		
Jiangsu Lanbao Star Technology Co., Ltd	42,505,000.00	3,095,000.00		45,600,000.00		
Jiangsu Xinhang Electric Co., Ltd	84,270,000.00			84,270,000.00		
Lianyungang Lianhe International Container Development Co., Ltd	375,930,466.64	29,000,000.00		404,930,466.64		
Lianyungang Hongyun Industry Co., Ltd	15,256,427.69	85,000,000.00		100,256,427.69		
Lianyungang Tianha Industry Co., Ltd	9,793,836.88			9,793,836.88		
Lianyungang Port Group Power Supply Engineering Co., Ltd	86,644,707.97			86,644,707.97		
Lianyungang highway port Co., Ltd	420,487,137.05			420,487,137.05		

Investee	1/1/2022	Increase	Decrease	12/31/2022	Provision for impairment in the current period	Closing balance of provision for impairment
Lianyungang port printing Co., Ltd	1,073,917.25			1,073,917.25		
Yancheng Haixing Tugboat Co., Ltd	1,400,000.00			1,400,000.00		
Lianyungang Port Handling Service Co., Ltd	19,485,548.77			19,485,548.77		
Lianyungang Port Construction and Installation Engineering Co., Ltd	123,200,940.32			123,200,940.32		
Lianyungang Port Maintenance Engineering Co., Ltd	31,571,266.27			31,571,266.27		
Sulong (Gansu) Logistics Supply Chain Co., Ltd		57,483,029.08		57,483,029.08		
Lianyungang Xinxin Port Logistics Co., Ltd		5,000,000.00		5,000,000.00		
Lianyungang Xinxin Chemical Logistics Co., Ltd		500,000.00		500,000.00		
Lianyungang Jinzhong Development and Construction Co., Ltd		626,226,185.29		626,226,185.29		
Lianyungang Port Holding Group Xuwei Co., Ltd		633,819,600.00		633,819,600.00		
Total	12,129,179,604.49	2,422,494,664.37	627,226,185.29	13,924,448,083.57		3,104,949.50

3.2 Investment in associate, joint venture

Investee	1/1/2022	Changes in Current Period								12/31/2022	Closing balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Others		
Lianyungang Qianhong Petrochemical Storage Co., Ltd.	38,783,465.61			28,417.16			64,343.00			38,747,539.77	
Fengyi oil technology (Lianyungang) Co., Ltd	128,115,179.92			24,328,627.60						152,443,807.52	
Yihai (Lianyungang) Grain and oil industry Co., Ltd.	211,173,238.58			-11,443,484.11						199,729,754.47	
Lianyungang Zhonglian Tally Co. Ltd.	4,531,328.69			2,746,644.23			2,954,578.21			4,323,394.71	
Lianyungang Port International Petrochemical Storage Co., Ltd.	40,211,290.33			-1,713,821.44						38,497,468.89	
Fengyi Alcohol Industrial (Lianyungang) Co., Ltd.	41,754,029.43			1,996,746.99						43,750,776.42	
Lianyungang Xinyi International Freight Forwarding Co., Ltd.	665,959.51									665,959.51	
Lianyungang Harbor travel company	250,000.00									250,000.00	
Lianyungang Xinxin Port Logistics Co., Ltd	52,983,029.08								-52,983,029.08		
Lianyungang Taidi Petrochemical Co.,	93,522,453.12			6,920,322.37						100,442,775.49	

Investee	1/1/2022	Changes in Current Period								12/31/2022	Closing balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Others		
Ltd											
Lianyungang new Silk Road International Container Development Co., Ltd	5,297,526.01			1,038,660.63						6,336,186.64	
Total	617,287,500.28			23,902,113.43			3,018,921.21		-52,983,029.08	585,187,663.42	

4. Sales and cost of sales

4.1 Sales and other operating income

Items	2022 (Jan-Dec)		2021 (Jan-Dec)	
	Revenue	Cost	Revenue	Cost
Main operations	957,670,536.72	772,407,185.85	730,242,656.57	604,582,443.03
Other operations	343,114,883.26	103,341,383.41	291,237,063.23	114,557,592.79
Total	1,300,785,419.98	875,748,569.26	1,021,479,719.80	719,140,035.82

4.2 Main operations (disclosure by branch line of business)

Items	2022 (Jan-Dec)		2021 (Jan-Dec)	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Loading and unloading income	5,184,902.94	1,760,168.29	8,696,288.12	1,985,637.14
Management revenue	583,884,012.60	471,415,923.88	444,287,271.29	365,022,895.09
Sales revenue	367,665,373.42	298,498,760.99	272,868,499.21	234,714,574.82
Engineering Income	936,247.76	732,332.69	4,390,597.95	2,859,335.98
Total	957,670,536.72	772,407,185.85	730,242,656.57	604,582,443.03

4.3 Other operations (disclosure by branch line of business)

Items	2022 (Jan-Dec)		2021 (Jan-Dec)	
	Other operating revenue	Other operating cost	Other operating revenue	Other operating cost
Lease of other assets	216,807,119.44	4,917,583.22	123,146,421.67	4,319,002.01
Supply	36,596,369.60	25,295,640.25	29,409,376.79	18,402,990.66
Others	89,711,394.22	73,128,159.94	138,681,264.77	91,835,600.12
Total	343,114,883.26	103,341,383.41	291,237,063.23	114,557,592.79

5. Investment income

Item	2022 (Jan-Dec)	2021 (Jan-Dec)
Investment income from long-term equity investments under cost method	466,341,026.32	52,274,035.64
Investment income from long-term equity investments under equity method	23,902,113.43	49,862,600.00
Investment income from disposing long-term equity investments	585,098,900.00	667,689,454.40
Other financial gains	5,000,000.00	5,770,023.75
Total	1,080,342,039.75	775,596,113.79

Lianyungang Port Group Co., Ltd.

April 25, 2023

Lianyungang Port Group Co., Ltd.

Auditor's Report

SYJCCPA J〔2024〕AUDITING No.75

CPA Firm： Lianyungang branch, Suyajincheng Certified Public Accountants LLP

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AUDITOR'S REPORT

To the shareholders of Directors of Lianyungang Port Group Co., Ltd.:

Opinion

We have audited the financial statements of Lianyungang Port Group Co., Ltd . (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31st December 2023, consolidated income statement and income statement, consolidated cash flow statement and cash flow statement, consolidated statement of changes in owners' equity and statement of changes in owners' equity for the year then ended; and notes to the financial statements.

In our opinion, the *attached* financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises, present fairly the financial position of the company as at December 31st 2023 and its operating results and cash flow for the year then ended.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs") for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of professional ethics for Certified Public Accountants in China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the disclosure requirements of Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Suya Jincheng Certified Public Accountants LLP

Lianyungang, China

Certified Public Accountant of China

Certified Public Accountant of China

Date: April 25, 2024

Lianyungang Port Group Co., Ltd.

Consolidated Balance Sheet

As at December 31, 2023

Monetary Unit: RMB

Assets	Note	Balance as at December 31, 2023	Balance as at December 31, 2022
Current assets:			
Cash and cash equivalents	1	4,877,667,938.83	4,227,465,288.21
Financial assets held for trading	2		2,976,405.00
Derivative financial assets			
Notes receivable	3	255,212,234.58	377,030,631.90
Accounts receivable	4	5,257,487,070.87	4,952,086,276.48
Accounts receivable financing	5	53,145,035.90	65,346,676.90
Prepayment	6	1,481,467,365.38	1,565,759,015.87
Other receivables	7	11,645,014,869.71	9,949,722,496.91
Inventories	8	3,751,766,900.19	3,254,027,509.89
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	9	339,299,391.46	383,076,127.04
Total current assets		27,661,060,806.92	24,777,490,428.20
Non-current assets:			
Investment in debt instruments			
Investment in other debt instruments			
Long-term receivables	10	208,629,830.62	190,365,058.02
Long-term equity investments	11	1,891,119,679.24	1,834,567,618.67
Investment in other equity instruments	12	42,663,227.16	46,489,525.56
Other non-current financial assets	13	290,622,624.49	211,272,624.49
Investment property	14	732,378,478.12	755,355,008.70
Fixed assets	15	15,047,595,004.29	15,401,751,384.83
Construction in progress	16	24,985,132,482.28	22,682,747,757.22
Productive biological assets			
Oil and gas assets			
Right of use assets	17	23,962,757.56	16,514,804.10
Intangible assets	18	3,105,551,844.05	3,135,366,803.92
Development expenditure			
Goodwill			
Long-term deferred expenses	19	244,887,533.07	270,100,116.27
Deferred tax assets	20	245,988,982.41	272,603,885.94
Other non-current assets	21	326,653,022.40	326,466,022.86
Total non-current assets		47,145,185,465.69	45,143,600,610.58
Total assets		74,806,246,272.61	69,921,091,038.78

Lianyungang Port Group Co., Ltd.
Consolidated Balance Sheet (Cont.)

As at December 31, 2023

Monetary Unit: RMB

Liabilities and owners' equity	Note	Balance as at December 31, 2023	Balance as at December 31, 2022
Current liabilities:			
Short-term loans	22	8,629,539,930.23	9,189,574,296.33
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payables	23	1,305,849,931.60	1,684,369,044.96
Accounts payables	24	1,725,436,494.11	1,557,636,983.85
Receipts in advance			
Contract liabilities	25	726,072,080.82	578,134,704.73
Employee benefits payable	26	127,569,051.86	115,569,244.46
Taxes payable	27	108,452,737.38	137,032,452.15
Other payables	28	771,714,209.67	547,219,968.04
Liabilities held for sale			
Non-current liabilities due within one year	29	7,304,268,195.39	9,357,822,509.68
Other current liabilities	30	3,334,228,044.35	5,545,715,578.40
Total current liabilities		24,033,130,675.41	28,713,074,782.60
Non-current liabilities:			
Long-term loans	31	14,960,291,441.19	8,751,468,768.34
Bonds payable	32	11,786,862,008.58	9,373,283,550.80
Including: preferred stock			
sustainable debt			
Lease liabilities	33	10,915,945.61	15,218,585.68
Long-term payables	34	3,898,452,528.72	4,730,275,554.05
Provision	35	15,613,579.82	15,429,547.08
Deferred revenue	36	107,449,551.77	44,136,647.65
Deferred tax liabilities	20	25,405,303.71	24,180,032.38
Other non-current liabilities			
Total non-current liabilities		30,804,990,359.40	22,953,992,685.98
Total liabilities		54,838,121,034.81	51,667,067,468.58
Owners' equity (or shareholders' equity)			
Share capital	37	7,820,000,000.00	7,820,000,000.00
Other equity instruments	38	3,000,000,000.00	715,480,000.00
Including: preferred stock			
sustainable debt		3,000,000,000.00	715,480,000.00
Capital reserves	39	4,405,114,510.09	4,724,573,173.44
Less: Treasury shares			
Other comprehensive income	40	-55,540,913.07	-197,171,782.92
Special reserves	41	268,036.64	82,177.38
Surplus reserves	42	7,610,257.91	7,610,257.91
General risk preparedness	43	29,169,577.24	29,169,577.24
Undistributed profits	44	166,485,368.69	173,962,020.65
Total equity attributable to owners of the parent company		15,373,106,837.50	13,273,705,423.70
Non-controlling interests		4,595,018,400.30	4,980,318,146.50
Total owners' equity (or shareholders' equity)		19,968,125,237.80	18,254,023,570.20
Total liabilities and owners' equity		74,806,246,272.61	69,921,091,038.78

Lianyungang Port Group Co., Ltd.
Consolidated Income Statement
For the year ended December 31, 2023

Monetary Unit: RMB

Item	Note	2023 (Jan-Dec)	2022 (Jan-Dec)
1. Total operating income	45	16,532,522,194.15	15,814,118,672.58
Less: Operating costs	45	13,981,674,828.14	13,635,751,555.88
Taxes and surcharge	46	32,391,853.80	31,497,408.45
Selling and distribution expenses	47	3,632,488.15	3,379,500.60
Administrative expenses	48	1,021,389,344.75	1,038,271,198.68
Research and development expenses	49	76,039,490.01	78,355,421.39
Financial expenses	50	1,424,779,516.49	1,374,017,953.95
Including:interest expense		1,488,399,334.76	1,442,441,431.68
interest income		86,362,253.45	102,518,334.79
Add: Other income	51	445,130,520.49	172,910,166.83
Investment income ("-" for losses)	52	126,190,616.77	690,504,866.16
Including: income from investment in associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost ("-" for losses)			
Net exposure to hedging gains("-"for loss)			
Gains from changes in fair value ("-" for losses)	53	1,262,750.00	-1,262,750.00
Credit impairment loss ("-" for losses)	54	-38,442,580.43	-49,519,225.17
Impairment loss of assets("-" for losses)	55	31,785.25	
Gains from disposal of assets ("-" for losses)	56	27,309,438.12	11,108,690.39
2. Operating profits ("-" for losses)		554,097,203.01	476,587,381.84
Add: Non-operating income	57	27,452,958.99	18,333,146.68
Less:Non-operating expenses	58	29,480,117.64	32,947,508.66
3. Total profits before tax ("-"for total losses)		552,070,044.36	461,973,019.86
Less:Income tax expenses	59	206,597,303.04	162,766,277.60
4. Net profit ("-" for net loss)		345,472,741.32	299,206,742.26
Classification by operating continuity:			
Net profit from continuing operation ("-" for losses)		345,472,741.32	299,206,742.26
Net profit from discontinued operation ("-" for losses)			
Classification by owners:			
Attributable to owners of the parent company		52,523,348.04	55,580,412.65
Attributable to non-controlling interests		292,949,393.28	243,626,329.61
5. Net of income tax effect of other comprehensive income		141,630,869.85	-171,304,996.63
(1)Net of income tax effect of other comprehensive income attributable to owners of the parent company		141,630,869.85	-171,304,996.63
A.Other comprehensive income items which will not be reclassified subsequently to profit or loss		-2,869,723.80	6,982,994.58
a.Remeasurement of changes in defined benefit plans			
b.Other comprehensive income that cannot be transferred to profit or loss under the equity method			
c.Changes in fair value of other equity instrument investments		-2,869,723.80	6,982,994.58
d.Changes in fair value of enterprise's own credit risk			
B.Other comprehensive income items which will be reclassified subsequently to profit or loss		144,500,593.65	-178,287,991.21
a.Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit and loss		3,974,344.29	
b.Changes in fair value of other debt investments			
c.Amount of financial assets reclassified into other comprehensive income			
d.Provision for credit impairment of other debt investments			
e.The effective hedging portion of gains or losses arising from cash flow hedging instruments			
f.Translation differences arising on translation of foreign currency financial statements		140,526,249.36	-178,287,991.21
g.Others			
(2)Net of income tax effect of other comprehensive income attributable to non-controlling interests			
6.Total comprehensive income		487,103,611.17	127,901,745.63
Total comprehensive income attributable to owners of the parent company		194,154,217.89	-115,724,583.98
Total comprehensive income attributable to non-controlling interests		292,949,393.28	243,626,329.61
7. Earnings per share			
(1)Basic earnings per share			
(2)Diluted earnings per share			

Lianyungang Port Group Co., Ltd.
Consolidated Cash Flows Statement

For the year ended December 31, 2023

Monetary Unit: RMB

Item	Note	2023 (Jan-Dec)	2022 (Jan-Dec)
1. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		16,718,582,214.03	16,602,276,497.42
Refunds of taxes and surcharges		166,283,599.02	83,878,672.64
Cash received from other operating activities	60 (1)	769,076,842.50	529,005,963.03
Sub-total of cash inflows from operating activities		17,653,942,655.55	17,215,161,133.09
Cash paid for goods purchased and services received		14,189,637,515.72	13,719,905,564.21
Cash paid to and on behalf of employees		1,489,234,757.06	1,437,695,843.26
Cash paid for taxes and surcharges		401,212,531.35	392,755,060.80
Cash paid for other operating activities	60 (2)	1,239,943,078.38	1,383,442,056.06
Sub-total of cash outflows from operating activities		17,320,027,882.51	16,933,798,524.33
Net cash flows from operating activities		333,914,773.04	281,362,608.76
2. Cash flows from investing activities			
Cash received from disposal of investments		899,121,311.40	1,032,945,550.74
Cash received from returns on investments		142,980,517.10	84,562,399.78
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		38,838,591.77	13,337,395.31
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities	60 (3)	6,567,343.94	70,774,659.14
Sub-total of cash inflows from investing activities		1,087,507,764.21	1,201,620,004.97
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		1,935,098,356.24	1,247,454,527.68
Cash paid for investments		1,016,327,733.72	1,010,799,453.67
Net cash paid to acquire subsidiaries and other business units			5,000,000.00
Cash paid for other investing activities	60 (4)	841,913,406.72	35,033,948.63
Sub-total of cash outflows from investing activities		3,793,339,496.68	2,298,287,929.98
Net cash flows from investing activities		-2,705,831,732.47	-1,096,667,925.01
3. Cash flows from financing activities			
Cash received from investors			
Including: cash received by subsidiaries from investments by non-controlling shareholders			
Cash received from borrowings		35,817,291,121.10	30,957,654,587.63
Cash received from bonds issue			
Cash received from other financing activities	60 (5)	3,020,719,748.69	1,812,622,485.70
Sub-total of cash inflows from financing activities		38,838,010,869.79	32,770,277,073.33
Cash repayments of borrowings		32,206,432,786.78	26,881,256,082.18
Cash paid for distribution of dividends and profits or payment of interest		2,203,817,069.49	1,933,728,491.54
Including: dividends and profits paid to non-controlling shareholders by subsidiaries		108,342,476.01	75,444,118.14
Cash paid for other financing activities	60 (6)	1,516,790,499.18	1,788,474,747.80
Sub-total of cash outflows from financing activities		35,927,040,355.45	30,603,459,321.52
Net cash flows from financing activities		2,910,970,514.34	2,166,817,751.81
4. Effect of foreign exchange rate changes on cash and cash equivalents		-153,559.22	-12,120,109.26
5. Net increase/(decrease) in cash and cash equivalents		538,899,995.69	1,339,392,326.30
Add: balance of cash and cash equivalents at the beginning of the period		3,252,333,898.27	1,912,941,571.97
6. Balance of cash and cash equivalents at the end of the period		3,791,233,893.96	3,252,333,898.27

Lianyungang Port Group Co., Ltd.
Consolidated Statement of Changes in Shareholders' Equity
For the year ended December 31, 2023

Monetary Unit: RMB

Item	2023 (Jan-Dec)												
	Equity attributable to owners of the parent company											Minority equity	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred stock	Sustainable debt	Others									
1. Balance as at the end of last year	7,820,000,000.00		715,480,000.00		4,724,573,173.44		-197,171,782.92	82,177.38	7,610,257.91	29,169,577.24	175,962,020.65	4,980,318,146.50	18,254,023,570.20
Add: adjustments for changes in accounting policies													
Adjustments for correction of accounting errors in prior year													
Merger of enterprises under the same control													
Others													
2. Balance as at the beginning of the current year	7,820,000,000.00		715,480,000.00		4,724,573,173.44		-197,171,782.92	82,177.38	7,610,257.91	29,169,577.24	175,962,020.65	4,980,318,146.50	18,254,023,570.20
3. Increases/decreases in equity for the year ("-" for decreases)			2,284,520,000.00		-319,458,663.35		141,630,869.85	185,859.26			-7,476,651.96	-385,299,746.29	1,714,101,667.60
(1)Total comprehensive income							141,630,869.85				52,523,348.04	292,949,393.28	487,103,611.17
(2)Capital contributed or decreased by owners			2,284,520,000.00		-319,458,663.35							-569,906,663.47	1,395,154,673.18
a. Capital contributions by owners												-569,906,663.47	-569,906,663.47
b. Capital contributions by other equity instruments holders			2,284,520,000.00										2,284,520,000.00
c. Amounts of share-based payments recognized in owners' equity													
d. Others					-319,458,663.35								-319,458,663.35
(3)Profit distribution											-60,000,000.00	-108,342,476.01	-168,342,476.01
a. Appropriation of surplus reserves													
b. Appropriation of general risk reserve													
c. Profit distributed to owners (or shareholders)											-60,000,000.00	-108,342,476.01	-168,342,476.01
d. Others													
(4) Internal carry-forward of owners' equity													
a. Conversion of capital reserves into paid-in capital (or share capital)													
b. Conversion of surplus reserves into paid-in capital (or share capital)													
c. Surplus reserves offsetting losses													
d. Change of Defined Benefit Plan transferred to retained earnings													
e. Other comprehensive income carried forward to retained earnings													
f. Others													
(5) General risk reserve								185,859.26					185,859.26
a. Appropriation for the period								84,395,059.27					84,395,059.27
b. Use for the period								84,209,180.01					84,209,180.01
4.Balance as at the end of the current year	7,820,000,000.00		3,000,000,000.00		4,405,114,510.09		-55,540,913.07	268,036.64	7,610,257.91	29,169,577.24	166,485,368.69	4,595,018,400.30	19,968,125,237.80

Lianyungang Port Group Co., Ltd.

Consolidated Statement of Changes in Shareholders' Equity

For the year ended December 31, 2023

Monetary Unit: RMB

Item	2022 (Jan-Dec)												
	Equity attributable to owners of the parent company											Minority equity	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred stock	Sustainable debt	Others									
1. Balance as at the end of last year	7,820,000,000.00		1,166,500,000.00		3,407,029,084.34		-25,866,786.29	82,177.38	7,610,257.91	29,169,577.24	176,526,540.14	5,424,414,635.63	18,005,465,486.35
Add: adjustments for changes in accounting policies											-13,154,932.14		-13,154,932.14
Adjustments for correction of accounting errors in prior year													
Merger of enterprises under the same control													
Others													
2. Balance as at the beginning of the current year	7,820,000,000.00		1,166,500,000.00		3,407,029,084.34		-25,866,786.29	82,177.38	7,610,257.91	29,169,577.24	163,371,608.00	5,424,414,635.63	17,992,310,554.21
3. Increases/decreases in equity for the year ("-" for decreases)			-451,020,000.00		1,317,544,089.10		-171,304,996.63				10,590,402.65	-444,096,489.13	261,713,015.99
(1)Total comprehensive income							-171,304,996.63				55,580,402.65	243,626,329.61	127,901,745.63
(2)Capital contributed or decreased by owners			-451,020,000.00		1,317,544,089.10							-612,278,700.60	254,245,388.50
a. Capital contributions by owners													
b. Capital contributions by other equity instruments holders			-451,020,000.00										-451,020,000.00
c. Amounts of share-based payments recognized in owners' equity													
d. Others					1,317,544,089.10							-612,278,700.60	705,265,388.50
(3)Profit distribution											-44,990,000.00	-75,444,118.14	-120,434,118.14
a. Appropriation of surplus reserves													
b. Appropriation of general risk reserve													
c. Profit distributed to owners (or shareholders)											-44,990,000.00	-75,444,118.14	-120,434,118.14
d. Others													
(4) Internal carry-forward of owners' equity													
a. Conversion of capital reserves into paid-in capital (or share capital)													
b. Conversion of surplus reserves into paid-in capital (or share capital)													
c. Surplus reserves offsetting losses													
d. Change of Defined Benefit Plan transferred to retained earnings													
e. Other comprehensive income carried forward to retained earnings													
f. Others													
(5) General risk reserve													
a. Appropriation for the period													
b. Use for the period													
4.Balance as at the end of the current year	7,820,000,000.00		715,480,000.00		4,724,573,173.44		-197,171,782.92	82,177.38	7,610,257.91	29,169,577.24	173,962,010.65	4,980,318,146.50	18,254,023,570.20

Lianyungang Port Group Co., Ltd.

Balance Sheet

As at December 31, 2023

Monetary Unit: RMB

Assets	Note13	Balance as at December 31, 2023	Balance as at December 31, 2022
Current assets:			
Cash and cash equivalents		2,566,337,351.56	2,181,271,832.79
Financial assets held for trading			
Derivative financial assets			
Notes receivable		72,454,169.10	76,525,525.72
Accounts receivable	1	1,565,608,576.59	835,617,057.96
Accounts receivable financing			
Prepayment		95,830,815.75	101,852,612.84
Other receivables	2	20,846,623,006.01	18,191,271,477.08
Inventories		39,499,081.87	42,320,722.88
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		17,561,286.03	2,536,253.72
Total current assets		25,203,914,286.91	21,431,395,482.99
Non-current assets:			
Investment in debt instruments			
Investment in other debt instruments			
Long-term receivables			
Long-term equity investments	3	13,535,746,191.33	14,506,530,797.49
Investment in other equity instruments		42,663,227.16	46,489,525.56
Other non-current financial assets		282,000,048.00	202,650,048.00
Investment property		669,481,939.68	691,306,308.12
Fixed assets		1,971,466,071.70	1,774,441,088.60
Construction in progress		11,258,573,544.11	11,074,527,235.42
Productive biological assets			
Oil and gas assets			
Right of use assets			
Intangible assets		2,075,092,822.54	2,151,495,428.74
Development expenditure			
Goodwill			
Long-term deferred expenses		108,377,298.36	123,392,251.72
Deferred tax assets		75,503,161.26	103,149,247.68
Other non-current assets			
Total non-current assets		30,018,904,304.14	30,673,981,931.33
Total assets		55,222,818,591.05	52,105,377,414.32

Lianyungang Port Group Co., Ltd.
Balance Sheet (Cont.)

As at December 31, 2023

Monetary Unit: RMB

Liabilities and owners' equity	Note13	Balance as at December 31, 2023	Balance as at December 31, 2022
Current liabilities:			
Short-term loans		4,215,088,689.29	5,711,625,069.00
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payables		1,190,499,468.56	1,431,335,780.52
Accounts payables		396,876,473.44	388,440,066.24
Receipts in advance			
Contract liabilities		37,182,352.08	32,547,639.67
Employee benefits payable		57,103,182.34	53,265,536.44
Taxes payable		2,746,001.78	1,829,528.25
Other payables		2,716,355,168.80	1,240,176,642.89
Liabilities held for sale			
Non-current liabilities due within one year		6,374,925,220.80	10,713,723,124.07
Other current liabilities		2,713,241,069.43	3,504,231,193.16
Total current liabilities		17,704,017,626.52	23,077,174,580.24
Non-current liabilities:			
Long-term loans		8,571,182,119.97	4,144,927,521.34
Bonds payable		9,601,067,025.73	6,889,958,670.25
Including: preferred stock			
sustainable debt			
Lease liabilities			
Long-term payables		2,891,755,123.23	3,766,816,945.58
Provision			
Deferred revenue		38,295,680.54	41,271,724.25
Deferred tax liabilities		7,725,806.78	8,682,381.38
Other non-current liabilities			
Total non-current liabilities		21,110,025,756.25	14,851,657,242.80
Total liabilities		38,814,043,382.77	37,928,831,823.04
Owners' equity (or shareholders' equity)			
Share capital		7,820,000,000.00	7,820,000,000.00
Other equity instruments		3,000,000,000.00	715,480,000.00
Including: preferred stock			
sustainable debt		3,000,000,000.00	715,480,000.00
Capital reserves		4,484,139,933.91	4,484,139,933.91
Less: Treasury shares			
Other comprehensive income		28,856,463.88	27,751,843.39
Special reserves			82,177.38
Surplus reserves		207,610,257.91	207,610,257.91
General risk preparedness			
Undistributed profits		868,168,552.58	921,481,378.69
Total owners' equity (or shareholders' equity)		16,408,775,208.28	14,176,545,591.28
Total liabilities and owners' equity		55,222,818,591.05	52,105,377,414.32

Lianyungang Port Group Co., Ltd.
Income Statement
For the year ended December 31, 2023

Monetary Unit: RMB

Item	Note13	2023 (Jan-Dec)	2022 (Jan-Dec)
1. Total operating income	4	1,365,065,903.99	1,300,785,419.98
Less: Operating costs	4	974,501,884.82	875,748,569.26
Taxes and surcharge		2,150,589.82	4,091,540.00
Selling and distribution expenses			
Administrative expenses		345,808,327.88	441,826,913.37
Research and development expenses			
Financial expenses		1,146,917,143.03	1,136,554,219.56
Including:interest expense			
interest income			
Add: Other income		418,321,992.34	129,143,007.45
Investment income ("-" for losses)	5	675,655,328.17	1,080,342,039.75
Including: income from investment in associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost ("-" for losses)			
Net exposure to hedging gains("-"for loss)			
Gains from changes in fair value ("-" for losses)			
Credit impairment loss ("-" for losses)		18,049,257.47	-14,675,989.74
Impairment loss of assets("-" for losses)		31,785.25	-
Gains from disposal of assets ("-" for losses)		31,599,928.68	34,743.68
2. Operating profits ("-" for losses)		39,346,250.35	37,407,978.93
Add: Non-operating income		15,158,187.46	697,371.89
Less:Non-operating expenses		20,146,301.52	25,127,029.67
3. Total profits before tax ("-"for total losses)		34,358,136.29	12,978,321.15
Less:Income tax expenses		27,670,962.40	-3,333,656.70
4. Net profit ("-" for net loss)		6,687,173.89	16,311,977.85
Classification by operating continuity:		6,687,173.89	16,311,977.85
Net profit from continuing operation ("-" for losses)			
5. Net of income tax effect of other comprehensive income		1,104,620.49	6,982,994.58
(1)Other comprehensive income items which will not be reclassified subsequently to profit or loss		-2,869,723.80	6,982,994.58
a.Remeasurement of changes in defined benefit plans			
b.Other comprehensive income that cannot be transferred to profit or loss under the equity method			
c.Changes in fair value of other equity instrument investments		-2,869,723.80	6,982,994.58
d.Changes in fair value of enterprise's own credit risk			
(2)Other comprehensive income items which will be reclassified subsequently to profit or loss		3,974,344.29	
a.Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit and loss		3,974,344.29	
b.Changes in fair value of other debt investments			
c.Amount of financial assets reclassified into other comprehensive income			
d.Provision for credit impairment of other debt investments			
e.The effective hedging portion of gains or losses arising from cash flow hedging instruments			
f.Translation differences arising on translation of foreign currency financial statements			
g.Others			
6.Total comprehensive income		7,791,794.38	23,294,972.43
7. Earnings per share			
(1)Basic earnings per share			
(2)Diluted earnings per share			

Lianyungang Port Group Co., Ltd.
Cash Flows Statement

For the year ended December 31, 2023

Monetary Unit: RMB

Item	Note13	2023 (Jan-Dec)	2022 (Jan-Dec)
1. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		1,282,551,457.79	1,228,008,543.31
Refunds of taxes and surcharges		49,745,727.11	58,936,149.00
Cash received from other operating activities		480,050,443.94	836,749,687.57
Sub-total of cash inflows from operating activities		1,812,347,628.84	2,123,694,379.88
Cash paid for goods purchased and services received		807,073,337.40	750,773,136.78
Cash paid to and on behalf of employees		224,276,985.98	229,078,780.18
Cash paid for taxes and surcharges		36,396,999.67	31,715,035.40
Cash paid for other operating activities		738,936,162.58	1,325,578,961.33
Sub-total of cash outflows from operating activities		1,806,683,485.63	2,337,145,913.69
Net cash flows from operating activities		5,664,143.21	-213,451,533.81
2. Cash flows from investing activities			
Cash received from disposal of investments		1,002,322,097.81	9,271,000.00
Cash received from returns on investments		230,524,796.38	92,184,947.53
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,317,640.88	34,743.68
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		1,238,164,535.07	101,490,691.21
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		550,572,523.57	829,654,628.46
Cash paid for investments		346,500,000.00	1,239,230,898.00
Net cash paid to acquire subsidiaries and other business units			5,000,000.00
Cash paid for other investing activities		812,250,148.39	
Sub-total of cash outflows from investing activities		1,709,322,671.96	2,073,885,526.46
Net cash flows from investing activities		-471,158,136.89	-1,972,394,835.25
3. Cash flows from financing activities			
Cash received from investors			
Cash received from borrowings		24,851,355,192.00	21,861,422,170.00
Cash received from other financing activities		4,075,600,000.00	2,540,637,269.71
Sub-total of cash inflows from financing activities		28,926,955,192.00	24,402,059,439.71
Cash repayments of borrowings		25,371,937,326.90	17,757,056,272.96
Cash paid for distribution of dividends and profits or payment of interest		1,835,350,799.71	1,764,746,047.83
Cash paid for other financing activities		1,291,075,808.22	1,880,451,805.28
Sub-total of cash outflows from financing activities		28,498,363,934.83	21,402,254,126.07
Net cash flows from financing activities		428,591,257.17	2,999,805,313.64
4. Effect of foreign exchange rate changes on cash and cash equivalents		-1,864,280.00	-2,926,434.45
5. Net increase/(decrease) in cash and cash equivalents		-38,767,016.51	811,032,510.13
Add: balance of cash and cash equivalents at the beginning of the period		1,948,645,174.54	1,137,612,664.41
6. Balance of cash and cash equivalents at the end of the period		1,909,878,158.03	1,948,645,174.54

Lianyungang Port Group Co., Ltd.
Statement of Changes in Shareholders' Equity
For the year ended December 31, 2023

Monetary Unit: RMB

Item	2023 (Jan-Dec)											
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
		Preferred stock	Sustainable debt	Others								
1. Balance as at the end of last year	7,820,000,000.00		715,480,000.00		4,484,139,933.91		27,751,843.39	82,177.38	207,610,257.91		921,481,378.69	14,176,545,591.28
Add: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at the beginning of the current year	7,820,000,000.00		715,480,000.00		4,484,139,933.91		27,751,843.39	82,177.38	207,610,257.91		921,481,378.69	14,176,545,591.28
3. Increases/decreases in equity for the year ("-" for decreases)			2,284,520,000.00				1,104,620.49	-82,177.38			-53,312,826.11	2,232,229,617.00
(1)Total comprehensive income							1,104,620.49				6,687,173.89	7,791,794.38
(2)Capital contributed or decreased by owners			2,284,520,000.00									2,284,520,000.00
a. Capital contributions by owners												
b. Capital contributions by other equity instruments holders			2,284,520,000.00									2,284,520,000.00
c. Amounts of share-based payments recognized in owners' equity												
d. Others												
(3)Profit distribution											-60,000,000.00	-60,000,000.00
a. Appropriation of surplus reserves												
b. Appropriation of general risk reserve												
c. Profit distributed to owners (or shareholders)											-60,000,000.00	-60,000,000.00
d. Others												
(4) Internal carry-forward of owners' equity												
a. Conversion of capital reserves into paid-in capital (or share capital)												
b. Conversion of surplus reserves into paid-in capital (or share capital)												
c. Surplus reserves offsetting losses												
d. Change of Defined Benefit Plan transferred to retained earnings												
e. Other comprehensive income carried forward to retained earnings												
f. Others												
(5)Special reserves								-82,177.38				-82,177.38
a. Appropriation for the period												
b. Use for the period								82,177.38				82,177.38
4.Balance as at the end of the current year	7,820,000,000.00		3,000,000,000.00		4,484,139,933.91		28,856,463.88		207,610,257.91		868,168,552.58	16,408,775,208.28

Lianyungang Port Group Co., Ltd.
Statement of Changes in Shareholders' Equity

For the year ended December 31, 2023

Monetary Unit: RMB

Item	2022 (Jan-Dec)											
	Share capital	Other equity instruments			Capital reserve	Minus: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
		Preferred stock	Sustainable debt	Others								
1. Balance as at the end of last year	7,820,000,000.00		1,166,500,000.00		3,269,942,144.81		20,768,848.81	82,177.38	207,610,257.91		950,159,400.84	13,435,062,829.75
Add: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at the beginning of the current year	7,820,000,000.00		1,166,500,000.00		3,269,942,144.81		20,768,848.81	82,177.38	207,610,257.91		950,159,400.84	13,435,062,829.75
3. Increases/decreases in equity for the year ("-" for decreases)			-451,020,000.00		1,214,197,789.10		6,982,994.58				-28,678,022.15	741,482,761.53
(1)Total comprehensive income							6,982,994.58				16,311,977.85	23,294,972.43
(2)Capital contributed or decreased by owners			-451,020,000.00		1,214,197,789.10							763,177,789.10
a. Capital contributions by owners												
b. Capital contributions by other equity instruments holders			-451,020,000.00									-451,020,000.00
c. Amounts of share-based payments recognized in owners' equity												
d. Others					1,214,197,789.10							1,214,197,789.10
(3)Profit distribution											-44,990,000.00	-44,990,000.00
a. Appropriation of surplus reserves												
b. Appropriation of general risk reserve												
c. Profit distributed to owners (or shareholders)											-44,990,000.00	-44,990,000.00
d. Others												
(4) Internal carry-forward of owners' equity												
a. Conversion of capital reserves into paid-in capital (or share capital)												
b. Conversion of surplus reserves into paid-in capital (or share capital)												
c. Surplus reserves offsetting losses												
d. Change of Defined Benefit Plan transferred to retained earnings												
e. Other comprehensive income carried forward to retained earnings												
f. Others												
5)Special reserves												
a.Appropriation for the period												
b.Use for the period												
I.Balance as at the end of the current year	7,820,000,000.00		715,480,000.00		4,484,139,933.91		27,751,843.39	82,177.38	207,610,257.91		921,481,378.69	14,176,545,591.28

LIANYUNGANG PORT GROUP CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(All amounts are expressed in Renminbi unless otherwise stated)

I. Company Profile

Lianyungang Port Group Co., Ltd. (the "Company") registered at Lianyungang Market Supervision and Administration Bureau with Unified Social Credit Code No. 91320700139008250P. Registered address of the Company: Zhonghua West Road 18-5, Lianyun District, Lianyungang. The legal representative: Yang Long. The registered capital of the Company is RMB 7.82 billion yuan. Company type: Limited liability company (legal person).

Port of Lianyungang was opened in 1933. Since 1961, the Lianyungang Port Authority was established managed by the Department of Transport. Since 1987, the Lianyungang Port Authority was renamed as Lianyungang Harbor Authority co-administrated by the Department of Transport and the local government. Since 2002, Lianyungang Harbor Authority was administrated only by Lianyungang municipal government according to the document [2001] No.91 issued by Office of the State Council. The formation of Lianyungang Port Group Co., Ltd was approved by the People's Government of Jiangsu Province and related government department in 2003. Lianyungang Port Group Co., Ltd was established in November 25, 2003 approved by the document [2003] No.28 issued by Lianyungang municipal government.

Lianyungang Municipal Government invested the assets of Lianyungang Port Group Co., Ltd. to Lianyungang port Holding Group Co., Ltd. according to the document [2015] No.39 issued by Lianyungang Municipal Government in August 17, 2015. Shareholders of Lianyungang Port Group Co., Ltd. was changed from Lianyungang Municipal government to Lianyungang port Holding Group Co., Ltd.

On May 22, 2017, Guokai development fund Co., Ltd. increased its capital by 820 million yuan, with the paid in capital of 7.82 billion yuan, of which Lianyungang Port Holding Group Co., Ltd. held 89.51% shares and Guokai development fund Co., Ltd. held 10.49% shares

Business scope of the Company: Provide port facility such as berth, lightering anchorage, mooring buoy for ship; provide ship facilities and services for passenger ; provide cargo for the client (including lightering), warehousing, lightering within a port, container stacking, and the demolition LCL goods and their packaging simple processing etc.; as the ship out of the harbor, dock, shifting with pushing and pulling service; provide the goods count during the handover point and check the surface condition of goods tally services to clients; for the ship to provide shore power, fuel supply, life and goods supply, crew and ship pollutants transfer (oily water, residual oil, wash tank water, sewage and garbage); supply of oil fences and laundry service; provide the port facilities, equipment (including locomotives) and the port machinery leasing, maintenance business(service provided according to the port business license);bonded warehousing (excluding dangerous chemicals); port and waterway engineering, construction Engineering, water supply and drainage engineering, mechanical and electrical equipment installation engineering, road and bridge engineering, building intelligent engineering, design and construction for communication pipeline engineering, port dredging operations; coal sales; real estate development and management, international shipping agency; property management services; software development and system integration; network technology services; international freight forwarding; the goods along the coast, along the river and the inland waterway transport; environmental engineering supervision and detection of environmental technology services; self and agent all kinds of goods and technology import and export business; except the prohibition of the enterprise operation or the import and export of goods and technologies by the state; communication engineering construction; road transport of ordinary goods, special transport of goods (tank type), dangerous goods transport operations (Category 3) (except for highly toxic chemicals); wholesale and retail of pre packaged food and stage bulk food; bottles (barrels) of drinking water production and sales; catering services; accommodation services; cigarette retail (cigar); shipbuilding; ship repair and diving operations; labor services (excluding labor dispatch); health service; measuring instrument detection and weighing equipment installation test; non degree occupation skill training; waste recycling; municipal government authorization management and the management of

state-owned capital within the scope; to limit branches operating permit: ethanol gasoline, diesel, kerosene retail; gas sales. (subject to the approval of the project, approved by the relevant departments to carry out business activities before).

II. Basis of preparation of financial statements

1. Base preparation

The Company prepares its financial statements on a going concern basis, and recognizes and measures its accounting items in compliance with the Accounting Standards for Business Enterprises—Basic Standards and various concrete accounting standards, and other relevant provisions on the basis of actual transactions and events.

2. Continuous operation

The company's management believes that the company has the ability to continue to operate at least 12 months since the end of the final period.

III. Significant Accounting Policies, Accounting Estimates

1. Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company's financial position, operating results, cash flows and other related information for the reporting period.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 in calendar year.

3. Functional currency

The Company adopts RMB as functional currency.

4. Accounting treatment methods for business combination under and not under common control

4.1 Accounting treatment method for business combination under common control

Business combination under common control is accounted for under pooling of interest method.

Assets and liabilities obtained by the Company through business combination under common control shall be measured at the book value as stated in the consolidated financial statements of the ultimate controlling party at combination date; the initial investment cost of long-term equity investments in the individual financial statements shall be the absorbing party's share of the carrying amount of the owners' equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party. The differences between initial investment cost of long-term equity investments and consideration of the combination(including cash paid, non-cash assets transferred, the liabilities incurred or assumed or the aggregate face value of the share issued) shall be adjusted to capital reserve(stock premium or capital premium). If the capital reserve (stock premium or capital premium) is insufficient to offset, offset surplus reserve and undistributed profit in turn.

4.2 Accounting treatment method for business combination not under common control

The Company accounts for business combination not under common control under purchase method.

a) All the net identifiable assets, liabilities or contingent liabilities obtained by the Company through business combination not under common control shall be measured based on the fair values of assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination on the acquisition date, and differences between their fair values and book values shall be included in the current profit and loss.

b) The cost of acquisition shall be respectively determined for the following conditions;

i. Business combination of a transaction implementation, the combination cost shall be the sum of the fair values of the assets given, the liabilities incurred or assumed and the equity securities issued by the Company in exchange for the control on the acquisition date, and contingent considerations meeting the recognition conditions. The combination cost is the initial investment costs of long-term equity investments in individual financial statements.

ii. Business combination through multiple transactions step by step to realized, the combination cost shall be the sum of the fair value measurement on the acquisition of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Long-term equity investment cost in individual financial statements shall be the sum of the book value of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Except for a single transaction.

c) The Company, on the acquisition date, allocates the combination costs between the identifiable assets and liabilities acquired

i. All assets of the acquiree obtained by the Company through business combination(not limited to those that have been recognized by the acquiree), other than intangible assets, shall be separately recognized and measured at fair value when the future economic benefits arising thereafter are expected to flow into the Company and the fair value can be reliably measured.

ii. Intangible assets of the acquiree obtained by the Company through business combination shall be separately recognized and measured at fair value when their fair values can be reliably measured.

iii. All liabilities of the acquiree obtained by the Company through business combination, other than contingent liabilities, shall be separately recognized and measured at fair value when fulfillment of relevant obligations are expected to bring future economic benefits to the Company and the fair value can be reliably measured.

iv. Contingent liabilities of the acquiree obtained by the Company through business combination shall be separately recognized as liabilities and measured at fair value when their fair values can be reliably measured.

v. When the Company allocates the cost of business combination and recognizes the identifiable assets and liabilities acquired through combination, it shall not include any goodwill and deferred income taxes that have been recognized by the acquiree before the business combination.

d) Treatment of the difference between the business combination costs and the fair value of net identifiable asset acquired from the acquiree through combination

i. The Company shall recognize the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill.

ii. The Company shall recognize the difference of the combination costs in short of the fair value of the net identifiable asset acquired from the acquiree through combination according to the following provisions:

1) Review the measurement of fair values of all the identifiable assets, liabilities and contingent liabilities acquired from the acquiree and the combination costs;

2) After the review, if the combination costs are still in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

4.3. Treatment of relevant expenses arising from the Company's business combination

a) Relevant expenses directly arising from the business combination of the Company (including the expenses for audit, legal services, evaluation and consultation or other intermediary costs for business combination) shall be included in the current profit and loss when they are incurred.

b) Commissions, fees and other expenses paid on issuance of bonds and undertaking of other debts for the business combination shall be included in the initial measurement amount of debt securities.

i. Where the bonds are issued at discount or par value, that part of expenses will increase the amount of the discount;

ii. Where the bonds are issued at premium, that part of expenses will decrease the amount of the premium.

c) Fees, commissions, and other transaction expenses paid on issuance of equity securities as combination consideration in the business combination shall be included in the initial measurement amount of equity securities.

i. Where the equity securities are issued at premium, that part of expenses shall be deducted from capital reserves (stock premium);

ii. Where the equity securities are issued at par value or discount, that part of expenses shall be deducted from the retained earnings.

5. Preparation of consolidated financial statements

5.1 Consistency of accounting policies and accounting period

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company.

5.2 Preparation method of consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the parent company according to other relevant information after the adjustment to long-term equity investments in subsidiaries under the equity method and the elimination of effects of the internal transactions between the Company and its subsidiaries and between the subsidiaries on the consolidated financial statement.

5.3 Reflection of excess losses incurred to a subsidiary in the consolidated financial statements

In the consolidated financial statements, where the current losses undertaken by the parent company are in excess of its share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the owners' equity (retained earnings) of the parent company; where the current losses undertaken by a subsidiary's non-controlling interests excess their share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the non-controlling interests.

5.4 Changes in number of subsidiaries during the reporting period

a) Acquisition of subsidiaries during the reporting period

i. Treatment of acquiring subsidiaries from business combination under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination under common control, the beginning balance in the consolidated balance sheet shall be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flows.

ii. Treatment of acquiring subsidiaries from business combination not under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination not under common control, the beginning balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flows.

b) Treatment of disposing subsidiaries during the reporting period

During the reporting period, if the Company disposes subsidiaries, the beginning balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly disposed sub diaries from the beginning to the disposal date shall be included in the consolidated income statement. The cash flows from the beginning to the disposal date shall be included in the consolidated statement of cash flows.

6. Cash and cash equivalents

The term "cash" refers to cash on hand and unrestricted bank deposit and other cash and cash equivalents.

The term "cash equivalents" refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

7. Foreign currency transactions and translation of foreign currency statements

7.1 Accounting method of foreign currency transactions

a) Initial recognition of foreign currency transactions

For foreign currency transactions incurred, the Company converts the amount in foreign currency into the amount in functional currency at the spot exchange rate (middle rate) announced by the People's Bank of China on the transaction date. Among them, for foreign currency exchange occurred or transaction involving foreign currency exchange, the Company converts at the exchange rate actually adopted on the transaction date.

b) Adjustment or settlement on the balance sheet date or settlement date

On the balance sheet date or the settlement date, the Company handles foreign currency monetary items and foreign currency non-monetary items separately in accordance with the following methods:

i. Accounting principles for handling foreign currency monetary items

For foreign currency monetary items, on the balance sheet date or the settlement date, the Company converts them by using the spot exchange rate (middle rate) prevailing on the balance sheet date or settlement date, and adjusts the amount in functional currency of foreign currency monetary items in respect of the difference arising from exchange rate fluctuations, which shall be treated as exchange difference at the same time. Among them, the exchange differences arising from foreign currency borrowings relating to the acquisition, construction or production of assets eligible for capitalization shall be included in the costs of assets eligible for capitalization; other exchange differences shall be included in the current financial expenses.

ii. Accounting principles for handling foreign currency non-monetary items

1) For foreign currency non-monetary items measured at historical cost, the Company shall convert them at the spot exchange rate (middle rate) prevailing on the transaction date, with their amounts in functional currency remaining unchanged and no exchange differences incurred.

2) For an inventory that is measured at the lower of its costs or its net realizable values, if the net realizable value is determined in foreign currency, the Company, when determining the value of the inventory at the end of the period, shall firstly convert the net realizable value into functional currency and then compare it with the inventory cost reflected in functional currency.

3) Non-monetary items measured at fair value that is reflected in foreign currency at the end of the period, the Company shall firstly translate the foreign currency into the amount in functional currency at the spot exchange rate on the date when the fair value is determined, and then compare it with the original functional currency amount. Difference between the translated functional currency amount and the original functional currency amount is treated as profit or loss from changes in fair value (including changes in exchange rate) and is recognized in current profit and loss.

7.2 Accounting treatment method for translation of foreign currency statements

a) The Company shall translate the financial statements of foreign operations in accordance with

the following methods:

i. Assets and liabilities in the balance sheets shall be translated at the spot exchange rates on balance sheet date. Shareholders' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the dates when the transactions occur.

ii. Revenue and expense items in the income statement are translated at the spot exchange rates on the dates when the transactions occur or at the exchange rate determined in a systematical and reasonable method and similar to the spot exchange rate on the day when the transactions occur.

Differences arising from the above translations of foreign currency financial statements are separately listed under 'other comprehensive income' in the consolidated balance sheet.

b) The Company shall translate the financial statements of foreign operations that are in virulent inflation economy in accordance with the following methods:

i. The Company restates the items in the balance sheet by using the general price index, and restates the items in the income statement by using the changes in general price index, and then converts those items at the spot exchange rate on the latest balance sheet date.

ii. Where the foreign operations are no longer in virulent inflation economy, the Company ceases to restate the financial statements and converts the financial statements restated according to the price level on such cease.

c) Where the Company disposes of an overseas business, it shall transfer the foreign currency financial statements exchange difference, which relates to the business disposed of and is presented under the items of the other comprehensive income in the balance sheet, from the other comprehensive income item to the gain or loss on disposal for the current period. If the overseas business is partly disposed of, the foreign currency financial statements exchange difference shall be calculated in proportion to the percentage of disposal and transferred to gain or loss on disposal for the current period.

8. Financial instruments

Financial instruments are the financial asset, financial liability or (equity) instrument will be recognised when the Company became one of the parties under a contract.

8.1 Classification of financial instruments

a) Classification of financial assets

According to the company's business model of managing financial assets and the characteristics of contract cash flow of financial assets, financial assets are classified into the following three categories: financial assets measured at amortised cost; financial assets measured at fair value through other comprehensive income (including financial assets directly designated to be measured at fair value through other comprehensive income)("FVOCI"); and financial assets measured at fair value through the current profit or loss("FVTPL").

b) Classification of financial liabilities

The Company classifies the financial liabilities into the following two categories: financial liabilities measured at FVTPL (including financial liabilities held for trading and financial liabilities directly designated to be at FVTPL); and financial liabilities measured at amortized cost.

8.2 Recognition basis and measurement method of financial instruments

a) Recognition basis of financial instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

b) Measurement method of financial instruments

i. Financial assets

Financial assets are measured at fair value upon initial recognition. For financial assets at FVTPL, relevant transaction costs are directly recognised in profit or loss for the period. For other categories of financial assets, relevant transaction costs are included in the amount initially recognised. Accounts receivable or notes receivable arising from sales of goods or rendering services and without significant financing component or the company decided not to consider financing elements for less than one year are initially recognised based on the amount of consideration expected to be entitled to receive.

1) Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method after initial recognition. Gains/losses on financial assets that are measured at amortised cost and are not a part of any hedging relationship shall be recognised in profit or loss when the financial asset is derecognised or reclassification or amortised using the effective interest method or recognized the impairment allowance.

2) Financial assets at FVOCI

These assets are subsequently measured at fair value after initial recognition. Except impairment, foreign exchange gains and losses, interest income calculated using the effective interest method are recognised in profit or loss; other gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are transferred to profit or loss.

In addition, the company designated some non-tradable equity instruments as financial assets at FVOCI; the company shall recognise the relevant dividend income of such financial assets into the current profit and loss, and recognise the change of fair value in other comprehensive income. On derecognition, the accumulated gains/losses previously recognized in other comprehensive income shall be transferred to retained earnings and not be recognised in current profit and loss.

3) Financial assets at FVTPL

The Company classifies the financial assets into financial assets at FVTPL except for financial assets measured at amortized cost or financial assets at FVOCI as mentioned above. In addition, the company may designate some financial assets as financial assets at FVTPL upon the initial recognition to eliminate or significantly reduce accounting mismatch. For such financial assets, the company adopts the fair value for subsequent measurement, and changes in fair value are recognized in the profit or loss for the current period.

ii. Financial liabilities

Financial liabilities shall be classified into financial liabilities measured at FVTPL upon initial recognition and other financial liabilities. For financial liabilities measured at FVTPL, relevant transaction costs are directly recognized in the current profit and loss, and the relevant transaction costs of other financial liabilities are recognized in the initial recognition amount.

1) Financial liabilities measured at FVTPL

Financial liabilities held for trading (including derivatives of financial liabilities) shall be subsequently measured at the fair value. Except for those related to hedge accounting, changes in the fair value shall be recognized in the profit or loss of the current period. For financial liabilities designated to be at FVTPL, fair value changes caused by the Company's own credit risk changes which is recognised in other comprehensive income, when the liability is derecognition, the accumulated change in its fair value caused by the change in its own credit risk recognized in other comprehensive income is transferred to retained earnings, the remaining changes of fair value is record in profit of loss. If the above treatment of the impact of the change in the credit risk of such financial liabilities will cause or expand the accounting mismatch in the profit and loss, the company will record all the gains/losses of such financial liabilities (including the amount affected by fair value changes in enterprise's own credit risk) into the current profit and loss.

2）Financial liabilities measured at amortized cost

Except financial liabilities that arise when a transfer of a financial assets does not qualify for derecognition or when the continuing involvement approach applies security contract are classified as financial liabilities measured by amortized cost, or financial subsequently measurement at amortized cost, and record the profits or losses guarantee contracts recognition or amortization into the current profit and loss.

8.3 Financial assets transfer

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the Company derecognises the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognized as its assets or liabilities; if the Company retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the transferred financial assets. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it is accounted for as follows: if the Company has not retained control, it derecognises the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognized as its assets or liabilities; and if the Company has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes the relevant liability.

Where transfer of financial assets qualify for derecognition entirety, the difference between the following two amounts will be included into current profit or loss: The book value measured at the date of derecognition; and The sum of the consideration for the derecognition part and the portion of derecognition corresponding to the accumulated amount of the changes in fair value originally and directly included in OCI (involving the situation where the financial asset transferred is a debt instrument investment measured at fair value and recognized in other comprehensive income). The Company transferred the partial transfer of financial assets which qualify for derecognition, the overall carrying amount of the transferred financial asset shall be apportioned according to their respective relative fair value between the portion of derecognition and the remaining.

8.4 Derecognition of financial liabilities

If the current obligation of the financial liability (or part thereof) has been discharged, the company shall remove financial liability (or part thereof), and the company shall recognize the difference between its book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) in the current profit and loss.

8.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities shall be shown separately in the balance sheet and shall not be offset against each other. If the following conditions are met at the same time, the net value offset each other after amount listed in the balance sheet:

The company has offset the confirmed amount of legal rights of financial assets and financial liabilities, and this kind of legal rights is the executable; and

The company plans to net or cash at the same time when the financial assets and liquidation of the financial liability.

If the transfer of financial assets does not meet the conditions for derecognition, the transferor shall not offset the transferred financial assets and related liabilities.

8.6 Equity instruments

Equity instruments are contracts that prove ownership of the residual interest in the company's assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of the equity instruments of the company shall be treated as changes in the equity. The company does not recognize changes in the fair value of equity instruments, and the transaction fees related to the equity transactions shall be deducted from the equity. Where the equity instrument of the company distributes dividends during the term of its existence, it shall be treated as profit distribution, and the total amount of shareholders' equity will not be affected by the stock dividends issued.

8.7 Method for determining the fair value of financial assets and financial liabilities

Where there is an active market for a financial instrument, the company shall determine its fair value by quoting in the active market. Where there is no active market for the financial instrument, the company shall determine its fair value by means of valuation technology. In valuation, the company uses valuation techniques applicable in the current situation and supported by sufficient available data and other information to select input values consistent with the characteristics of assets or liabilities considered by market participants in transactions of related assets or liabilities, and gives priority to relevant observable input values as far as possible. Use unobservable inputs only when relevant observable inputs cannot be obtained or are impracticable to obtain.

Upon initial recognition, the fair value of financial assets or financial liabilities is determined by the quoted price of the same assets or liabilities in the active market or other valuation technology that only uses observable market data, the Company defers the difference between the fair value and the transaction price. After initial recognition, the Company recognizes the deferred difference as gain or loss in the corresponding accounting period according to the changes of a certain factor in the corresponding accounting period.

8.8 Impairment of Financial Assets

Based on the expected credit losses ("ECL"), the Company shall recognise the impairment loss on financial assets measured at amortized cost, debt instrument investment at FVOCI.

a) The approach of recognition loss allowance for ECL

Considering the reasonable and valid information such as past events, current conditions and forecast of future economic conditions, and weighted by the risk of default, the Company calculates the probability

weighted amount of the present value of the difference between the cash flow receivable under the contract and the expected cash flow to be received, and recognise the ECL.

i. General approach

The Company assess whether the credit risk of financial instruments in different stages at each reporting date has increased significantly. If the financial instruments' credit risk have not increased significantly after initial recognition, it will be included in phase 1, and the Company measures the loss allowance for those instruments at an amount equal to 12-month ECL; if the financial instruments' credit risk have increased significantly but without objective evidence for impairment after initial recognition, it will be included in phase 2, and the Company measures the loss allowance of those instruments at an amount equal to lifetime ECL; if the financial asset that is evidently credit-impaired after initial recognition, it will be included in phase 3, and the Company measures the loss allowance of those financial instruments at an amount equal to lifetime ECL. For financial instruments with low credit risk on the balance sheet date (e.g.fixed deposits in commercial banks with higher credit rating, financial instruments with external credit rating above "investment grade"), the Company assumes that the credit risk has not increased significantly since the initial recognition and chooses to measure the loss allowance according to the ECL in the next 12 months.

ii. Simplified approach

For accounts receivable, contract assets and notes receivable related to revenues, the Company does not include the significant financing component or does not consider the financing components in contracts less than one year, it will measure the loss allowance according to the ECL of the whole duration.

b) Criteria for determining whether credit risk has increased significantly subsequent to the initial recognition

If the probability of default of a financial asset in lifetime as determined on the balance sheet date is significantly higher than the probability of default in lifetime as determined at the initial recognition, the credit risk of the financial asset increases significantly.

No matter what method the Company is applied to evaluate whether credit risk has increased significantly, it usually inferred that the credit risk of the financial instrument has increased significantly if the contract payments are more than 30 days past due, unless the Company can get the reasonable and valid information at reasonable cost to evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

Except in special cases, the Company shall use the change of default risk in the next 12 months as a reasonable estimate of the change of default risk in lifetime to determine whether the credit risk has increased significantly to the initial recognition

c) Approach of assessing expected credit risk on a portfolio basis and determine basis

The company evaluates credit risk individually for the credit risk of significantly different notes receivable, accounts receivable and other receivables with the following characteristics. Such as: accounts receivable in dispute with the other party or involving litigation or arbitration; notes receivable, accounts receivable that have shown clear signs that the debtor is likely to be unable to meet repayment obligations.

When it is impossible to evaluate the ECL information of an individual financial asset at a reasonable cost, the Company divides the receivables into several portfolio according to the credit risk characteristics, and

calculates the ECL on collective basis. The basis for determining the portfolio is as following:

Account name	Portfolio Name	Approach of assessing expected credit risk
notes receivable / Account receivable financing	Portfolio 1: Bank acceptance bill Portfolio	The management evaluates that such funds has low credit risk , and does not provision for bad debts.
	Portfolio 2: Commercial acceptance bill Portfolio	the Company refers to the historical credit loss experience, and combines the current situation and the forecast of future economic situation, and then estimates ECL with the exposure at default and the life time expected credit loss rate
Account receivable	Portfolio 1: overdue aging combinations	For accounts receivable classified as overdue aging combinations, the company refers to historical credit loss experience, combines current conditions with predictions of future economic conditions, and prepares a comparison table between overdue aging of accounts receivable and expected credit loss rate for the entire existence period to calculate expected credit loss.
	Portfolio 2: Other	The management evaluates that such funds has low credit risk , and does not provision for bad debts.
Other receivable	overdue aging combinations	the Company referees to the historical credit loss experience, and combines the current situation and the forecast of future economic situation, according to the exposure at default . In the next 12 months or the life time expected credit loss rate to estimate ECL.

The Company shall take the provision or transfer the loss into the current profit and loss. For the debt instrument investment measured at fair value through other comprehensive income, the Company shall adjust other comprehensive income while recording the impairment loss or gain into the current profit and loss.

9. Inventories

9.1 Classification of inventories

Inventories are classified as: raw materials for repairmen such as main port machinery accessories, fuel, low-cost consumables, stock commodities, developed products, development cost, revolving materials and engineering construction, etc.

9.2 Measurement method of dispatched inventories

Materials and stock commodities are accounted for by using the weighted average method.

9.3 Basis to determine net realizable values of inventories and method of provision for diminution in value of inventories

a) Determination basis of net realizable values of inventories

i. In normal operation process, for merchandise inventories held directly for sale, including stock commodities (finished goods) and materials for sale, their net realizable values are determined at their estimated selling prices minus their estimated selling expenses and relevant taxes and surcharges.

ii. For the inventory of processed materials, in the normal production and operation process, the estimated price of the finished product is subtracted from the estimated cost, estimated sales cost and the amount of related taxes and fees to be incurred at the time of completion, and the net realizable value is determined.

iii. For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in the sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

iv. The materials held for production shall be measured at cost if the net realizable value of the

finished products is higher than the cost. If a decline in the value of materials shows that the net realizable value of the finished products is lower than the cost, the materials shall be measured at the net realizable value.

b) Provision for diminution in value of inventory

Provisions for diminution in value of inventory are made at the lower of costs or net realizable values on a single basis.

i. Provisions for diminution in value of inventory are made at the lower of costs or net realizable values on a single basis.

ii. For inventories that have large quantities but low value, the Company provides for diminution in value of inventory on a category basis.

iii. For inventories that are related to product ranges produced and sold in the same district or used for the same or similar ultimate purpose and are difficult to be measured separately from other inventories, the Company provides for diminution in value of inventory on a consolidation basis.

9.4 Inventory system

The Company adopts perpetual inventory system and takes physical inventory counts on a regular basis.

9.5 Amortization method of revolving materials

a) Amortization method of low-cost consumables:

Low-cost consumables are amortized in full at once.

b) Amortization method of packaging materials

Packing materials are amortized in full at once when fetched for use by the Company.

10. Contract assets

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer that is conditional on something other than the passage of time.Contract assets main include guarantee and unsettled portion of finished project. A contract asset and a contract liability relating to the same contract are represented on a net basis after offsetting, while that relating to different contract should not be offset.

The measurement and assessment ECL of contract assets refer to Note 8.8.

11. Long-term equity investments

11.1 Recognition of the initial investment costs of long-term equity investments

a) For long-term equity investments from business combinations, the initial investment cost shall be recognized in accordance with accounting treatment methods for business combination under and not under common control which are in the item 3 of the note 4.

b) Except for the long-term equity investments arising from business combinations, those obtained by other means shall recognize their initial investment costs in accordance with the following provisions:

i. For the long-term equity investments acquired by cash paid, the initial investment cost shall be the actual purchase price has been paid. Initial investment cost also includes those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment.

ii. For the long-term equity investments acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued. If the fair value of the long-term equity investment obtained is more reliable than equity securities issued, the initial investment cost shall be the fair value of the long-term equity investment made by the investors. The cost directly attributable to the issue of equity securities, including fees, commissions, etc.,

write-downs premium price of the issue, if premium price of the issue is insufficient, write-downs surplus reserve and undistributed profit in turn. For the long-term equity investments acquired by the issue of debt securities, reference through the issuance of equity securities..

iii. For long-term equity investments obtained by debt restructuring, the Company recognizes the fair value of shares of debt-for-equity swap as the initial investment costs.

iv. For long-term equity investments obtained by non-monetary assets exchange, under the condition that an exchange of non-monetary assets is of commerce nature and the fair value of assets exchanged can be reliably measured, non-monetary assets traded in is initially stated at the fair value of the assets traded out, unless there is conclusive evidence indicating that the fair value of the assets traded in is more reliable; if the above conditions are not satisfied, initial investment costs of long-term equity investments traded in shall be recognized at the book value of the assets traded out and the relevant taxes and surcharges payable.

Expenses, taxes and other necessary expenses incurred to the Company and that are directly related to the obtainment of long-term equity investments shall be recognized as the initial investment costs of long-term equity investments.

For long-term equity investments obtained by the Company by any means, cash dividends or profits declared but not yet distributed in the actual payments or the consideration actually paid for the investment shall be separately accounted as dividends receivable and shall not constitute the costs of long-term equity investments.

11.2 Subsequent measurement and recognition of gains and losses of long-term equity investments

a) Long-term equity investments measured under the cost method

i. Long-term equity investments that can control the investee, which are long-term equity investments in subsidiaries, are measured under the cost method.

ii. For long-term equity investments accounted at the cost method, except cash dividends or profits declared but not yet distributed which are included in the actual payments or the consideration actually paid for the investment, the cash dividends or profits declared by the investee shall be recognized as the investment income irrespective of net profits realized by the investee before investment or after investment.

b) Long-term equity investments measured under the equity method

i. For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting.

ii. For long-term equity investments measured at the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profit and loss and at the same time the adjustment will be made to the initial costs of the long-term equity investments.

iii. After obtaining the long-term equity investments, the Company shall, according to the shares of net profits and losses realized by the investee that shall be enjoyed or borne by the Company, recognize the profit and loss on the investments and adjust the book value of the long-term equity investments. When recognizing the net profits and losses of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of the investee after appropriate adjustments. However, where the Company is unable to obtain the relevant information due to failure to reasonably determine the fair value of the investee's identifiable assets, minor difference between the investee's identifiable assets and the book value thereof or other reasons, the profits or losses on the investments shall be directly calculated and recognized based on the net book profits and losses of the investee. The Company shall calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of the long-term equity investments.

When recognizing the income from investments in associates and joint ventures, the Company

shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company and recognize the profit and loss on investments on such basis. Where the losses on internal transactions between the Company and the investee fall into the scope of losses on assets impairment, full amounts of such losses shall be recognized. Profit and loss from internal unrealized transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments there from shall be recognized on such basis.

When the share of net loss of the investee attributable to the Company is recognized, it is treated in the following sequence: Firstly, write off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are recognized to the extent that book value of long-term equity which form net investment in the investee in other substances and the book value of long-term receivables shall be written off; after all the above treatments, if the Company still assumes additional obligation according to investment contracts or agreements, the obligation expected to be assumed should be recognized as provision and included into the investment loss in the current period. If the investee is profitable in subsequent accounting periods, the Company shall treat the loss in reverse order against that described above after deducting unrecognized share of loss: i.e. write down the book value of the recognized provision, then restore the book value of long-term interests which substantially form net investments in the investee, then restore the book value of long-term investments, and recognize investment income at the same time.

11.3 Basis for judgment of common control or significant influence over the investee

a) Basis for judgment of common control over investee

Common control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities of an arrangement usually include selling and purchasing of goods or services, managing financial assets, acquiring or disposing of assets, researching and developing activities and financing activities. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. The parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, which is a joint operation, but not a joint venture.

b) Basis for judgment of significant influence over investee

The term 'significant influence' refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies. Where the Company is able to exert significant influence over the investee, the investee is its associate.

12. Investment property

12.1 Scope of investment property

Investment property is the property that is held to earn rent or capital appreciation or both and can be measured and sold separately. The company's investment property includes buildings already rent, land use right already rent, and land use right held for appreciation and then sold.

12.2 Recognition of investment property

Investment property can be recognized when satisfying the following conditions at the same time:

a) It is probable that the economic benefits relevant to the investment property will flow into the Company.

b) The cost of the investment property can be measured reliably

12.3 Subsequent measurement of investment property using cost model

The company uses the cost model for subsequent measurement of the investment property at the balance sheet date.

a) Depreciation and amortization method of investment property

i. For buildings using cost model as subsequent measurement, referring to subsequent measurement of fixed assets, depreciates on a monthly basis.

ii. For land use right using cost model as subsequent measurement, referring to subsequent measurement of intangible assets, amortizes on a monthly basis.

13. Fixed assets

13.1 Recognition and measurement of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously:

a) It is probable that the economic benefits relating to the fixed assets will flow into the Company;

b) The cost of the fixed assets can be measured reliably.

13.2 Depreciation of all fixed assets

a) Except for the fixed assets that have been fully depreciated but are still in use and the land, the Company makes provisions for depreciation of all fixed assets.

b) Depreciation of fixed assets of the Company is provided for on a straight-line basis from the month immediately following the month when they reach the working condition for their intended use. The depreciation amount and depreciation rate shall be calculated and recognized according to the category, estimated useful lives and estimated net residual value rate of fixed assets and respectively included into the costs of the relevant assets or the current profit and loss by purpose.

c) Category, estimated useful lives, estimated net residual value rate and annual depreciation rate of fixed assets are listed as follows:

Category of fixed assets	Estimated useful lives (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Ships for the port	18	3	5.39
Vehicle	10	3	9.70
Loading and unloading machine	10	3	9.70
Harbor facilities	40	3	2.42
Warehouses and open yard facilities	40	3	2.42
Communication and navigation equipment	10	3	9.70
Machinery and equipment	10-12	3	8.08-9.70
Production houses	40	3	2.42
Buildings	10-50	3	1.94-9.70
Other production tools	10	3	9.70
Non-production machinery and tools	6-16	3	6.06-16.17
Non-production houses	40-45	3	2.16-2.42

When making provision for impairment on fixed assets, the Company shall recalculate the depreciation rate and depreciation amount according to the book value, the estimated net residual value rate and useful lives of the fixed assets.

On the balance sheet date, the Company reviews the estimated useful life, estimated net residual value rate and depreciation method of the fixed assets. If there is any change, they shall be treated as changes in accounting estimate.

d) Fixed assets renovation costs eligible for capitalization in fixed assets during the two renovations or remaining useful life, whichever is the shorter period, is depreciated separately using the straight line method.

14. Construction in progress

14.1 Category

Construction in progress is accounted on individual project basis.

14.2 Criteria of conversion of construction in progress into fixed assets

The book entry values of the fixed assets are stated at total expenditures incurred before construction in progress reaches the working condition for their intended use. For self-operating projects, total expenditures are measured according to the expenditures of direct materials, direct labor, direct measurement mechanical construction costs and other expenditures; for contracting projects, total expenditures are measured according to project costs payable and other expenditures. Borrowing costs incurred before the projects that are undertaking with borrowing costs reach working condition for their intended use and meeting the condition for capitalization shall be capitalized and included into the costs of construction in progress.

For construction in progress that has reached working condition for intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working condition for intended use and the fixed assets shall be depreciated in accordance with the Company's policy on fixed asset depreciation; adjustment shall be made to the estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

15. Borrowing costs

15.1 Scope

The Company's borrowing costs include interest thereon, amortization of discounts or premiums, ancillary expenses and exchange differences incurred from foreign currency borrowings, etc.

15.2 Recognition principles of capitalization of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into the current profit and loss.

Assets eligible for capitalization include fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale by acquisition and construction or production activities for quite long time.

15.3 Recognition of capitalization period of borrowing costs

a) Recognition of commencement of capitalization of borrowing costs

Borrowing costs may be capitalized when asset disbursements have already been incurred, borrowing costs have already been incurred and the acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started. Among which, asset disbursements include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization.

b) Recognition of period of capitalization suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalization are interrupted abnormally and this condition lasts for more than three months, the capitalization of borrowing costs should be suspended. The borrowing costs incurred during interruption are charged to profit or loss for the current period, and the capitalization of borrowing costs continues when the acquisition and construction or production activities of the asset resume. If the interruption is necessary for the acquisition and construction or production to prepare the assets for their intended use or sale, the capitalization of borrowing costs should continue.

c) Recognition of period of capitalization cessation of borrowing costs

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalization have reached the working condition for their intended use or sale should be recognized as the current profit and loss when they incur.

If all parts of the acquired and constructed or produced assets are completed, each part may be used or sold externally in the process of continuous construction of other parts and the necessary acquisition or production activities have been substantially completed to make the part of assets reach the working condition for their intended use or sale, the capitalization of borrowing costs related to the part of assets should be ceased; if all parts of the acquired and constructed or produced assets are completed but the assets cannot be used or sold externally until overall completion, the capitalization of borrowing costs should cease at the time of overall completion of the said assets.

15.4 Recognition of capitalized amounts of borrowing costs

a) Recognition of capitalized amounts of interest on borrowing costs

During the period of capitalization, capitalized amount of the interest of each accounting period (including amortization of discounts or premiums) shall be recognized according to the following provisions:

i. As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in the current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs.

ii. As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements in excess of special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

iii. Where there are discounts or premiums on borrowings, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for the period by effective interest method.

iv. During the period of capitalization, the capitalized amount of interest of each accounting period shall not exceed the current actual interest of the relevant borrowings.

b) Recognition of capitalized amounts of auxiliary expenses of borrowings

i. Auxiliary expenses incurred from special borrowings before the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be capitalized when they incur and charged to the costs of assets eligible for capitalization; those incurred after the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be recognized as costs according to the amounts incurred when they incur and charged to the current profit or loss.

ii. Auxiliary expenses incurred from general borrowings shall be recognized as costs according to the amounts incurred when they occur and included in the current profit and loss.

c) Recognition of capitalized amount of exchange differences

During the period of capitalization, exchange differences incurred from the principal and interest of special foreign currency borrowings should be capitalized and included in the costs of the assets eligible for capitalization.

16. Right of use assets

Right of use assets refers to the right of the company as the lessee to use the leased assets during the lease term.

On the beginning date of the lease term, the company recognizes the right to use assets and lease liabilities for leases other than short-term leases and low value asset leases, and recognizes depreciation expenses and interest expenses respectively during the lease term. The company shall record the lease payment amount of short-term lease and low-value asset lease into the relevant asset cost or current profit and loss by using the straight-line method or other systematic and reasonable methods in each period of the lease term.

16.1 Initial measurement

On the beginning date of the lease term, the company initially measures the right to use assets according to the cost. The cost includes the following four items: ① the initial measurement amount of lease liabilities; ② For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; ③ The initial direct expenses incurred are the incremental costs incurred in reaching the lease; ④ The costs expected to occur for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms, except those incurred for the production of inventories.

The amount shall be included in the cost of relevant assets or current profits and losses by using the straight-line method or other systematic and reasonable methods during each period of the lease term.

16.2 Subsequent measurement

a) Measurement basis

After the beginning date of the lease term, the company adopts the cost model for subsequent measurement of the right to use assets, that is, the right to use assets are measured at cost less accumulated depreciation and accumulated impairment losses.

If the company remeasures the lease liabilities in accordance with the relevant provisions of the lease standards, the book value of the right to use assets shall be adjusted accordingly.

b) Depreciation of right of use assets

From the beginning of the lease term, the company accrues depreciation for the right of use assets. The right of use assets shall be depreciated from the month when the lease term begins. The amount of depreciation accrued shall be included in the cost of relevant assets or current profits and losses according to the purpose of the right of use assets. When determining the depreciation method of right of use assets, the company adopts the straight-line method to depreciate the right of use assets according to the expected consumption mode of economic benefits related to the right of use assets. If the right of use asset is impaired, the company will conduct subsequent depreciation according to the book value of the right of use asset after deducting the impairment loss. The depreciation period of right of use assets is calculated according to the lease term.

17. Intangible assets

17.1 Initial measurement of internally researched and developed intangible assets

Costs of internally researched and developed intangible assets shall be recognized according to the total expenses during the period after the assets are eligible for capitalization and before they reach the intended purpose and the expenses that have been included in the previous periods shall no longer be adjusted.

Expenses on the research phase of internally researched and developed intangible assets shall be

included in the current profit and loss when they incur; those on the development phase ineligible for capitalization shall be included in the current profit and loss; those eligible for capitalization shall be recognized as intangible assets. If it is unable to distinguish expenditure on the research phase and expenditure on development phase, the research and development expenditures shall be all included in the current profit and loss.

17.2 Subsequent measurement of intangible assets

The useful lives of intangible assets are analyzed on acquisition. Intangible assets obtained by the Company are divided into intangible assets with limited useful lives and intangible assets with indefinite useful lives.

a) Subsequent measurement of intangible assets with limited useful lives

The intangible assets with limited useful lives are amortized on a straight-line basis when they reach intended use over their useful lives with no residual value reserved. Amortizations of intangible assets are usually recorded into the current profit and loss; where the economic benefits of an intangible asset are realized by the products or other assets produced there from, the amortizations are recorded into the costs of the relevant assets.

Category, estimated useful life, estimated net residual value rate and annual amortization rate of intangible assets are shown below:

Category of intangible assets	Estimated useful life (years)	Estimated net residual value rate (%)	Annual amortization rate (%)
Land use right	50	0	2
Right to use sea area	50	0	2
Computer software	6	0	16.67
Patent	The service life of the contract agreement	0	

The useful lives and amortization methods of intangible assets at the end of the current year are not different from previous estimates after review.

b) Subsequent measurement of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized in the holding period, but impairment tests are performed at the end of each year.

17.3 Estimates of useful lives of intangible assets

a) For intangible assets from any contractual right or other statutory rights, their useful lives shall be recognized according to the period no more than that of the contractual or other statutory rights; when the contractual right or other statutory rights contract is extended due to renewal of contracts and there is evidence that the renewal of the Company does not need large costs, the renewal period shall be included into the useful lives.

b) Where the contract or the law fails to specify the useful lives, the Company integrates situations in all aspects and determine the period of intangible assets that can bring economic benefits for the Company by hiring the relevant experts to demonstrate or comparing with the situation of the industry as well as referring to the Company's historical experience or otherwise.

c) If it is still unable to reasonably determine that intangible assets may bring economic benefits for the Company according to the above methods, the intangible assets are taken as intangible assets with indefinite useful lives.

17.4 Specific criteria for classifying the research phase and the development phase of an internal research and development project

According to the actual situation of the research and development, the Company classifies the

research and development project into that on the research phase and that on the development phase.

a) Research stage

Research stage is the stage when creative and planned investigations and research activities are conducted to acquire and understand new scientific or technological knowledge.

b) Development stage

Development stage is the stage when the research achievements or other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

Expenditure of an internal research and development project on the research phase shall be included in current profit and loss when it occurs.

17.5 Specific criteria for qualifying expenditure on the development phase for capitalization

Expenditure on the development phase of an internal research and development project shall be recognized as intangible assets only when the following conditions are simultaneously satisfied:

a) It is technically feasible to finish intangible assets for use or sale;

b) It is intended to finish and use or sell the intangible assets;

c) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;

d) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;

e) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

17.6 Treatment of land use right

a) The land use right obtained by the Company is usually recognized as intangible assets, but the purpose of the land use right is changed to be used for earning rent or increasing capital, it shall be transferred to investment property.

b) For plants and other buildings developed and constructed by the Company, the relevant land use right and buildings shall be treated separately.

c) Payments for externally purchased land and buildings are distributed between the value of buildings and the land use right; those difficult to be distributed shall be all taken as fixed assets.

18. Non-current assets impairment

If there are impairment indicators of long-term equity investment, investment property measured at cost model, fixed assets, construction in progress, intangible assets with indefinite useful lives and other long-term assets at balance sheet date, impairment test should be performed. If the result of impairment test shows that recoverable amount is less than its book value, the difference should be provided for impairment and recorded into impairment loss. The recoverable amount is the higher of fair values less costs of disposal and the present values of the future cash flows expected to be derived from the asset. Provision for impairment is calculated and recognized on the basis of individual asset. If recoverable amount of individual asset is difficult to be estimated, the Company should recognize the recoverable amount of the asset group which the individual asset belongs to. Asset group is the minimum asset group which can generate cash inflow separately.

The Company should perform impairment test for goodwill and intangible assets with indefinite life at least at each year end, no matter whether there is impairment indicator.

When the Company performs impairment test, book value of goodwill arising from business combination should be amortized to relevant asset group using the reasonable method from the date of

purchase. If it is difficult to amortize it to relevant asset group, amortize it to relevant asset group portfolio. Apportion book value of goodwill to relevant asset group or asset group portfolio according to the proportion of fair value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. If fair value is difficult to be measured reliably, amortize according to the proportion of book value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. When perform impairment test for asset group or asset group portfolio including goodwill, if there is impairment indicator of asset group or asset group portfolio relevant to goodwill, perform impairment test for asset group or asset group portfolio without goodwill firstly, calculate its recoverable amount, compare with relevant book value and recognize impairment loss. Then perform impairment test for asset group or asset group portfolio including goodwill, compare book value of the asset group or asset group portfolio (including proportional book value of goodwill) and its recoverable amount, if recoverable amount of relevant asset group or asset group portfolio is less than its book value, recognize impairment loss of goodwill.

Once impairment loss stated above is recognized, reversal is not allowed in the subsequent accounting periods.

19. Long-term deferred expenses

19.1 Scope

Long-term deferred expenses refer to various expenses which have been already incurred but will be born in this period and in the future with an amortization period of over 1 year (exclusive).

19.2 Initial measurement of long-term deferred expenses

Long-term deferred expenses shall be initially measured according to the actual costs incurred.

19.3 Amortization of long-term deferred expenses

Long-term deferred expenses are amortized using the straight-line method over the beneficial period.

20. Contract liabilities

Contractual liabilities refer to the obligations of the company to transfer goods to customers for consideration received or receivable from customers. If the customer has paid the contract consideration or the company has obtained the unconditional collection right before the company transfers the goods to the customer, the company will list the received or receivable as contract liabilities at the earlier of the actual payment and due payment by the customer. The contract assets and contract liabilities under the same contract are presented in net amount, and the contract assets and contract liabilities under different contracts are not offset.

21. Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

21.1 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that fall due within 12 months from the end of the period in which the employees provide their services.

Short-term benefits including: wages, bonuses, allowances and subsidies, welfare, medical insurance, work injury insurance, maternity insurance and other social insurance, housing funds, labor union funds, employee education funds, short-term compensated absences, short-term profit-sharing plan, non-monetary benefits and other short-term remuneration.

Short-term benefits should be recognized as an employee provides his services to the entity. The benefit will normally be treated as an expense, and a liability should be recognized for any unpaid balance at the year-end.

21.2 Post-employment benefits - defined contribution plans

Contributions such as the basic pension insurance, unemployment insurance, annuity payment and so on are paid by the entity for workers according to the relevant regulations. The entity should recognize contributions payable as an expense or associated costs of assets in the period in which the employee provides services. A liability should be recognized where contributions arise in relation to an employee's service, but remain unpaid at the period end.

21.3 Termination benefits

Termination benefits, are employee benefits payable on the termination of employment, through voluntary redundancy or as a result of a decision made by the employer to terminate employment before the normal retirement date. Termination benefits are recognized as an expense when the entity is committed to either:

a) When companies cannot unilaterally withdraw termination benefits due to termination of employment or layoff proposal provided.

b) Enterprise recognizes termination benefits involving the restructuring payment of costs or expenses related to the time.

21.4 Other long-term employee benefits

Other long-term employee benefits, are defined as employee benefits except short-term employee benefits, post-employment benefits and termination benefits etc. During the reporting period, costs of other long-term employee benefits are recognized as an integral part of the following:

a) The service costs.

b) Net interest of net liabilities or net assets of other long-term employee benefits.

c) Changes arising from remeasured net liabilities or net assets of other long-term employee benefits.

To simplify the related accounting treatment, the total net amount is recognized into profit or loss or associated costs of assets.

22. Lease liabilities

22.1 Initial measurement

The company initially measures the lease liabilities according to the present value of the unpaid lease payments at the beginning of the lease term.

a) Lease payments

Lease payment refers to the amount paid by the company to the lessor in connection with the right to use the leased assets during the lease term, including: ① fixed payment and substantial fixed payment. If there is lease incentive, the amount related to lease incentive shall be deducted; ② The amount of variable lease payments depending on the index or ratio, which is determined at the initial measurement according to the index or ratio on the beginning date of the lease term; ③ When the company reasonably determines that it will exercise the purchase option, the exercise price of the purchase option; ④ The lease term reflects the amount to be paid when the company will exercise the option to terminate the lease; ⑤ The amount expected to be paid according to the residual value of the guarantee provided by the company.

b) Discount rate

When calculating the present value of lease payments, the company adopts the interest rate embedded in the lease as the discount rate. If the embedded interest rate of the lease cannot be determined, the incremental loan interest rate shall be used as the discount rate. The incremental loan interest rate refers to the interest rate that the company must pay to borrow funds with similar mortgage conditions during similar periods in order to obtain assets close to the value of use right assets under similar

economic environment. Based on the bank loan interest rate and considering relevant factors, the company obtains the incremental loan interest rate.

22.2 Subsequent measurement

After the beginning date of the lease term, the company makes subsequent measurement of the lease liability according to the following principles: ① when confirming the interest of the lease liability, increase the book amount of the lease liability; ② When paying the lease payment, reduce the carrying amount of the lease liability; ③ When the lease payment changes due to revaluation or lease change, the book value of the lease liability shall be remeasured.

After the beginning date of the lease term, in case of the following circumstances, the company shall re measure the book value of the lease liability according to the present value of the changed lease payment, and adjust the book value of the right to use asset accordingly. If the book value of the right of use asset has been reduced to zero, but the lease liability still needs to be further reduced, the company shall record the remaining amount into the current profit and loss.

a) Changes in the actual fixed payment amount;

b) The expected payable amount of guarantee residual value changes;

c) The index or ratio used to determine the lease payment changes;

d) Changes in the evaluation results or actual exercise of the purchase option, renewal option or termination option;

The interest expense of each period during the lease term shall be included in the current profits and losses, except those that should be capitalized.

23. Estimated liabilities

23.1 Recognition of estimated liabilities

When the obligations related with external security matters, pending litigation or arbitration, product quality assurance, loss of contracts, restructuring and other meet the following three conditions are confirmed as estimated liabilities:

a) The obligation is a present obligation of the company

b) The fulfillment of this obligation is likely to lead to outflow of economic benefits

c) The amount of the obligation can be reliably measured

23.2 Measurement

Amount of estimated liabilities are measured at the best estimate of the expenditure for contingent liabilities.

a) There is a continuous range of expenditure required and the likelihood of various outcomes within the same possibility, the best estimate is determined according to the median within the range.

b) In other cases, the best estimate is treated separately in the following situations:

i. Contingent matters relating to individual projects, confirmed with the amount most likely to be.

ii. Contingent matters involve several items, calculated in accordance with all possible outcomes and associated probabilities.

24. Recognition of revenue

24.1 The principal of revenue recognition and measurement

a) The principal of revenue recognition.

The Company recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. At the inception of the contract, the Company should assess the goods or services that have been promised to the customer, and identify as a performance obligation, and then judge the performance obligation is satisfied over time or at a point in time, and then recognize the revenue when each performance obligation is satisfied by transferring a promised good or services to a customer .

b) The principle of measurement of revenue

Where a contract has multiple performance obligations, the Company allocates the transaction price to the performance obligations in the contract reference to their relative stand-alone selling prices of each distinct goods or service at the inception of the contract, and then measures the revenue with the transaction price allocated. When determine the transaction price, the Company may consider variable amount, existing of significant financing component, non-monetary amount and due to customer amount etc, and assume that goods or service will be transferred to a customer as promised in the existing contract and the contract will not be canceled, renewed or changed.

Specific revenue recognition policies

i. Loading and unloading income: refers to the income obtained by the company from providing port cargo loading and unloading services. According to the logistics direction, it is divided into foreign trade loading and unloading revenue and domestic trade loading and unloading revenue. Foreign trade loading and unloading income refers to the income obtained from providing port loading and unloading services for international trade goods; Domestic trade loading and unloading income refers to the income obtained from providing port loading and unloading services for domestic trade goods. The billing of loading and unloading revenue needs to consider various factors, including the type of goods being loaded and unloaded, billing discounts, transportation methods, etc. On the basis of comprehensive consideration of factors such as the transfer time of control rights for loading and unloading business, and the basis for customer service billing, our company confirms the realization of loading and unloading revenue after completing loading and unloading services and confirming the quantity and billing amount of loading and unloading services with customers.

ii. Stacking income: refers to the income obtained by the company from providing customers with goods storage services in the port. The company charges based on the number of tons, days, and billing standards of goods stored in the port, and recognizes the realization of storage revenue during the service period.

iii. Port administration income including freight port fee, berthing fee, mooring and unmooring fee, etc. The company recognizes the realization of port management revenue when providing services.

25. Contract cost

Contract cost is divided into contract performance cost and contract acquisition cost.

The cost incurred by the company for the performance of the contract is recognized as an asset when the following conditions are met:

a) The cost is directly related to a current or expected contract.

b) The cost increases the resources used by the company to fulfill its performance obligations in the future.

c) The cost is expected to be recovered.

If the incremental cost incurred by the company to obtain the contract is expected to be recovered, it shall be recognized as the contract acquisition cost as an asset.

The assets related to the contract cost are amortized on the same basis as the recognition of the income from goods or services related to the assets; However, if the amortization period of contract acquisition cost does not exceed one year, the company will record it into the current profit and loss when it occurs.

If the book value of the assets related to the contract cost is higher than the difference between the following two items, the company will withdraw the impairment provision for the excess part and recognize it as asset impairment loss:

a) The residual consideration expected to be obtained due to the transfer of goods or services related to the asset;

b) The estimated cost to be incurred for the transfer of the relevant goods or services.

In case of subsequent reversal of the above asset impairment provision, the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date assuming that the impairment provision is not withdrawn.

26. Government grants

26.1 Types of government grants

Government grants are monetary assets and non-monetary assets acquired free of charge by the Company from the government, including government grants related to assets and government grants related to income.

26.2 Recognition principles of government grants

Government grants are recognized when all the following conditions are met:

a) The Company can meet the attached conditions for the government grants;

b) The Company can receive the grants.

26.3 Measurement of government grants

a) If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount.

b) If a government grant is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount (a nominal amount is RMB 1).

26.4 Accounting treatment method of government grants

a) The government grants related to assets shall be written off the book value of the related assets at the time of acquisition, or recognized as deferred income. Government grants measured as deferred income, allocated evenly over the useful lives of the relevant assets, and included in the current profit or loss. Government grants measured at the nominal amount shall be directly included in current profit and loss.

b) Government grants related to income shall be separately handled according to the following circumstances:

i. If government grants related to income are used to compensate the Company's relevant expenses or losses in future periods, such government grants should be recognized as deferred income on acquisition and be included into the current profit and loss during the period of recognition of the relevant expenses or written off the related costs.

ii. If government grants related to income are used to compensate the Company's relevant expenses or losses incurred, such government grants are directly included into the current profit and loss on acquisition or written off the related costs.

c) For the government grants which include the assets related part and the income related part at the same time, if it can be divided into different parts to carry on the accounting treatment separately; if it is difficult to distinguish, the whole is classified as the government grants related to the income.

d) Government grants related to the daily operation of the company, in accordance with the economic nature of the business, shall be accounted for other income or written off related costs. Government grants which have nothing to do with the daily activities of the enterprise shall be included in the

non-operating income. If the department of finance dispenses the interest fund directly to the company, the interest fund shall be offset related borrowing costs.

e) Recognized government grants required to be refunded shall be handled according to the following circumstances:

i. If there is related deferred income, the book value of relevant deferred income is written down and the exceeding part is recorded in the current profit and loss.

ii. If there is no related deferred income, the exceeding part is directly included in the current profit and loss.

27. Deferred tax assets and deferred tax liabilities

The Company adopts the balance sheet liability method to account for income tax.

27.1 Recognition of deferred tax assets or deferred tax liabilities

a) The Company recognizes its tax base on acquisition of assets and liabilities. On the balance sheet date, the Company analyzes and compares the book value of the assets and liabilities and the tax base. If there are temporary differences in book value of the assets and liabilities and the tax base, under the circumstance that the temporary differences incur in the current period and meet the recognition criteria, the Company shall respectively recognize taxable temporary differences or deductible temporary differences as deferred tax liability or deferred tax assets.

b) Recognition basis of deferred tax assets

i. Deferred tax assets incurred from deductible temporary differences are recognized to the extent that they shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. In determining the taxable income probably obtained in future periods, including the taxable income from normal production and operation activities in future periods and the increase of taxable income due to the reversal of taxable temporary differences during the period of reversal of deductible temporary differences.

ii. For deductible losses and tax credits that can be carried forward to the next years, the Company is likely to recognize the corresponding deferred tax assets to the extent that the assets shall not exceed the taxable income in the future for deducting deductible losses and tax credits and that are probably obtained by the Company.

iii. On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is probably unable to obtain sufficient taxable income in the future period to offset the benefits of the deferred tax assets, the Company shall write down the book value of the deferred tax assets; when it is probable to obtain sufficient taxable income, the write-downs shall be reversed.

c) Recognition basis of deferred tax liabilities

The Company recognizes the current and previous taxable temporary differences payable but unpaid as deferred tax liabilities. But they exclude temporary differences arising from goodwill, transactions which are formed other than from business combinations and neither affect the accounting profits nor affect taxable income at the time of occurrence.

27.2 Measurement of deferred tax assets or deferred tax liabilities

a) On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period of expected recovery of the assets or liquidation of the liabilities in accordance with the provisions of the tax law.

b) Where the applicable tax rate changes, the Company remeasures deferred tax assets and deferred tax liabilities recognized, except for those incurred in transactions or events directly recognized in the owner's equity, of which the effect shall be included in the income tax expenses in the current period when the rate changes.

c) When the Company measures the deferred tax assets and deferred tax liabilities, the tax rate and tax base in consistent with the expected recovery of assets or liquidation of liabilities shall be adopted.

d) Deferred tax assets and deferred tax liabilities of the Company shall not be discounted.

28. Adjustments for changes in major accounting policies and accounting estimates

28.1 Changes in accounting policies

On November 30, 2022, the Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Enterprises (Cai Kuai [2022] 31, hereinafter referred to as "Interpretation No. 16"), in which "the accounting treatment of deferred income tax related to assets and liabilities arising from individual transactions not subject to initial recognition exemption" was implemented from January 1, 2023. For the taxable temporary differences and deductible temporary differences arising from the recognition of lease liabilities and right of use assets due to the application of Interpretation 16, the company shall trace them in accordance with the provisions of Interpretation 16 and Enterprise Accounting Standard No. 18- Income Tax, and adjust the cumulative impact to the initial retained earnings and other related financial statement items in the earliest period reported in the financial statements.

The impact of this accounting policy change on the financial statements is as follows:

Consolidated Balance Sheet

Items	12/31/2023		
	Before adjustment	After adjustment	Adjustment amount
Deferred tax assets	285,810,764.19	272,603,885.94	-13,206,878.25
Deferred tax liabilities	20,051,331.35	24,180,032.38	4,128,701.03
Undistributed profits	191,297,599.93	173,962,020.65	-17,335,579.28

Consolidated Income Statement

Items	2023（Jan-Dec)		
	Before adjustment	After adjustment	Adjustment amount
Income tax expenses	158,585,630.46	162,766,277.60	4,180,647.14

28.2 Changes in accounting estimates

There were no adjustments for changes in major accounting estimates in the reporting period.

IV. Taxation

1. Major tax types and tax rates

Tax type	Taxation Basis	Tax rate
Value-added tax	sales income	13%、9%、6%
City construction tax	taxable flow tax	7%,5%
Education fee additional tax	taxable flow tax	3%
Local education fee additional tax	taxable flow tax	2%,1%
Income tax	taxable income	25%,15%

Note:

Subsidiaries such as Lianyungang Port Engineering Design and Research Institute Co., Ltd., Lianyungang Hongyun Industrial Co., Ltd., Jiangsu Port Construction Group Co., Ltd., Lianyungang Electronic Port Information Development Co., Ltd., Jiangsu Xinhang Electric Co., Ltd., and Lianyungang Dongliang Wharf Co., Ltd. are high-tech enterprises that are subject to a corporate income tax rate of 15%, while

other enterprises are subject to a corporate income tax rate of 25%.

V. Notes to the Main Items of the Financial Statements (All amounts are stated in CNY unless otherwise stated)

1. Cash

Items	12/31/2023	12/31/2022
Cash on hand	7,623.57	13,345.49
Cash in bank	3,788,088,605.59	3,250,290,222.38
Other monetary funds	1,089,571,709.67	977,161,720.34
Total	4,877,667,938.83	4,227,465,288.21

Including: Other monetary fund details are as follow

Items	12/31/2023	12/31/2022
Guarantee deposits	1,086,434,044.87	975,131,389.94
Deposit in securities account	3,137,664.80	2,030,330.40
Total	1,089,571,709.67	977,161,720.34

2. Financial assets held for trading

Items	12/31/2023	12/31/2022
Futures		2,976,405.00
Total		2,976,405.00

3. Notes receivable

3.1 Classification of notes receivable

Items	12/31/2023	12/31/2022
Bank acceptance	255,212,234.58	377,030,631.90
Total	255,212,234.58	377,030,631.90

3.2 As of December 31, 2023, the pledge of notes receivable was zero.

3.3 As of December 31, 2023, Notes receivable endorsed or discounted by the company at the end of the period and not yet due on the balance sheet date

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance		39,788,895.42
Bank acceptance		39,788,895.42

3.4 As of December 31, 2023, the company is not due to the issuer's inability to perform the contract and will turn the notes to accounts receivable

4. Accounts receivable

4.1 Disclosed by Aging

Aging	12/31/2023	12/31/2022
Within 1 year	4,438,754,674.45	4,170,391,704.60
1-2 year	258,670,945.38	254,980,752.03
2-3 year	204,238,540.28	135,497,852.75
3-4 year	68,559,961.16	240,319,817.93

Aging	12/31/2023	12/31/2022
4-5 year	160,564,728.34	165,490,769.80
Over 5 year	484,452,377.52	330,655,310.21
Book balance sub-total	5,615,241,227.13	5,297,336,207.32
Less: Bad debt provision	357,754,156.26	345,249,930.84
Net value	5,257,487,070.87	4,952,086,276.48

4.2 Disclosed by bad debt accrual method

Items	12/31/2023				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad debt provisions are made by portfolio	5,615,241,227.13	100.00	357,754,156.26	6.37	5,257,487,070.87
Including: overdue aging combination	4,663,453,951.26	83.05	357,754,156.26	7.67	4,305,699,795.00
Other combinations	951,787,275.87	16.95			951,787,275.87
Total	5,615,241,227.13	100.00	357,754,156.26	6.37	5,257,487,070.87

Continued on the table

Items	12/31/2022				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad debt provisions are made by portfolio	5,297,336,207.32	100.00	345,249,930.84	6.52	4,952,086,276.48
Including: overdue aging combination	4,680,174,482.57	88.35	345,249,930.84	7.38	4,334,924,551.73
Other combinations	617,161,724.75	11.65			617,161,724.75
Total	5,297,336,207.32	100.00	345,249,930.84	6.52	4,952,086,276.48

In the portfolio, accounts receivable for which bad debt provision is withdrawn by overdue aging analysis method:

Overdue aging	12/31/2023			12/31/2022		
	Book balance	Bad debt provision	Accrual proportion%	Book balance	Bad debt provision	Accrual proportion%
Not overdue	4,129,335,926.13	206,466,796.31	5	4,170,391,704.60	208,519,585.23	5
Within 1 year	258,670,945.38	25,867,094.54	10	254,980,752.03	25,498,075.20	10
1-2 year	138,111,384.07	41,433,415.22	30	135,497,852.75	40,649,355.83	30

Overdue aging	12/31/2023			12/31/2022		
	Book balance	Bad debt provision	Accrual proportion%	Book balance	Bad debt provision	Accrual proportion%
2-3 year	54,277,468.87	21,710,987.55	40	42,269,387.95	16,907,755.18	40
3-4 year	41,564,728.34	20,782,364.17	50	46,719,251.67	23,359,625.84	50
Over 4 year	41,493,498.47	41,493,498.47	100	30,315,533.57	30,315,533.57	100
Total	4,663,453,951.26	357,754,156.26	6.37	4,680,174,482.57	345,249,930.84	7.38

In the portfolio, bad debt reserves are not withdrawn for other portfolios.

4.3 Bad debt provision

Items	12/31/2022	Changes in current period			12/31/2023
		Increase	Reversal	Deduct	
Non-related parties portfolio	345,249,930.84	12,504,225.42			357,754,156.26
Total	345,249,930.84	12,504,225.42			357,754,156.26

4.4 Top five entities with the largest balances of the accounts receivable

Debtor's name	Closing balance	Proportion in the total accounts' receivables (%)	Provision Amount
Lianyungang Port Public Assets Management Co., Ltd	397,024,128.93	7.07	
Lianyungang Jingang Bay Construction and Development Co., Ltd	257,931,178.31	4.59	
Lianyungang Golden Orient Port Investment Co., Ltd.	114,055,127.43	2.03	5,702,756.37
Jiangsu Gangrong New Building Materials Co., Ltd	92,410,080.23	1.65	
China Communications Shanghai Navigation Survey and Design Institute Co., Ltd	73,930,814.69	1.32	3,696,540.73
Total	935,351,329.59	16.66	9,399,297.10

5. Accounts receivable financing

Items	12/31/2023	12/31/2022
Bank acceptance	53,145,035.90	65,346,676.90
Total	53,145,035.90	65,346,676.90

6. Advances to suppliers

6.1 Aging analysis

Aging	12/31/2023		12/31/2022	
	Amount	%	Amount	%
Within 1 year	1,264,407,935.90	85.34	1,193,216,724.63	76.21
1-2 year	151,205,295.96	10.21	218,071,471.96	13.93
2-3 year	7,807,489.63	0.53	96,058,026.10	6.13

Aging	12/31/2023		12/31/2022	
	Amount	%	Amount	%
Over 3 year	58,046,643.89	3.92	58,412,793.18	3.73
Total	1,481,467,365.38	100.00	1,565,759,015.87	100.00

6.2 Top five entities with the largest balances of prepayments

Company name	Amount	Proportion in the total (%)
Wuchan Zhongda International Trade Group Co., Ltd	117,758,068.95	7.95
Lianyungang Xinshuntong New Material Co., Ltd	69,676,947.56	4.70
Zhejiang Zhongtuo Group Co., Ltd	53,902,850.76	3.64
China Carbon Holdings (Beijing) Co., Ltd	62,601,968.10	4.23
Vale Metal (Shanghai) Co., Ltd	45,976,239.08	3.10
Total	349,916,074.45	23.62

7. Other receivables

7.1 Category

Items	12/31/2023	12/31/2022
Interests receivable		
Dividends receivable		
Other receivables	11,645,014,869.71	9,949,722,496.91
Total	11,645,014,869.71	9,949,722,496.91

7.2 Other receivables

a) Classification of other receivables by aging

Aging	12/31/2023	12/31/2022
Within 1 year	3,979,691,517.73	3,164,836,859.14
1-2 year	1,899,516,839.17	2,716,060,799.80
2-3 year	1,835,734,780.54	1,627,859,890.38
3-4 year	1,607,341,746.11	2,487,830,463.94
4-5 year	2,405,623,445.61	257,230,949.81
Over 5 year	256,181,251.62	6,448,058.54
Book balance sub-total	11,984,089,580.78	10,260,267,021.61
Less: Bad debt provision	339,074,711.07	310,544,524.70
Net value	11,645,014,869.71	9,949,722,496.91

b) Classification of other receivables by nature

Nature of payment	12/31/2023	12/31/2022
Related transactions	9,511,129,890.35	8,175,156,566.76
Security deposit	100,163,311.93	73,389,864.23
Petty cash	7,821,260.69	9,461,589.44
Loan	1,869,831,636.25	1,821,228,529.45
Other receivables	495,143,481.56	181,030,471.73
Book balance sub-total	11,984,089,580.78	10,260,267,021.61
Less: Bad debt provision	339,074,711.07	310,544,524.70

Nature of payment	12/31/2023	12/31/2022
Net value	11,645,014,869.71	9,949,722,496.91

c) Disclosed by bad debt accrual method

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
12/31/2022	52,950,076.06	257,594,448.64		310,544,524.70
Opening balance in current period				
——Move to phase II			——	
——Move to phase III				
——Back to phase II				
——Back to phase I				
Current increase	4,156,655.95	24,373,530.42		28,530,186.37
Current Reversal				
Current Deduct				
Other changes				
12/31/2023	57,106,732.01	281,967,979.06		339,074,711.07

d) Bad debt provision

Items	12/31/2022	Changes in current period			12/31/2023
		Increase	Reversal	Deduct	
Non-related parties portfolio	310,544,524.70	28,530,186.37			310,544,524.70
Total	310,544,524.70	28,530,186.37			310,544,524.70

e) Top five entities with the largest balances of the account receivables

Company name	Business content	Amount	Aging	Proportion in the total (%)	Bad debt provision
Lianyungang Port Holding Group Co., Ltd.	Related contacts	3,459,692,222.49	Within 1 year 71,450,000; 1-2 year 781,337,179.15; 2-3 year 920,737,000; 3-4 year 844,500,000; 4-5 year 785,486,791.72; Over 5 year 56,181,251.62	28.87	

Company name	Business content	Amount	Aging	Proportion in the total (%)	Bad debt provision
Jiangsu Golden Harbour Investment Co., Ltd.	Related contacts	2,310,000,000.00	Within 1 year 212,020,131.93; 1-2year171,378,627.78; 2-3year143,622,840.29; 3-4year462,841,746.11; 4-5year1,320,136,653.89	19.28	
Lianyungang Xu Wei Port Investment Group Co., Ltd.	Related contacts	1,276,871,519.45	Within 1 year 434,816,519.45; 1-2year 340,182,937.66; 2-3year 501,817,062.34	10.65	
Lianyungang Port Public Assets Management Co., Ltd	Non-related contacts	1,027,544,148.26	Within 1 year 36,668,609.71; 1-2year 37,538,009.71; 2-3year 263,337,528.84; 3-4year 290,000,000; 4-5year 200,000,000; 5year 以上 200,000,000	8.57	182,166,876.44
Lianyungang Xinxin International Logistics Co., Ltd	Related contacts	832,665,180.77	Within 1 year 286,521,595.43; 1-2year 529,621,989.91	6.95	
Total		8,906,773,070.97		74.32	182,166,876.44

8. Inventories

8.1 Categories of Inventory

Items	12/31/2023			12/31/2022		
	Cost	Provision for inventory write-down	Net value	Cost	Provision for inventory write-down	Net value
Raw materials	39,120,699.74		39,120,699.74	83,961,443.55	101,836.85	83,859,606.70
Development	1,977,724,376.63		1,977,724,376.63	1,598,343,664.41		1,598,343,664.41

Items	12/31/2023			12/31/2022		
	Cost	Provision for inventory write-down	Net value	Cost	Provision for inventory write-down	Net value
cost						
Develop products	229,826,964.13		229,826,964.13	235,065,335.13		235,065,335.13
Finished goods	1,022,364,748.94	8,390,051.60	1,013,974,697.34	810,414,198.07	8,320,000.00	802,094,198.07
Circulation material	55,920.20		55,920.20	55,920.20		55,920.20
Construction works	491,064,242.15		491,064,242.15	534,608,785.38		534,608,785.38
Total	3,760,156,951.79	8,390,051.60	3,751,766,900.19	3,262,449,346.74	8,421,836.85	3,254,027,509.89

8.2 Provision for decline in value of inventories

Category	12/31/2022	Increases in current period		Decreases in current period		12/31/2023
		provision	Other	Reversal as increase of asset value	Other	
Raw material	101,836.85			101,836.85		
Finished goods	8,320,000.00	70,051.60				8,390,051.60
Total	8,421,836.85	70,051.60		101,836.85		8,390,051.60

9. Other current assets

Items	12/31/2023	12/31/2022
Input VAT allowances	256,192,265.35	271,723,076.55
Prepaid income tax	5,818,311.40	1,790,588.09
Prepaid other tax	1,659,022.50	
Bank financial products	56,000,000.00	106,097,172.68
Loan by mandate	17,000,000.00	
Deferred expenses	2,629,792.21	3,465,289.72
Total	339,299,391.46	383,076,127.04

10. Long-term receivables

Item	12/31/2023			12/31/2022		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Finance lease	292,701,702.56		292,701,702.56	263,038,444.23		263,038,444.23
Less: Unrealized Financing Profits	84,071,871.94		84,071,871.94	72,673,386.21		72,673,386.21
Total	208,629,830.62		208,629,830.62	190,365,058.02		190,365,058.02

11. Long-term equity investment

Investee	12/31/2022	Changes in Current Period								12/31/2023	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
(I)Associated Enterprise											
Lianyungang Qianhong Petrochemical warehousing Co. Ltd.	38,747,539.77			99,010.91						38,846,550.68	
Fengyi Oil Technology (Lianyungang) Co., Ltd.	152,443,807.52			6,893,063.68	-39,329.34		20,000,000.00			139,297,541.86	
Yi Hai (Lianyungang) grain and Oil Co., Ltd.	199,729,754.47			3,824,233.14	4,013,673.63		20,000,000.00			187,567,661.24	
Lianyungang Zhonglian tallying Co	4,323,394.71			3,575,512.91			2,746,644.23			5,152,263.39	
Lianyungang Port international Petrochemical Storage Co., Ltd.	38,497,468.89			-962,416.97						37,535,051.92	
Fengyi alcohol industry (Lianyungang) Co., Ltd	43,750,776.42			2,877,171.82						46,627,948.24	
Lianyungang Xinyi international freight forwarding Co., Ltd	665,959.51									665,959.51	
Lianyungang Harbor Travel Company	250,000.00									250,000.00	
Lianyungang Taidi Petrochemical Co., Ltd	100,442,775.49			3,045,565.24						103,488,340.73	
Lianyungang New Silk Road International Container Development Co., Ltd	6,336,186.64			3,607,850.22						9,944,036.86	
New Land Bridge (lianyungang) Terminal Co., Ltd.	196,876,005.92			15,748,684.59			13,368,213.51			199,256,477.00	

Investee	12/31/2022	Changes in Current Period								12/31/2023	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
Lianyungang New Oriental International Container Terminal Co., Ltd	372,992,455.91			34,627,711.72	482,106.78		45,000,000.00			363,102,274.41	
Lianyungang Shihua crude oil terminal Co., Ltd	151,784,571.10	44,100,000.00		15,451.31						195,900,022.41	
Lianyungang Tianjia International Logistics Co., Ltd	1,878,545.66			-227,051.76						1,651,493.90	
Lianyungang Hulian Container Co., Ltd		24,500,000.00		2,378,390.03						26,878,390.03	
Lianyungang Wanbang Bulk Cargo Logistics Co., Ltd.	93,521,476.55			19,590,734.59			19,500,000.00			93,612,211.14	
Huaian East China International Logistics Co., Ltd.	2,670,349.43									2,670,349.43	
Shanxi Lianfang International Logistics Co., Ltd.	8,729,446.38									8,729,446.38	
Lianyungang Jinneng Logistics Co., Ltd.	8,611,382.62			412,321.00			360,000.00			8,663,703.62	
Linyi Jinhaihui Technology Co., Ltd		1,200,000.00								1,200,000.00	
Hkhc express project investment	264,654,800.00			18,881,318.34	4,487,800.00		10,017,121.40			278,006,796.94	
Anhui Zhoulai ZhugangbConstructi on Engineering Co., Ltd		980,000.00								980,000.00	
Lianyungang Gangtie International Multimodal Transport Co., Ltd.	2,603,288.45			-142,240.71						2,461,047.74	
Lianyungang Yuangang Logistics Co., Ltd	18,987,857.70			724,952.02						19,712,809.72	
Lianyungang Ocean Shipping Agency Ltd	28,704,268.40			739,292.05						29,443,560.45	
Jiangsu new Coast International Logistics Co., Ltd	25,002,378.19			-1,300,353.04						23,702,025.15	

Investee	12/31/2022	Changes in Current Period								12/31/2023	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
Lianyungang Xinaogang Clean Energy Co., Ltd.	2,330,723.61		2,330,723.61							-	
Jiangsu Xinwei Multimodal transport Co., Ltd.	34,236,331.03			-0.50						34,236,330.53	
Lianyungang Friendship Hotel	3,104,949.50									3,104,949.50	3,104,949.50
Lianyungang Xianzhi Construction Technology Co., Ltd	35,796,074.30			-4,258,688.34						31,537,385.96	
Subtotal	1,837,672,568.17	70,780,000.00	2,330,723.61	110,150,512.25	8,944,251.07	-	130,991,979.14	-	-	1,894,224,628.74	
Less: provision for impairment	3,104,949.50									3,104,949.50	3,104,949.50
Total	1,834,567,618.67	70,780,000.00	2,330,723.61	110,150,512.25	8,944,251.07		130,991,979.14			1,891,119,679.24	3,104,949.50

12. Investment in other equity instruments

12.1 Investment in other equity instruments

Items	12/31/2023	12/31/2022
Bank of Jiangsu	42,663,227.16	46,489,525.56
Total	42,663,227.16	46,489,525.56

12.2 Equity instruments which not held for trading

Items	Accumulated gains included in other comprehensive income	Reasons for designation as measured at fair value with changes included in other comprehensive income
Bank of Jiangsu	23,177,420.38	Long-term holding not for trading
Total	23,177,420.38	

Note: The company held 6,377,164 shares of Bank of Jiangsu, with a market price of 6.69 yuan per share and a fair value of 42,663,227.16 yuan at the end of the period.

13. Other non-current financial assets

Items	12/31/2023	12/31/2022
Financial assets classified as financial assets measured at fair value and whose changes are included in current profits and losses	290,622,624.49	211,272,624.49
Including: Debt instrument investment		
Equity instrument investment	290,622,624.49	211,272,624.49
Total	290,622,624.49	211,272,624.49

13.1 Details of equity instrument investment

Name of investee	12/31/2022	Increase	12/31/2022	12/31/2023	investment ratio (%)
Lianyungang Jinrun Logistics Co., Ltd	7,422,576.49			7,422,576.49	5.00
Wuxi Ruigang Hotel Co., Ltd	1,200,000.00			1,200,000.00	17.14
Jiangsu Lianyungang International Logistics Park Investment Co., Ltd	50,000,000.00			50,000,000.00	9.00
Jiangsu International Freight Train Co., Ltd	90,000,048.00			90,000,048.00	2.50
Jiangsu Huadian Ganyu Liquefied Natural Gas Co., Ltd	58,500,000.00	58,500,000.00		117,000,000.00	20.00
Lianyungang Jia'ao Equity Investment Fund Partnership (limited partnership)	1,000,000.00	24,000,000.00		25,000,000.00	8.2645
Lianyungang Yushengda Industrial Co., Ltd	50,000.00		50,000.00		
Lianyungang Fanya Logistics Co., Ltd	3,100,000.00		3,100,000.00		
Total	211,272,624.49	82,500,000.00	3,150,000.00	290,622,624.49	

14. Investment properties

14.1 Investment property using cost model

Item	Properties and buildings	Land use rights	Total
1.Original book value			
1.Opening balance	106,556,444.12	848,650,813.05	955,207,257.17
2.Addition this period	674,603.59		674,603.59
(1)Purchase			
(2)Other	674,603.59		674,603.59

Item	Properties and buildings	Land use rights	Total
3.Decrease this period			
(1)Disposal			
4.Closing balance	107,231,047.71	848,650,813.05	955,881,860.76
II. Accumulated depreciation and amortization			
1.Opening balance	24,458,382.79	175,393,865.68	199,852,248.47
2.Addition this period	2,543,222.54	21,107,911.63	23,651,134.17
(1)Provision or amortization	2,543,222.54	21,107,911.63	23,651,134.17
3. Decrease this period			
(1)Disposal			
4.Closing balance	27,001,605.33	196,501,777.31	223,503,382.64
III. Provision for impairment			
IV. Book value			
1.Closing book value	80,229,442.38	652,149,035.74	732,378,478.12
2.Opening book value	82,098,061.33	673,256,947.37	755,355,008.70

15. Fixed assets

15.1 Category

Items	12/31/2023	12/31/2022
Fixed Assets	15,047,595,004.29	15,401,751,384.83
Disposal of fixed assets		
Total	15,047,595,004.29	15,401,751,384.83

15.2 Details of Fixed Assets

Item	Ships for the port	Vehicle	Loading and unloading machine	Harbor facilities	Warehouses and open yard facilities	Communication and navigation equipment	Machinery and equipment	Production houses	Buildings	Other production tools	Non-production machinery and tools	Non-production houses	Total
I. Original cost of fixed assets													
1.Opening Balance	1,375,824,430.86	311,337,813.15	2,169,052,291.96	6,698,276,377.14	1,828,877,427.79	52,200,947.60	2,987,675,785.34	5,855,373,842.42	1,422,717,332.39	41,390,497.81	394,009,461.54	312,435,073.72	23,450,169,681.72
2.Increase in current period	14,216,943.03	43,832,131.56	14,639,569.40	282,157,747.28		573,469.75	102,029,469.07	8,675,199.67	61,512,337.17	7,112,094.40	63,480,442.35		598,229,403.68
(1)External purchase	3,961,456.31	23,813,703.81	5,004,835.40	4,724,061.53		570,390.19	58,458,176.81	2,189,166.61	222,803.53	841,337.94	11,754,236.50		111,530,178.66
(2)Transfer from construction in progress	10,255,486.72	16,257,298.47	9,634,733.97	277,433,685.75		3,078.56	43,571,292.26	6,486,043.06	61,289,533.64	845,094.34	29,272,153.29		455,068,291.06
(3) Business combination		3,761,129.28								5,425,752.12	22,454,052.56		31,640,933.96
(4)Others													-
3.Decrease in current period	33,485,333.45	27,473,457.36	1,404,000.00	2,548,840.19		10,390,126.56	122,873,759.71	6,376,571.16	133,909,086.07	10,774,471.16	12,056,108.48		361,291,684.14
(1)Disposal or scrap	33,485,333.45	27,350,507.82	1,404,000.00	2,548,840.19		10,390,126.56	116,291,505.90	6,376,571.16	62,306,210.13	10,542,159.19	10,940,911.49		281,600,165.89
(2) Business combination													-
(3)Others		79,949.54					6,662,263.81		71,602,795.94	232,311.97	1,114,196.99		79,691,518.25
4.Closing Balance	1,356,556,040.44	327,695,487.35	2,182,287,861.36	6,978,885,284.23	1,828,877,427.79	42,384,290.79	2,966,831,494.70	5,857,671,670.93	1,350,320,583.49	37,728,121.05	445,433,795.41	312,435,073.72	23,687,107,401.26
II.Accumulated depreciation													-
1.Opening Balance	677,903,825.14	218,352,217.63	1,365,519,485.80	1,441,481,483.54	424,391,258.64	34,581,821.40	1,915,599,796.99	1,633,146,543.51	235,997,168.25	33,729,843.51	276,541,742.30	91,173,109.84	8,648,416,296.89
2.Increase in current period	106,104,396.45	20,112,518.44	89,967,787.47	120,938,643.51	42,632,837.28	1,882,261.63	233,644,998.54	19,775,472.75	139,640,216.40	6,135,502.06	47,166,997.58	8,426,989.98	836,428,626.09
(1)Provision	106,104,396.45	18,967,170.53	89,967,787.47	120,938,643.51	42,632,837.28	1,882,261.63	233,644,998.54	19,775,472.75	139,640,216.40	1,376,633.30	32,264,835.71	8,426,989.98	815,624,243.55

Item	Ships for the port	Vehicle	Loading and unloading machine	Harbor facilities	Warehouses and open yard facilities	Communication and navigation equipment	Machinery and equipment	Production houses	Buildings	Other production tools	Non-production machinery and tools	Non-production houses	Total
(2) Business combination		1,145,345.91								4,756,868.76	14,902,161.87		20,804,376.54
(3)Others													-
3.Decrease in current period	32,480,773.58	24,670,720.52	1,361,880.00	1,485,996.41		10,079,617.49	117,705,777.76	373,724.45	35,396,576.52	10,443,038.59	11,376,414.69		245,304,520.01
(1)Disposal or scrap	32,480,773.58	24,593,650.74	1,361,880.00	1,485,996.41		10,079,617.49	112,760,307.17	373,724.45	23,596,032.19	10,230,744.41	10,606,742.25		227,481,468.89
(2) Business combination													-
(3)Others		77,069.78					4,945,470.59		11,800,544.33	212,294.18	767,672.44		17,853,051.32
4.Closing Balance	751,527,449.01	213,794,013.55	1,454,126,393.27	1,560,934,130.64	467,024,096.22	26,384,466.54	1,731,539,016.77	1,652,548,291.81	340,260,808.17	29,422,306.98	312,332,325.19	95,600,096.82	8,635,512,396.97
III. Impairment provision													
IV.Carrying Amount													
1.Closing carrying amount	605,026,591.43	153,901,673.80	728,162,468.09	5,417,951,153.59	1,361,853,331.57	15,969,825.25	1,235,292,467.93	4,205,123,379.12	1,010,039,855.32	8,305,814.07	133,101,470.22	212,834,973.90	15,047,595,004.29
2.Opening carrying amount	697,920,504.72	92,984,795.52	803,532,806.16	5,257,794,893.60	1,404,486,168.85	17,619,126.20	1,372,075,969.35	4,222,226,498.91	1,186,720,154.10	7,560,654.30	117,467,719.24	221,261,963.68	15,401,751,394.83

16. Construction in progress

16.1 Category

Items	12/31/2023	12/31/2022
construction in progress	24,985,132,482.28	22,682,747,757.22
Construction supplies		
Total	24,985,132,482.28	22,682,747,757.22

16.2 Construction supplies

a) Details of the construction in progress

Items	12/31/2023			12/31/2022		
	Cost	Impairment provision	Net value	Cost	Impairment provision	Net value
Yanwei Port Areaproject	502,505,311.60		502,505,311.60	497,684,751.78		497,684,751.78
New Gulf Pier construction	48,122,393.82		48,122,393.82	37,045,839.88		37,045,839.88
Xinsu Port Pier construction	274,644,204.99		274,644,204.99	240,771,802.52		240,771,802.52
Logistics land bridge bonded warehouse project	20,373,639.25		20,373,639.25	19,805,055.18		19,805,055.18
Special railway line for Middle Yuntai Logistics Park	1,354,616,742.86		1,354,616,742.86	1,300,663,340.91		1,300,663,340.91
Xuwei Port Area Phase I project	118,308,166.00		118,308,166.00	99,786,641.58		99,786,641.58
Shanhai mortgage asset decoration project	22,782,337.81		22,782,337.81	22,628,383.54		22,628,383.54
Technical improvement project of 68# berths taking into account both passenger and roll functions	69,561,495.53		69,561,495.53	69,561,495.53		69,561,495.53
Renovation project of berth 33 in Lianyungang Port	19,587,816.35		19,587,816.35	19,587,816.35		19,587,816.35
New Silo Construction	616,353,555.46		616,353,555.46	356,073,490.87		356,073,490.87
Dongliang Wharf New Coast Office Building	9,796,239.76		9,796,239.76	9,634,121.37		9,634,121.37
Shanghe Logistics Park	3,328,791,859.58		3,328,791,859.58	2,951,320,646.16		2,951,320,646.16
Logistics Industrial Park Phase II project	393,984,703.51		393,984,703.51	352,222,982.52		352,222,982.52
Port dredging project in Jingang Bay	2,653,808,025.92		2,653,808,025.92	2,547,942,296.71		2,547,942,296.71
Stacking in Ganyu port area	1,555,751,081.88		1,555,751,081.88	1,241,605,965.07		1,241,605,965.07
Wide gauge railway special line	30,108,178.90		30,108,178.90	28,354,995.00		28,354,995.00
Breakwater and Wharf Works in Qitai operation area	3,547,113,850.06		3,547,113,850.06	3,031,255,708.25		3,031,255,708.25
Relocation project of No.79 Navy Brigade	111,594,324.72		111,594,324.72	479,027,396.64		479,027,396.64
Auxiliary works of Haibin Avenue port area	428,172,174.42		428,172,174.42	428,172,174.42		428,172,174.42
Reconstruction project of passenger station -- international passenger station	357,304,996.35		357,304,996.35	374,492,061.97		374,492,061.97
Phase I project of container terminal in Dadi port area	632,258,995.02		632,258,995.02	266,787,523.92		266,787,523.92
Internal special railway project of liquid bulk cargo berth in Qitai operation area	415,482,119.98		415,482,119.98	415,388,723.75		415,388,723.75
Port support system	373,426,168.90		373,426,168.90	424,985,052.86		424,985,052.86
Xuwei east port area pipe gallery foundation project	188,543,287.83		188,543,287.83	153,254,689.08		153,254,689.08

Items	12/31/2023			12/31/2022		
	Cost	Impairment provision	Net value	Cost	Impairment provision	Net value
Shanghe Logistics Park Railway loading and unloading station project	374,982,300.00		374,982,300.00	434,547,729.85		434,547,729.85
Berth project of Xuwei port area	2,836,789,248.22		2,836,789,248.22	2,651,885,573.66		2,651,885,573.66
North port area freight yard project	543,088,078.52		543,088,078.52	497,351,813.02		497,351,813.02
East port area freight yard project	1,146,684,837.93		1,146,684,837.93	1,124,399,226.36		1,124,399,226.36
Land Formation in Dam Working Area	195,596,024.01		195,596,024.01	195,596,024.01		195,596,024.01
Renovation project of main port area	1,567,542,906.87		1,567,542,906.87	1,379,213,529.77		1,379,213,529.77
Lianyungang central freight station project	905,041,965.27		905,041,965.27	731,259,965.68		731,259,965.68
New Coast - xishuwan A10 building decoration project	63,347,017.52		63,347,017.52	63,347,017.52		63,347,017.52
Others	279,068,433.44		279,068,433.44	237,093,921.49		237,093,921.49
Total	24,985,132,482.28		24,985,132,482.28	22,682,747,757.22		22,682,747,757.22

b) Main construction in progress

Name of project	12/31/2022	Increase	Decrease		12/31/2023
			Turn to fixed assets	Turn to Investment properties	
Yanwei Port Areaproject	497,684,751.78	4,820,559.82			502,505,311.60
New Gulf Pier construction	37,045,839.88	14,293,088.79	3,216,534.85		48,122,393.82
Xinsu Port Pier construction	240,771,802.52	59,447,647.36	25,575,244.89		274,644,204.99
Logistics land bridge bonded warehouse project	19,805,055.18	7,395,743.37	6,827,159.30		20,373,639.25
Special railway line for Middle Yuntai Logistics Park	1,300,663,340.91	53,953,401.95			1,354,616,742.86
Xuwei Port Area Phase I project	99,786,641.58	21,642,282.85	3,120,758.43		118,308,166.00
Shanhai mortgage asset decoration project	22,628,383.54	153,954.27			22,782,337.81
Technical improvement project of 68# berths taking into account both passenger and roll functions	69,561,495.53	0.00			69,561,495.53
Renovation project of berth 33 in Lianyungang Port	19,587,816.35	0.00			19,587,816.35
New Silo Construction	356,073,490.87	260,280,064.59			616,353,555.46
Dongliang Wharf New Coast Office Building	9,634,121.37	933,670.12	771,551.73		9,796,239.76
Shanghe Logistics Park	2,951,320,646.16	395,822,141.96	18,350,928.54		3,328,791,859.58
Logistics Industrial Park Phase II project	352,222,982.52	44,759,037.94	2,997,316.95		393,984,703.51
Port dredging project in Jingang Bay	2,547,942,296.71	105,865,729.21			2,653,808,025.92
Stacking in Ganyu port area	1,241,605,965.07	314,145,116.81			1,555,751,081.88
Wide gauge railway special line	28,354,995.00	1,753,183.90			30,108,178.90
Breakwater and Wharf Works in Qitai operation area	3,031,255,708.25	515,858,141.81			3,547,113,850.06
Relocation project of No.79 Navy Brigade	479,027,396.64			367,433,071.92	111,594,324.72
Auxiliary works of Haibin Avenue port area	428,172,174.42				428,172,174.42
Reconstruction project of passenger station -- international passenger station	374,492,061.97		6,695,952.92	10,491,112.70	357,304,996.35
Phase I project of container terminal in Dadi port area	266,787,523.92	365,471,471.10			632,258,995.02
Internal special railway project of liquid bulk cargo berth in Qitai operation area	415,388,723.75	93,396.23			415,482,119.98

Name of project	12/31/2022	Increase	Decrease		12/31/2023
			Turn to fixed assets	Turn to Investment properties	
Port support system	424,985,052.86		51,558,883.96		373,426,168.90
Xuwei east port area pipe gallery foundation project	153,254,689.08	35,288,598.75			188,543,287.83
Shanghe Logistics Park Railway loading and unloading station project	434,547,729.85			59,565,429.85	374,982,300.00
Berth project of Xuwei port area	2,651,885,573.66	184,903,674.56			2,836,789,248.22
North port area freight yard project	497,351,813.02	45,736,265.50			543,088,078.52
East port area freight yard project	1,124,399,226.36	38,102,027.47	15,816,415.90		1,146,684,837.93
Land Formation in Dam Working Area	195,596,024.01				195,596,024.01
Renovation project of main port area	1,379,213,529.77	457,930,413.48	269,601,036.38		1,567,542,906.87
Lianyungang central freight station project	731,259,965.68	173,781,999.59			905,041,965.27
New Coast - xishuwan A10 building decoration project	63,347,017.52				63,347,017.52
Others	237,093,921.49	92,501,019.16	50,526,507.21		279,068,433.44
Total	22,682,747,757.22	3,194,932,630.59	455,058,291.06	437,489,614.47	24,985,132,482.28

Note: Current capital of interest expenses was 547,075,258.72 yuan.

17. Right of use assets

Item	Buildings	Machinery and equipment	Total
I. Original book value of intangible assets			
1.Opening Balance	21,126,247.10	5,764,266.07	26,890,513.17
2.Increase in current period	3,301,652.59	7,424,222.28	10,725,874.87
(1) New lease	3,301,652.59	7,424,222.28	10,725,874.87
3.Decrease in current period			
(1)Disposal			
4.Closing Balance	24,427,899.69	13,188,488.35	37,616,388.04
II. Accumulated amortization of intangible assets	-	-	
1.Opening Balance	8,429,185.36	1,946,523.71	10,375,709.07
2.Increase in current period	1,273,115.70	2,004,805.71	3,277,921.41
(1)Provision	1,273,115.70	2,004,805.71	3,277,921.41
3.Decrease in current period			
(1) Disposal			
Closing Balance	9,702,301.06	3,951,329.42	13,653,630.48
III. Provision for fixed asset impairment			
IV.Net value of intangible assets			
Closing Book Value	14,725,598.63	9,237,158.93	23,962,757.56
Opening Book Value	12,697,061.74	3,817,742.36	16,514,804.10

18. Intangible asset

Item	Land use rights	patent right	Right to use sea areas	Software and others	Total
I. Original book value of intangible assets					
1.Opening Balance	3,230,653,324.68	1,013,205.38	127,580,389.00	208,118,930.33	3,567,365,849.39
2.Increase in current period	87,319,746.23	-	-	5,241,667.13	92,561,413.36

Item	Land use rights	patent right	Right to use sea areas	Software and others	Total
(1)External purchase	87,319,746.23	-	-	5,241,667.13	92,561,413.36
3.Decrease in current period	13,402,902.00	649,944.28	-	1,936,231.40	15,989,077.68
(1)Disposal	-	-	-	-	-
(2) Business combination	13,402,902.00	649,944.28	-	1,936,231.40	15,989,077.68
4.Closing Balance	3,304,570,168.91	363,261.10	127,580,389.00	211,424,366.06	3,643,938,185.07
II. Accumulated amortization of intangible assets					-
1.Opening Balance	273,238,386.87	961,535.71	32,408,992.84	125,390,130.05	431,999,045.47
2.Increase in current period	86,722,416.82	1,783.65	2,781,999.48	21,599,214.57	111,105,414.52
(1)Provision	86,722,416.82	1,783.65	2,781,999.48	21,599,214.57	111,105,414.52
3.Decrease in current period	2,521,355.55	649,944.28		1,546,819.14	4,718,118.97
(1) Disposal					
(2) Business combination	2,521,355.55	649,944.28		1,546,819.14	4,718,118.97
Closing Balance	357,439,448.14	313,375.08	35,190,992.32	145,442,525.48	538,386,341.02
III. Provision for fixed asset impairment					
IV.Net value of intangible assets					
Closing Book Value	2,947,130,720.77	49,886.02	92,389,396.68	65,981,840.58	3,105,551,844.05
Opening Book Value	2,957,414,937.81	51,669.67	95,171,396.16	82,728,800.28	3,135,366,803.92

19. Long-term prepaid assets

Item	12/31/2022	Increase	Decrease		12/31/2023
			Amortization	Others	
67-69# Berth upgrade and transformation fee	4,401,709.00		4,401,709.00		
Renovation costs for office or rental housing	4,178,903.41	12,578.35	1,022,358.31		3,169,123.45
New Oriental Wharf Maintenance Cost	1,226,659.25	221,238.94	971,430.22		476,467.97
Transfer fee of three supply and one industry of Lianyungang Lianyun District Finance Bureau	86,750,000.00	19,511.36	10,013,629.94		76,755,881.42
Dredging and maintenance project of naval wharf basin and berth	16,010,010.31	344,235.18	4,763,579.62		11,590,665.87
Dredging project of Xinsu port wharf	44,206,740.36		6,168,382.32		38,038,358.04
rent for parking spaces	803,514.21	707,004.41	145,581.34		1,364,937.28
Reconstruction project of Hou Gong building	381,337.85		61,941.96		319,395.89
Overhaul of Dual-purpose Machine in Dongliang Wharf	1,333,887.25		457,230.24		876,657.01
Maintenance and Renovation Project for Material and Goods Yard	564,433.61		95,380.08		469,053.53
Land bridge new warehouse relocation project	9,292,390.67		574,731.72		8,717,658.95
Dredging cost	12,401,014.91	124,666.30	5,120,425.48		7,405,255.73
Land maintenance cost	3,818,595.54	4,492,149.39	1,563,728.40		6,747,016.53

Item	12/31/2022	Increase	Decrease		12/31/2023
			Amortization	Others	
South Square of Passenger Station Renovation Project	6,630,883.79		668,660.52		5,962,223.27
Room renovation and additional construction project in the concentrated residential area of site 6 #	550,370.34		227,741.64		322,628.70
Renovation of AC and DC screens at New Bay Wharf	128,575.16		26,602.32		101,972.84
Renovation of shore power equipment at the New Bay Wharf	292,526.89	764,568.37	315,627.52		741,467.74
Pipeline system insulation project	867,885.84		176,522.76		691,363.08
Modification of cable release hook system	479,113.76		97,448.88		381,664.88
Renovation of laser berthing system	371,077.67		75,474.96		295,602.71
Liquefied Tank Farm Tank Insulation Project	195,214.58	653,172.94	94,137.63		754,249.89
Deepening and dredging of the 250000 ton dock and harbor basin	56,350,222.26	1,132,075.48	5,748,410.42		51,733,887.32
Renovation and decoration engineering	7,798,201.72	13,242,790.24	2,601,824.06		18,439,167.90
Greening cost of Xuwei Phase I project	2,849,093.75	712,273.44	356,122.44		3,205,244.75
Others	8,217,754.14	61,942.60	2,892,122.26		5,387,574.48
Wind and dust suppression network project (berth 59 test section)		947,912.80	7,898.96		940,013.84
Total	270,100,116.27	23,436,119.80	48,648,703.00		244,887,533.07

20. Deferred income tax assets

20.1 Details of recognized deferred income tax assets

Items	12/31/2023		12/31/2022	
	Temporary differences	Deferred income tax assets	Temporary differences	Deferred income tax assets
Bad debt provision	696,828,867.33	174,122,925.48	655,794,455.54	163,948,613.89
Education funds	17,962.33	2,694.35	924,367.04	231,091.76
Provision for long-term equity investment write-down	3,104,949.52	776,237.38	3,104,949.52	776,237.38
Interest of government appropriations being replaced by loans	28,750,000.00	7,187,500.00	29,900,000.00	7,475,000.00
Deductible losses	123,813,395.60	30,953,348.90	167,599,406.84	41,899,851.71
Long-term employee benefits payable	18,374,366.32	4,593,591.59	20,338,130.70	5,084,532.68
Provision for inventory write-down	8,390,051.60	2,097,512.90	8,421,836.85	2,105,459.21
Medical care for the only child			88,324,872.39	22,081,218.10
Counterbalance of consolidated income	93,712,751.04	23,428,187.76	97,784,454.32	24,446,113.58
Provision for impairment of credit commitment	28,091.65	7,022.91	2,619,923.01	654,980.75
Lease liabilities	10,915,945.61	2,728,986.40	15,218,585.68	3,804,646.42
Employee benefits payable	435,285.84	90,974.74	460,002.20	96,140.46
Total	984,371,666.84	245,968,982.41	1,090,490,984.09	272,603,885.94

20.2 Details of recognized deferred income tax liabilities

Items	12/31/2023		12/31/2022	
	Temporary differences	Deferred income tax liabilities	Temporary differences	Deferred income tax liabilities
Changes in fair value of other equity instrument	30,903,227.12	7,725,806.78	34,729,525.52	8,682,381.38
The difference between fixed assets depreciation and tax law depreciation	46,755,230.16	11,688,807.54	45,475,799.88	11,368,949.97
Right of use assets	23,962,757.56	5,990,689.39	16,514,804.10	4,128,701.03
Total	101,621,214.84	25,405,303.71	96,720,129.50	24,180,032.38

21. Other non-current assets

Items	12/31/2023	12/31/2022
Advance payment for real estate of Dongtai Donghu Science and Technology City	315,438,275.22	315,438,275.22
Margin for financial leasing	11,214,747.18	11,027,747.64
Total	326,653,022.40	326,466,022.86

22. Short-term loan

22.1 Categories of short-term loans

Items	12/31/2023	12/31/2022
Credit loans	4,765,535,653.55	7,127,418,511.10
Mortgage loan	1,690,797,045.76	10,000,000.00
Guaranteed loans	2,158,929,483.78	2,044,958,365.00
Pledge loan		1,000,000.00
Bill discounting [note]	8,097,855.58	
Accrued interest	6,179,891.56	6,197,420.23
Total	8,629,539,930.23	9,189,574,296.33

Note: Bill discounting refers to the amount of unrecognized notes receivable that have been discounted at the end of the period and have not yet matured on the balance sheet date.

22.2 There are no short-term loans overdue in this year.

23. Notes payable

Category	12/31/2023	12/31/2022
Bank acceptances	405,707,931.60	641,269,044.96
Commercial acceptance bill	300,000,000.00	300,000,000.00
Domestic letter of credit	393,170,000.00	743,100,000.00
U-credit factoring and financing e-credit	206,972,000.00	
Total	1,305,849,931.60	1,684,369,044.96

24. Accounts payable

24.1 Aging presentation of accounts payable

Aging	12/31/2023		12/31/2022	
	Amount	%	Amount	%
Within 1 year	1,112,097,999.05	64.46	1,037,123,551.09	66.59
1-2 year	395,690,983.57	22.93	316,703,311.00	20.33
2-3 year	99,754,898.16	5.78	97,707,782.03	6.27
Over 3 year	117,892,613.33	6.83	106,102,339.73	6.81
Total	1,725,436,494.11	100.00	1,557,636,983.85	100.00

24.2 Top five entities with the largest balances of accounts payable

Company name	Relationship with the Company	Amount	Aging	Proportion in the total (%)
Hongkong Kunhong Resources Co.,Limited	Non related party	240,194,140.12	Within 1 year	13.92
Lianyungang Golden Orient Port Investment Co., Ltd.	Non related party	64,740,000.00	Over 3 year	3.75
RICH MARK development (Group) Pty. LTD.	Non related party	42,489,899.30	Within 1 year	2.46
China Communications Yantai Environmental Dredging Co., Ltd	Non related party	27,881,691.59	Within 1 year	1.62
Qidong Yinzhou Water Conservancy Municipal Engineering Co., Ltd	Non related party	23,720,895.17	Within 1 year10005895.17; 1-2 year 6000000; 2-3 year 7715000	1.37
Total		399,026,626.18		23.12

25. Contract liabilities

Category	12/31/2023	12/31/2022
Receipts in advance	726,072,080.82	578,134,704.73
Total	726,072,080.82	578,134,704.73

26. Employee benefits payable

26.1 General situation

Items	12/31/2022	Increase	Decrease	12/31/2023
Short-term employee benefits	115,569,244.46	1,344,328,794.60	1,332,328,987.20	127,569,051.86
Post-employment benefits		246,905,769.86	246,905,769.86	
Termination benefits				
Other benefits due in 1 year				
Total	115,569,244.46	1,591,234,564.46	1,579,234,757.06	127,569,051.86

26.2 Short-term employee benefits

Item	12/31/2022	Increase	Decrease	12/31/2023
Wages,bonuses, allowances and subsidies	32,356,044.62	1,001,904,429.26	995,299,970.23	38,960,503.65
Employees' welfare		98,804,537.34	98,804,537.34	
Social insurance premiums		87,513,838.44	87,513,838.44	
including: Medical insurance premium		70,023,741.03	70,023,741.03	
Work-related injury insurance premium		9,482,648.01	9,482,648.01	
Maternity insurance premium		8,007,449.40	8,007,449.40	
Housing funds	27,184.89	69,307,766.10	69,316,214.27	18,736.72
Trade union expenditures and employee education funds	83,186,014.95	79,204,802.90	73,801,006.36	88,589,811.49
Short-term paid absences				
Short-term paid absences profit-sharing plan				
Other short-term employee benefits		7,593,420.56	7,593,420.56	
Total	115,569,244.46	1,344,328,794.60	1,332,328,987.20	127,569,051.86

26.3 Defined contribution plans

Defined contribution plans item	12/31/2022	Increase	Decrease	12/31/2023
Basic endowment insurance premium		164,119,623.47	164,119,623.47	
Unemployment insurance premium		3,630,841.60	3,630,841.60	
Payment of annuity		64,996,389.80	64,996,389.80	
Allowance for retired personnel		13,729,219.77	13,729,219.77	
Other		429,695.22	429,695.22	
Total		246,905,769.86	246,905,769.86	

27. Taxes and dues payable

Items	12/31/2023	12/31/2022
Value added tax	19,231,930.18	15,434,028.66
City construction tax	741,818.53	1,001,911.87
Education fee additional tax	340,261.18	437,105.99
Local education fee additional tax	224,001.75	291,403.93
Land use tax	262,871.20	638,490.02
Urban real estate tax	1,683,815.04	1,402,400.90
Income tax	60,970,769.11	69,380,197.66
Stamp tax	1,209,900.07	1,104,365.86
Individual income tax	3,781,736.35	672,697.68
Port security fee , etc.	20,005,633.97	46,669,849.58
Total	108,452,737.38	137,032,452.15

28. Other payables

28.1 Category

Items	12/31/2023	12/31/2022
Interests payable		
Dividends payable	9,800,000.00	9,800,000.00
Other payables	761,914,209.67	537,419,968.04
Total	771,714,209.67	547,219,968.04

28.2 Dividends payable

Major Investor Name	12/31/2023	12/31/2022
Jiangsu shagang Group Co Ltd	2,000,000.00	2,000,000.00
Wanbang Industrial Port Development Management Co., Ltd	7,800,000.00	7,800,000.00
Total	9,800,000.00	9,800,000.00

28.3 Other payables

a) Aging presentation of other payables

Aging	12/31/2023		12/31/2022	
	Amount	%	Amount	%
Within 1 year	308,156,059.89	40.44	197,772,345.59	36.80
1-2 year	179,715,730.44	23.59	241,889,580.80	45.01
2-3 year	176,284,377.69	23.14	42,621,732.98	7.93
Over 3 year	97,758,041.65	12.83	55,136,308.67	10.26
Total	761,914,209.67	100.00	537,419,968.04	100.00

b) Classification of other receivables by nature

Nature of payment	12/31/2023	12/31/2022
Security deposit	95,165,094.89	89,908,785.28
Third party payment	229,237,757.57	125,529,425.52
Medical co-ordination fund		101,768,839.39
Other payables	405,166,023.21	220,212,917.85
Loan	32,345,334.00	
Total	761,914,209.67	537,419,968.04

c) Top five entities with the largest balances of other payables

Company name	Relationship with the Company	Amount	Aging	Proportion in the total (%)	Business content
Shanghai Yuzhou Shipping Co., Ltd	Related party	109,338,398.68	Within 1 year 495,772; 1-2 年 108,842,626.68	14.35	Payment for other
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	Related party	99,570,000.00	Within 1 year	13.07	Payment for other
Lianyungang Hengxintong Mining Co., Ltd	Non related party	55,631,318.01	1-2 year 129,456.22; 2-3 year 5,340,000; Over 3 year 50,161,861.79	7.30	Payment for other
Lianyungang Port Holding Group Ganyu Co., Ltd	Related party	46,880,000.00	Within 1 year	6.15	Payment for other
Withholding and paying social security on behalf of others	Non related party	17,065,983.20	Within 1 year	2.24	Withholding and paying
Total		328,485,699.89		43.11	

29. Non-current liabilities due within one year

Item	12/31/2023	12/31/2022
Long-term loans due within one year	1,301,999,294.62	2,952,396,429.99
Bond payable due within one year	4,560,000,000.00	5,682,910,158.67
Long-term payable due within one year	1,263,944,104.10	590,672,405.34
Accrued interest	178,324,796.67	131,843,515.68
Total	7,304,268,195.39	9,357,822,509.68

30. Other current liabilities

Items	12/31/2023	12/31/2022
Output tax to be transferred	83,545,935.08	44,495,564.24
Short term payable bonds	3,155,750,000.00	5,455,000,000.00
Accrued interest on short-term payable bonds	63,241,069.43	28,795,972.23
Endorsed transfer notes that have not been terminated for confirmation	31,691,039.84	17,424,041.93
Total	3,334,228,044.35	5,545,715,578.40

31. Long-term loan

Items	12/31/2023	12/31/2022
Credit loans	8,428,830,202.06	2,455,077,271.34
Mortgage loan	2,382,559,321.22	3,757,049,942.70
Guaranteed loans	4,078,170,000.00	2,520,850,000.00
Accrued interest	70,731,917.91	18,491,554.30
Total	14,960,291,441.19	8,751,468,768.34

32. Bonds payable

32.1 Bonds payable exhibit by item

Items	12/31/2023	12/31/2022
Agricultural Bank 18 Lianyungang MTN001		497,193,906.06
China Merchants Bank 19 Lianyungang MTN001	899,575,586.93	897,051,419.63
Bank of Communications 19 Lianyungang MTN002	800,000,000.00	800,000,000.00
China Merchants Bank 19 Lianyungang MTN003	499,063,850.81	497,805,036.81
20 Lianyungang PPN001		498,683,505.41
20 Lianyungang PPN002		499,545,933.07
20 Yungang 01		998,160,513.02
20 Lianyungang PPN003		498,050,796.48
20 Lianyungang PPN004		499,297,003.50
20 Lianyungang PPN006		199,206,605.08
20 Lianyungang MTN001		696,320,169.12
21 Lianyungang MTN001		300,000,000.00
20 Lianyungang PPN007		497,498,049.41
21 Lianyungang PPN002		498,953,677.52
2022 Lianyungang PPN001	500,000,000.00	500,542,744.60
2022 Lianyungang MTN001	540,000,000.00	540,940,048.56
22 Lianyungang MTN002	460,000,000.00	460,703,622.57
22 Yungang 02	339,231,975.76	338,678,884.83
22 Yungang 03	359,614,933.34	358,709,111.24
2022 Lianyungang PPN002	900,000,000.00	900,000,000.00
22 Lianyungang PPN3A	300,000,000.00	300,000,000.00
22 Lianyungang PPN3B	300,000,000.00	300,000,000.00
22 Yungang 04	199,663,794.35	199,140,321.40
22 Yungang 05	797,779,427.33	796,387,480.61
23 Lianyungang PPN001	499,224,406.40	
23 Lianyungang PPN002	499,224,406.40	
23 Lianyungang MTN001	997,903,367.42	
23 Lianyungang MTN003	498,444,627.99	
23 Lianyungang MTN004	498,849,862.64	
23 Lianyungang MTN005	398,487,317.79	
23 Lianyungang PPN003A	895,799,983.90	

Items	12/31/2023	12/31/2022
23 Lianyungang PPN003B	99,277,507.78	
23 Lianyungang MTN006	300,000,000.00	
23 Lianyungang PPN004	497,786,862.71	
23 Lianyungang PPN005	500,000,000.00	
23 Lianyungang MTN007	298,704,186.27	
23 Lianyungang PPN006	495,778,039.02	
23 Lianyungang PPN007	500,000,000.00	
USD $31 million oversea foreign debt	2,185,794,982.85	2,143,434,596.53
Accrued interest	452,750,516.67	471,733,799.70
Less: bonds payable due within one year	4,560,000,000.00	5,682,910,158.67
Accrued interest on bonds due and payable within one year	166,093,627.78	131,843,515.68
Total	11,786,862,008.58	9,373,283,550.80

32.2 Changes in bonds payable

Name of Bond	Nominal Value	Issuance date	Bond Terms	Issuance Amount
Agricultural Bank 18 Lianyungang MTN001	500,000,000.00	2018-2-28	2023-2-28	500,000,000.00
China Merchants Bank 19 Lianyungang MTN001	900,000,000.00	2019-2-22	2024-2-22	900,000,000.00
Bank of Communications 19 Lianyungang MTN002	800,000,000.00	2019-7-5	2024-7-5	800,000,000.00
China Merchants Bank 19 Lianyungang MTN003	500,000,000.00	2019-7-30	2024-7-30	500,000,000.00
20 Lianyungang PPN001	500,000,000.00	2020-1-7	2023-1-5	500,000,000.00
20 Lianyungang PPN002	500,000,000.00	2020-1-16	2023-1-16	500,000,000.00
20 Yungang 01	1,000,000,000.00	2020-2-13	2023-2-13	1,000,000,000.00
20 Lianyungang PPN003	500,000,000.00	2020-4-30	2023-4-30	500,000,000.00
20 Lianyungang PPN004	500,000,000.00	2020-7-8	2023-7-8	500,000,000.00
20 Lianyungang PPN006	200,000,000.00	2020-8-3	2023-8-3	200,000,000.00
20 Lianyungang MTN001	700,000,000.00	2020-10-9	2023-10-9	700,000,000.00
21 Lianyungang MTN001	300,000,000.00	2021-5-28	2023-5-28	300,000,000.00
20 Lianyungang PPN007	500,000,000.00	2020-11-12	2023-11-10	500,000,000.00
21 Lianyungang PPN002	500,000,000.00	2021-6-23	2023-6-23	500,000,000.00
2022 Lianyungang PPN001	500,000,000.00	2022-3-16	2024-3-16	500,000,000.00
2022 Lianyungang MTN001	540,000,000.00	2022-2-25	2024-2-25	540,000,000.00
22 Lianyungang MTN002	460,000,000.00	2022-6-10	2024-6-10	460,000,000.00
22 Yungang 02	340,000,000.00	2022-6-28	2025-6-25	340,000,000.00
22 Yungang 03	360,000,000.00	2022-6-28	2024-6-25	360,000,000.00
2022 Lianyungang PPN002	900,000,000.00	2022-7-14	2025-7-14	900,000,000.00
22 Lianyungang PPN3A	300,000,000.00	2022-8-18	2024-8-18	300,000,000.00
22 Lianyungang PPN3B	300,000,000.00	2022-8-18	2025-8-18	300,000,000.00
22 Yungang 04	200,000,000.00	2022-9-21	2024-9-22	200,000,000.00
22 Yungang 05	800,000,000.00	2022-9-21	2025-9-22	800,000,000.00
23 Lianyungang PPN001	500,000,000.00	2023-1-5	2025-1-5	500,000,000.00

Name of Bond	Nominal Value	Issuance date	Bond Terms	Issuance Amount
23 Lianyungang PPN002	500,000,000.00	2023-1-17	2025-1-17	500,000,000.00
23 Lianyungang MTN001	1,000,000,000.00	2023-2-17	2026-2-17	1,000,000,000.00
23 Lianyungang MTN003	500,000,000.00	2023-3-27	2025-3-27	500,000,000.00
23 Lianyungang MTN004	500,000,000.00	2023-6-8	2026-6-8	500,000,000.00
23 Lianyungang MTN005	400,000,000.00	2023-6-29	2025-6-29	400,000,000.00
23 Lianyungang PPN003A	900,000,000.00	2023-7-19	2025-7-19	900,000,000.00
23 Lianyungang PPN003B	100,000,000.00	2023-7-19	2026-7-19	100,000,000.00
23 Lianyungang MTN006	300,000,000.00	2023-7-12	2026-7-12	300,000,000.00
23 Lianyungang PPN004	500,000,000.00	2023-8-16	2025-8-16	500,000,000.00
23 Lianyungang PPN005	500,000,000.00	2023-10-26	2026-10-26	500,000,000.00
23 Lianyungang MTN007	300,000,000.00	2023-11-15	2026-11-15	300,000,000.00
23 Lianyungang PPN006	500,000,000.00	2023-11-23	2026-11-23	500,000,000.00
23 Lianyungang PPN007	500,000,000.00	2023-12-6	2026-12-6	500,000,000.00
USD $31 million oversea foreign debt	2,074,613,000.00	2022-6-17	2025-7-17	2,074,613,000.00
Total	21,174,613,000.00			19,100,000,000.00

(Continued)

Name of Bond	12/31/2022	Increase	Decrease	12/31/2023
Agricultural Bank 18 Lianyungang MTN001	497,193,906.06	2,806,093.94	500,000,000.00	
China Merchants Bank 19 Lianyungang MTN001	897,051,419.63	2,524,167.30		899,575,586.93
Bank of Communications 19 Lianyungang MTN002	800,000,000.00			800,000,000.00
China Merchants Bank 19 Lianyungang MTN003	497,805,036.81	1,258,814.00		499,063,850.81
20 Lianyungang PPN001	498,683,505.41	1,316,494.59	500,000,000.00	
20 Lianyungang PPN002	499,545,933.07	454,066.93	500,000,000.00	
20 Yungang 01	998,160,513.02	1,839,486.98	1,000,000,000.00	
20 Lianyungang PPN003	498,050,796.48	1,949,203.52	500,000,000.00	
20 Lianyungang PPN004	499,297,003.50	702,996.50	500,000,000.00	
20 Lianyungang PPN006	199,206,605.08	793,394.92	200,000,000.00	
20 Lianyungang MTN001	696,320,169.12	3,679,830.88	700,000,000.00	
21 Lianyungang MTN001	300,000,000.00		300,000,000.00	
20 Lianyungang PPN007	497,498,049.41	2,501,950.59	500,000,000.00	
21 Lianyungang PPN002	498,953,677.52	1,046,322.48	500,000,000.00	
2022 Lianyungang PPN001	500,542,744.60		542,744.60	500,000,000.00
2022 Lianyungang MTN001	540,940,048.56		940,048.56	540,000,000.00
22 Lianyungang MTN002	460,703,622.57		703,622.57	460,000,000.00
22 Yungang 02	338,678,884.83	553,090.93		339,231,975.76
22 Yungang 03	358,709,111.24	905,822.10		359,614,933.34
2022 Lianyungang PPN002	900,000,000.00			900,000,000.00
22 Lianyungang PPN3A	300,000,000.00			300,000,000.00
22 Lianyungang PPN3B	300,000,000.00			300,000,000.00
22 Yungang 04	199,140,321.40	523,472.95		199,663,794.35

Name of Bond	12/31/2022	Increase	Decrease	12/31/2023
22 Yungang 05	796,387,480.61	1,391,946.72		797,779,427.33
23 Lianyungang PPN001		500,724,406.40	1,500,000.00	499,224,406.40
23 Lianyungang PPN002		500,724,406.40	1,500,000.00	499,224,406.40
23 Lianyungang MTN001		1,000,000,000.00	2,096,632.58	997,903,367.42
23 Lianyungang MTN003		500,991,797.80	2,547,169.81	498,444,627.99
23 Lianyungang MTN004		500,000,000.00	1,150,137.36	498,849,862.64
23 Lianyungang MTN005		400,525,053.64	2,037,735.85	398,487,317.79
23 Lianyungang PPN003A		901,064,983.90	5,265,000.00	895,799,983.90
23 Lianyungang PPN003B		100,133,407.78	855,900.00	99,277,507.78
23 Lianyungang MTN006		300,000,000.00		300,000,000.00
23 Lianyungang PPN004		500,636,862.71	2,850,000.00	497,786,862.71
23 Lianyungang PPN005		500,000,000.00		500,000,000.00
23 Lianyungang MTN007		300,054,186.27	1,350,000.00	298,704,186.27
23 Lianyungang PPN006		500,143,039.02	4,365,000.00	495,778,039.02
23 Lianyungang PPN007		500,000,000.00		500,000,000.00
USD $31 million oversea foreign debt	2,143,434,596.53	42,360,386.32		2,185,794,982.85
Accrued interest	471,733,799.70			452,750,516.67
Less: bonds payable due within one year	5,682,910,158.67			4,560,000,000.00
Accrued interest on bonds due and payable within one year	131,843,515.68			166,093,627.78
Total	9,373,283,550.80	7,071,605,685.57	5,727,703,991.33	11,786,862,008.58

33. Lease liabilities

Items	12/31/2023	12/31/2022
Lease payments	12,225,859.08	17,328,473.88
Less: Unconfirmed financing costs	1,309,913.47	2,109,888.20
Total	10,915,945.61	15,218,585.68

34. Long-term payable

34.1 Category

Items	12/31/2023	12/31/2022
Long-term payable	3,494,673,059.82	4,231,483,480.64
Long-term employee benefits payable	18,374,366.32	20,338,130.69
Special payable	385,405,102.58	478,453,942.72
Total	3,898,452,528.72	4,730,275,554.05

34.2 Long-term payable

Items	12/31/2023	12/31/2022
Subsidiary borrows long-term funds from minority shareholders	49,000,000.00	58,800,000.00
Finance lease payable	3,530,139,798.69	4,313,315,333.74
Less: Unconfirmed financing costs	84,466,738.87	140,631,853.10
Total	3,494,673,059.82	4,231,483,480.64

34.3 Long-term employee benefits payable

Items	12/31/2023	12/31/2022
Post-employment benefits-defined benefit plan net liabilities	18,374,366.32	20,338,130.69
Total	18,374,366.32	20,338,130.69

34.4 Special payable

Items	12/31/2022	Increase	Decrease	12/31/2023
The government appropriated funds for the construction of the project	14,775,951.77			14,775,951.77
Lianyungang frontier inspection station command center	20,000,000.00			20,000,000.00
Qitai operating area- Construction Funds of Special Railway Project in Liquid Bulk Berth	8,500,000.00			8,500,000.00
Special fund for entrance channel project of liquid bulk cargo berth area in Xuwei port area of Lianyungang Port	24,820,000.00		24,820,000.00	
Return of sea area use fee for Lianyungang South Port highway improvement project	22,414,048.23			22,414,048.23
Land formation of port support system in Lianyungang district and funds for public supporting projects	19,280,000.00			19,280,000.00
Special fund for harbor channel maintenance dredging project	77,410,000.00			77,410,000.00
Shanghai Cooperation Organization (Lianyungang) International Logistics Park Railway loading and unloading station project	88,000,000.00		58,000,000.00	30,000,000.00
Nanshugang highway improvement project	64,764,083.00			64,764,083.00
Big Data Center		17,600,000.00		17,600,000.00
Compensation collected by Lianyun District housing levy Bureau	3,290,800.00		3,290,800.00	
Special funds for dredging and maintenance	1,386,399.17		625,128.28	761,270.89
Special funds for belt conveyer system	10,780,000.00			10,780,000.00
Special railway project shaoxianghe super large bridge project	46,000,000.00			46,000,000.00
Special Subsidy from the Ministry of Communications	50,000,000.00			50,000,000.00
Foreign trade public service platform construction funds	1,000,000.00		1,000,000.00	
Integrated logistics project (phase II)	4,000,000.00		4,000,000.00	
Promote steady growth of foreign trade and adjust structure	1,600,000.00		1,600,000.00	
Port facility security fee of the Transportation Bureau		3,119,748.69		3,119,748.69
Shore Power Project of Berths 103 and 104 in Xuwei Port Area of Port of Lianyungang	5,240,000.00		5,240,000.00	
110KV Nangang Line/78C Port Area Branch Line Relocation Project of Liansu Expressway	15,192,660.55		15,192,660.55	
Total	478,453,942.72	20,719,748.69	113,768,588.83	385,405,102.58

35. Provisions

Items	12/31/2022	Increase	Decrease	12/31/2023	Forming reason
Shanhai Guarantee Corporation - provision of the guarantee compensation	10,863,494.85	2,562,000.00		13,425,494.85	reserve
Shanhai Guarantee Corporation- provision of immature liability	1,092,852.88	213,864.10		1,306,716.98	reserve
Suqian Traffic Logistic - compensation	853,276.34			853,276.34	
Provision for impairment of credit commitment	2,619,923.01		2,591,831.36	28,091.65	
Total	15,429,547.08	2,775,864.10	2,591,831.36	15,613,579.82	

Note: The provision for impairment of credit commitment refers to the bank draft accepted by the subsidiary financial company as the acceptor. The provision for impairment of credit commitment is calculated according to 2.5% of the provision for impairment of credit commitment of the financial company.

36. Deferred Incomes

Items	12/31/2022	Increase	Decrease	12/31/2023
Government subsidy	44,136,647.65	66,432,660.55	3,119,756.43	107,449,551.77
Total	44,136,647.65	66,432,660.55	3,119,756.43	107,449,551.77

Note: Details of government grants are shown in Notes V-63. Government grants.

37. Paid-in capital

Items	12/31/2022		Increase	Decrease	12/31/2023	
	Amount	%			Amount	%
Lianyungang port Holding Group Co., Ltd.	7,000,000,000.00	89.51			7,000,000,000.00	89.51
Guo Kai Development Fund Co., Ltd.	820,000,000.00	10.49			820,000,000.00	10.49
Total	7,820,000,000.00	100.00			7,820,000,000.00	100.00

38. Other equity instruments

Items	12/31/2022	Increase	Decrease	12/31/2023
Perpetual capital securities	715,480,000.00	3,000,000,000.00	715,480,000.00	3,000,000,000.00
Total	715,480,000.00	3,000,000,000.00	715,480,000.00	3,000,000,000.00

39. Capital surplus

Items	12/31/2023	Increase	Decrease	12/31/2023
Ministry of communication return the port construction fees and pay the construction capital	1,051,144,343.25			1,051,144,343.25
State owned assets supervision and Administration Commission of Lianyungang transfer assets	1,841,423,974.39		73,173,551.89	1,768,250,422.50
Other capital surplus	1,832,004,855.80		246,285,111.46	1,585,719,744.34
total	4,724,573,173.44		319,458,663.35	4,405,114,510.09

Note :

Capital surplus changes in the current period:

(1) The difference between the purchase of minority equity in subsidiaries and the acquisition of net asset shares reduces capital reserve by 73,173,551.89 yuan; (2) Divestment of assets reduces capital reserve by

246,285,111.46 yuan.

40. Other Comprehensive Incomes

Item	Opening Balance	Current Period					Closing Balance
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit or loss	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	
1. Other comprehensive incomes that cannot be reclassified into the profit and loss	26,047,144.18	-3,826,298.40		-956,574.60	-2,869,723.80		23,177,420.38
Include: Recalculate the defined benefit plan liabilities and net change in net assets							
Share of profit or loss that under the equity method investees cannot reclassify into other profit and loss							
Changes in fair value of other equity instrument investments	26,047,144.18	-3,826,298.40		-956,574.60	-2,869,723.80		23,177,420.38
2.Other consolidate incomes that will be reclassified into profit and loss	-223,218,927.10	144,500,593.65			144,500,593.65		-78,718,333.45
Include: share of profit or loss that under the equity method investees will reclassify into profit and loss	6,016,280.31	3,974,344.29			3,974,344.29		9,990,624.60
Changes in fair value of other debt investments							
Provision for credit impairment of other debt investments							
Effective part of profit and loss of cash flow hedging							
Difference from conversion of financial statements in foreign currency	-229,235,207.41	140,526,249.36			140,526,249.36		-88,708,958.05
Others							

Item	Opening Balance	Current Period					Closing Balance
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit or loss	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	
Other comprehensive Income Total	-197,171,782.92	140,674,295.25		-956,574.60	141,630,869.85		-55,540,913.07

41. Special reserves

Items	12/31/2022	Increase	Decrease	12/31/2023
Safe production cost	82,177.38	84,395,039.27	84,209,180.01	268,036.64
total	82,177.38	84,395,039.27	84,209,180.01	268,036.64

42. Surplus reserve

Items	12/31/2022	Increase	Decrease	12/31/2023
Statutory accumulation reserve	7,610,257.91			7,610,257.91
total	7,610,257.91			7,610,257.91

43. General risk preparedness

Items	12/31/2022	Increase	Decrease	12/31/2023	Reasons for change
General risk preparedness	29,169,577.24			29,169,577.24	
total	29,169,577.24			29,169,577.24	

44. Undistributed profit

Items	2023	2022
Beginning balance before adjustment	173,962,020.65	176,526,540.14
Adjustment for beginning balance(increase+,decrease-)		-13,154,932.14
Beginning balance after adjustment	173,962,020.65	163,371,608.00
Plus: net profit attributable to owners of the parent company for the current period	52,523,348.04	55,580,412.65
Less: Withdrawal of statutory surplus reserves		
Turn over the income from State-owned Assets	60,000,000.00	44,990,000.00
Ending balance	166,485,368.69	173,962,020.65

45. Operating revenue

45.1 Sales and other operating income

Items	2023 (Jan-Dec)		2022 (Jan-Dec)	
	Revenue	Cost	Revenue	Cost
Main operations	15,688,100,480.41	13,385,683,233.83	14,978,010,568.25	13,007,476,024.26
Other operations	844,421,713.74	595,991,594.31	836,108,104.33	628,275,531.62
Total	16,532,522,194.15	13,981,674,828.14	15,814,118,672.58	13,635,751,555.88

45.2 Main operations (disclosure by branch line of business)

Items	2023 (Jan-Dec)		2022 (Jan-Dec)	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Loading and unloading income	3,584,868,784.09	2,408,537,022.69	3,381,631,916.77	2,326,178,236.55

Items	2023 (Jan-Dec)		2022 (Jan-Dec)	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Stockpiling income	237,317,801.57	176,341,211.97	247,497,246.86	187,732,703.40
Management revenue	562,011,442.10	439,144,436.13	495,565,151.58	393,331,401.96
Sales revenue	8,507,010,799.58	8,239,898,279.01	8,362,818,956.94	8,151,604,667.57
Engineering Income	2,698,386,615.28	2,077,472,010.40	2,427,555,254.14	1,922,942,903.17
Other	98,505,037.79	44,290,273.63	62,942,041.96	25,686,111.61
Total	15,688,100,480.41	13,385,683,233.83	14,978,010,568.25	13,007,476,024.26

45.3 Other operations

Items	2023 (Jan-Dec)		2022 (Jan-Dec)	
	Other operating revenue	Other operating cost	Other operating revenue	Other operating cost
Ship rental income	38,460,802.53	18,260,605.84	35,533,282.33	17,387,756.49
Rental income from other assets	84,412,139.27	13,619,713.89	83,725,632.61	12,024,261.51
Tally income	52,216,208.72	27,244,629.74	44,594,057.67	22,877,284.19
Agency income	505,350,614.54	436,689,694.57	519,790,541.37	452,712,586.65
Real estate income	17,381,522.56	19,786,654.91	36,731,725.84	37,375,674.82
Communication income	33,454,114.65	21,494,073.37	22,352,961.79	14,260,269.29
Supply income	42,239,609.04	32,634,094.23	36,596,369.60	29,295,640.25
Others	70,906,702.43	26,262,127.76	56,783,533.12	42,342,058.42
Total	844,421,713.74	595,991,594.31	836,108,104.33	628,275,531.62

46. Taxes and surcharge

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
City construction tax	7,524,096.44	7,734,563.72
Education fee additional tax	3,327,504.31	3,450,214.72
Local education fee additional tax	2,214,802.82	2,301,650.56
Urban real estate tax	5,823,546.85	6,322,923.66
Land use tax	1,308,502.13	4,596,688.54
Vehicle and vessel usage tax	451,361.32	338,537.79
Stamp tax	10,164,324.26	5,154,125.64
Increment tax on land value	163,212.99	335,614.73
Others	1,414,502.68	1,263,089.09
Total	32,391,853.80	31,497,408.45

47. Selling and distribution expenses

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Staff salary	2,421,756.66	2,453,255.49
Office expenses	187,408.58	143,468.89
Business entertainment	278,957.19	460,100.68
Travel expenses	468,973.47	105,843.33
Fuel	99,509.47	97,779.43
Post and Telecommunications fee	43,822.70	47,635.80

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Repair cost	72,802.55	10,347.80
Others	59,257.53	61,069.18
Total	3,632,488.15	3,379,500.60

48. Administrative expenses

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Staff salary	516,951,223.68	561,566,119.88
Depreciation charge	125,551,804.93	120,575,255.60
Repair cost	19,408,268.35	16,052,921.51
Water and electricity	14,940,376.67	17,419,164.83
Business entertainment	20,579,837.54	18,332,337.88
Labor service fee	67,068,589.38	67,726,132.81
Office expenses	36,343,648.62	25,319,614.87
Travel expenses	13,636,050.11	7,304,762.21
Consulting fees	16,227,957.57	13,406,579.74
Insurance premium	9,091,340.91	9,797,033.85
Long-term prepaid expenses	10,245,319.12	12,172,953.47
Rental fee	12,437,246.90	13,260,931.34
Fuel	4,362,136.22	4,603,992.85
Material	3,338,918.43	2,861,655.40
Post and Telecommunications fee	6,487,997.44	7,174,393.90
Amortization of intangible assets	96,174,834.33	113,093,292.23
Audit fee	5,723,023.26	3,420,658.84
Advertising and publicity expenses	7,870,132.40	1,938,168.37
Labor protection	6,248,256.02	4,061,664.63
Low value consumables	3,427,080.96	3,456,467.13
Conference fee	2,347,564.04	1,184,884.06
Board funding	5,459,505.71	599,075.87
Afforestation fees	1,010,006.05	1,050,965.59
Others	16,458,226.11	11,892,171.82
Total	1,021,389,344.75	1,038,271,198.68

49. Research and development expenses

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Staff salary	34,009,326.64	40,847,701.23
Direct inputs	28,917,407.03	31,208,888.54
Depreciation charge	5,964,110.20	4,368,208.82
Others	4,671,128.66	704,207.71
Entrust external R&D	2,477,517.48	1,226,415.09
Total	76,039,490.01	78,355,421.39

50. Financial expenses

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Interest expenses	1,488,399,334.76	1,442,441,431.68
Less: Interest income	86,362,253.45	102,518,334.79
Add:Exchange loss	15,413,412.66	12,120,109.26
Add:Commission	7,329,022.52	21,974,747.80
Total	1,424,779,516.49	1,374,017,953.95

51. Other income

Items	2023 (Jan-Dec)	2022 (Jan-Dec)	Amount included in current non-recurrent gains and losses
Government subsidy	433,329,156.90	156,970,623.53	433,329,156.90
VAT plus and minus	11,168,545.03	15,739,580.94	
Refund of handling charges for withholding individual income tax	503,969.47	199,962.36	
Income from debt restructuring	128,849.09		128,849.09
Total	445,130,520.49	172,910,166.83	433,458,005.99

52. Investment income

Sources of investment income	2023 (Jan-Dec)	2022 (Jan-Dec)
Investment income from long-term equity investments under the equity method	110,150,512.25	97,811,155.45
Investment income from disposing long-term equity investments	77,222.27	585,830,787.47
Investment income e from disposing Financial assets held for trading	724,529.89	
Investment income obtained during the holding period of Financial assets held for trading		12,923.24
Investment income obtained during the holding period of Investment in other equity instruments		1,850,000.00
Dividend income from other non current financial assets during holding period	2,500,000.00	
Others	12,738,352.36	5,000,000.00
Total	126,190,616.77	690,504,866.16

53. Gains from changes in fair value

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Financial assets held for trading	1,262,750.00	-1,262,750.00
Total	1,262,750.00	-1,262,750.00

54. Credit impairment loss ("-" for losses)

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Bad debt loss of accounts receivable	-12,504,225.42	-40,486,678.27
Bad debt loss of other receivables	-28,530,186.37	-6,657,623.89
Provision for impairment of credit commitment	2,591,831.36	-2,374,923.01
Total	-38,442,580.43	-49,519,225.17

55. Credit impairment loss ("-" for losses)s

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Provision for inventory write-down	31,785.25	
Total	31,785.25	

56. Gains from disposal of assets

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Gains or losses from disposal of fixed assets	27,309,438.12	1,561,348.51
Gains or losses from disposal of Construction in progress		9,547,341.88
Total	27,309,438.12	11,108,690.39

57. Non-operating income

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Government subsidies unrelated to daily activities of enterprises	3,747,184.86	
Fine net income	1,097,017.33	6,227,274.21
Compensation	143,712.72	425,876.60
Accounts payable that cannot be disbursed	14,587,280.75	4,582,079.48
Others	7,877,763.33	7,097,916.39
Total	27,452,958.99	18,333,146.68

58. Non-operating expenses

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Donation expenses	452,120.61	3,467,608.00
Losses on scrapping of fixed assets	254,793.11	621,231.56
Fine expenditure	1,686,300.47	4,481,331.72
Port opening support funds	17,820,000.00	21,470,000.00
Compensation expenses for breach of contract	1,058,544.22	
Others	8,208,359.23	2,907,337.38
Total	29,480,117.64	32,947,508.66

59. Income tax

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Current income tax according to the Income Tax Law	177,800,553.58	155,134,092.95
Deferred income tax adjustment	28,796,749.46	7,632,184.65
Total	206,597,303.04	162,766,277.60

60. Cash flow statement

60.1 Cash received from other operating activities:

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Subsidy income	397,136,585.33	167,410,892.10
Deposit interest income	86,362,253.45	102,518,334.79
Rent income	53,528,551.15	119,258,914.94
Collect the allowance for container routes	77,040,000.00	30,000,000.00
Others	153,303,041.13	102,964,708.03
Fine net income	1,097,017.33	6,227,274.21
Collection of commission on behalf of others	465,681.39	199,962.36
Compensation	143,712.72	425,876.60
Total	769,076,842.50	529,005,963.03

60.2 Cash paid for other operating activities:

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Selling expenses, General and administrative expenses,R&D	268,721,408.10	261,472,866.82
Penalty or tax delay charge	1,686,300.47	4,481,331.72
Allowance for container routes	65,742,046.22	63,785,403.78
Dealings between related companies	885,973,323.59	1,032,232,453.74
Port opening support funds	17,820,000.00	21,470,000.00
Total	1,239,943,078.38	1,383,442,056.06

60.3 Cash Received from other investing activities

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Net cash received from deregistration of subsidiaries	6,567,343.94	
Increased net cash from acquisition of subsidiaries		70,774,659.14
Total	6,567,343.94	70,774,659.14

60.4 Cash paid for other investing activities

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Cash balance received from disposal of subsidiaries		15,891,303.53
Cash paid for financing leases	29,663,258.33	19,142,645.10
Cash paid for corporate loans	812,250,148.39	
Total	841,913,406.72	35,033,948.63

60.5 Cash Received from other financing activities

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Special accounts payable	20,719,748.69	108,736,743.55
Finance lease		146,624,966.29
Margin recovery		350,629,608.64
Issue of perpetual bonds	3,000,000,000.00	715,480,000.00
Others		491,151,167.22
Total	3,020,719,748.69	1,812,622,485.70

60.6 Cash paid for other financing activities

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Financing Commission	7,329,022.52	21,974,747.80
Cash paid for purchasing minority equity in subsidiaries	500,000,000.00	600,000,000.00
Redemption of perpetual bonds	715,480,000.00	1,166,500,000.00
Payment of bill deposit	111,302,654.93	
Repayment of financing lease payments	109,903,836.29	
Others	72,774,985.44	
Total	1,516,790,499.18	1,788,474,747.80

61. Supplementary information of cash flow statement

61.1 Reconciliation of net profit/(loss)to cash flows from operating activities

SUPPLEMENTARY INFORMATION	2023 (Jan-Dec)	2022 (Jan-Dec)
1.Reconciliation of net profit/(loss)to cash flows from operating activities		

SUPPLEMENTARY INFORMATION	2023 (Jan-Dec)	2022 (Jan-Dec)
Net profit	345,472,741.32	299,206,742.26
Add: Provision for credit impairment	38,442,580.43	49,519,225.17
Provision for asset impairment	-31,785.25	
Depreciation of fixed assets	839,835,396.11	776,305,857.34
Amortization of intangible assets	111,008,244.53	113,093,292.23
Amortization of long-term prepaid expenses	48,648,703.00	38,102,722.07
Losses on disposal of fixed assets, intangible assets&other long-term assets' deduct gains	-27,309,438.12	-11,108,690.39
Losses on disposal of fixed assets	254,793.11	621,231.56
Exposure to hedging gains		
Losses on changes of fair value	-1,262,750.00	1,262,750.00
Financial expenses	1,511,141,769.94	1,476,536,288.74
Losses arising from investments(deduct: gains)	-126,190,616.77	-690,504,866.16
Decrease in deferred tax debit	26,614,903.53	-3,374,507.75
Increase in deferred tax credit	2,181,845.93	11,006,692.40
Decrease in inventories(deduct: increase)	-497,809,441.90	-344,825,620.82
Decrease in operating receivables(deduct: increase)	-2,082,214,280.07	-2,014,849,138.74
Increase in operating payables(deduct: decrease)	145,132,107.25	580,370,630.85
Others		
Net cash flows from operating activities	333,914,773.04	281,362,608.76
2.Investing and financing activities that do not involve cash receipts and payment:		
Conversion of debt into capital		
Reclassification of convertible bonds expiring within one year as current liability		
Fixed assets acquired under finance leases		
3.Net increase/(decrease) in cash and cash equivalents		
Cash at end of year	3,791,233,893.96	3,252,333,898.27
Less: Cash at beginning of year	3,252,333,898.27	1,912,941,571.97
Plus: Cash equivalents at end of year		
Less: Cash equivalents at beginning of year		
Net increase/(decrease) in cash and cash equivalents	538,899,995.69	1,339,392,326.30

61.2 Composition of Cash & Cash Equivalent

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
1. Cash	3,791,233,893.96	3,252,333,898.27
Including: Cash On Hand	7,623.57	13,345.49
Cash in bank	3,788,088,605.59	3,250,290,222.38
Other monetary funds	3,137,664.80	2,030,330.40
2. Cash Equivalents		
Including: Bond Investment Maturing within 3 Months		
3. Closing Balance of Cash & Cash Equivalents	3,791,233,893.96	3,252,333,898.27

62. Assets with Restricted Ownership or Use Rights

Items	Amount	Limited reason
Cash & Cash Equivalents	1,086,434,044.87	Bank acceptance deposits
Intangible assets	3,039,520,117.45	Mortgage loan of land use right

Items	Amount	Limited reason
		and sea area use right
Total	4,125,954,162.32	

63. Government grants

63.1 Government subsidies recognized by accounts receivable at the end of the reporting period

No.

63.2 Liabilities involving government subsidies

Item	12/31/2022	Addition	Transfer to Non-operating income	Transfer to Other income	Other	12/31/2023
Deferred revenue	44,136,647.65	66,432,660.55		3,119,756.43		107,449,551.77
Including: Related to Assets	44,136,647.65	66,432,660.55		3,119,756.43		107,449,551.77
Related to income						

63.3 Government grants included in profit and loss

Items	2023 (Jan-Dec)	2022 (Jan-Dec)
Other income	433,329,156.90	156,970,623.53
Non-operating income	3,747,184.86	
Total	437,076,341.76	156,970,623.53

VI. Changes in Consolidated Scope

1. Business Combination not under common Control :

No.

2. Business Combination under common Control during Current Period:

No.

3. Other changes in Consolidated Scope

Company name	Reason
Add::	
Lianyungang Lianhe Express Logistics Co., Ltd	Newly established company
Lianyungang Huishun Shipping Co., Ltd	Newly established company
Less:	
Lianyungang Lianhe Yishang Technology Service Company	No operation, absorption, merger, and cancellation
Lianyungang Lianhe Financial Services Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Yada Automotive Parts Trading Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Hengxin Plastic Wood Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Huaxiang Construction Machinery Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Xianda New Technology Engineering Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Port Engineering Test and Testing Center Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Pengxiang Landscape Engineering Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Port Construction Project Management Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Xinli Port Wharf Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Port Catering Services Co., Ltd	No operation, absorption, merger, and cancellation

Company name	Reason
Lianyungang Xinjie Bay Wharf Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Xinzheng Bay Wharf Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Xinduo Port Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Xinya Port Terminal Co., Ltd	No operation, absorption, merger, and cancellation
Lianyungang Huigang Aquatic Products Development Co., Ltd	No operation, absorption, merger, and cancellation

VII. Interests in Other Entities

1. Interests in Subsidiaries

1.1. Group Composition:

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
1	Jiangsu Lianyungang Port Corporation	Lianyungang	Lianyungang	Port loading and unloading, cargo storage, etc.	58.76		58.76	Investment
2	Lianyungang Xinlian Bulk Terminal Co., Ltd	Lianyungang	Lianyungang	Port loading and unloading, cargo storage, etc.		63.60	63.60	Investment
3	Lianyungang Port International Petrochemical Port Co., Ltd	Lianyungang	Lianyungang	To provide docks for ships; to provide cargo handling for clients; to lease and maintain port facilities, equipment and machinery		51.00	51.00	Investment
4	Jiangsu New Longhai Supply Chain Co., Ltd	Lianyungang	Lianyungang	Supply chain management; freight transportation agency; cargo loading and unloading, handling, storage services; road general cargo transportation; special cargo transportation (container); mechanical equipment leasing, maintenance, etc.		100.00	100.00	Investment
5	Lianyungang Port Group Finance Co., Ltd.	Lianyungang	Lianyungang	To absorb deposits of member units; to handle loans and financial leasing for member units; to handle internal transfer and settlement between member units and the design of corresponding settlement and settlement scheme; to assist member units in the collection and payment of transaction funds, etc	49.00	51.00	100.00	Investment
6	Lianyungang China Korea ferry Co., Ltd	Lianyungang	Lianyungang	Passenger and freight liner shipping business		75.00	75.00	Corporate merger not under the same control

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
7	Lianyungang ferry Co., Ltd	Lianyungang	Lianyungang	Marine agency business, comprehensive cargo transportation business, trade business, logistics business, travel business and related business of the above business		75.00	75.00	Corporate merger not under the same control
8	Xinyi Port (Lianyungang) Terminal Co., Ltd	Lianyungang	Lianyungang	Development and operation of docks and supporting facilities, loading and unloading, warehousing, and transshipment of bulk cargo		100.00	100.00	Investment
9	Lianyungang New Oriental Container Terminal Co., Ltd	Lianyungang	Lianyungang	Container ship loading and unloading and site operations		51.00	51.00	Corporate merger not under the same control
10	Jiangsu Zhugang Construction Group Co., Ltd	Lianyungang	Lianyungang	Class II general contracting for port and waterway engineering construction; class II general contracting for housing construction	100.00		100.00	Investment
11	Lianyungang Hua Da waterproof material Co., Ltd.	Lianyungang	Lianyungang	Production and sales of waterproof materials, anti-corrosion materials, ,roofing waterproof layer maintenance, construction materials, etc		100.00	100.00	Investment
12	Lianyungang Kejing Transportation Engineering Testing Co., Ltd	Lianyungang	Lianyungang	Quality inspection and testing of engineering products		100.00	100.00	Investment
13	Jiangsu Lianyungang Port Logistics Holding Co., Ltd.	Lianyungang	Lianyungang	Industrial investment; domestic freight forwarders; contractors shipping, land transport, air cargo import and export agency business for international transportation	100.00		100.00	Investment
14	Lianyungang Port Logistics Co., Ltd.	Lianyungang	Lianyungang	Container and cargo handling services; domestic freight forwarders, shipping agents; cargo warehousing		100.00	100.00	Investment
15	Lianyungang Lianhe Supply Chain Service Co., Ltd	Lianyungang	Lianyungang	Supply chain management services, etc		100.00	100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
16	Lianyungang Yugang Bonded Service Co., Ltd.	Lianyungang	Lianyungang	Storage service		100.00	100.00	Investment
17	Lianyungang Port Group Freight Forwarding Company	Lianyungang	Lianyungang	Contractors shipping, land transportation, air freight, express the import and export of goods and goods in transit international transport agency business		100.00	100.00	Investment
18	Lianyungang Bridge Public Bonded Warehouse	Lianyungang	Lianyungang	Storage for processing trade enterprises and foreign-invested enterprises for processing export products required for the production of raw materials imports and overseas general transit goods		100.00	100.00	Investment
19	Lianyungang Kaida International Logistics Co., Ltd.	Lianyungang	Lianyungang	To import and export cargo shipping international transport agency business, including: canvassing, booking, storage, transit, container LCL, freight settlement, customs clearance etc.		100.00	100.00	Investment
20	Lianyungang Best International Trade Co. Ltd.	Lianyungang	Lianyungang	Mineral products, steel, nonferrous metals, coke, chemical products, building materials, decoration materials, agricultural and sideline products sales		100.00	100.00	Investment
21	Lianyungang Xinlian Wood Industry Co., Ltd	Lianyungang	Lianyungang	Wood processing and wood, bamboo, rattan and grass products industry		100.00	100.00	Transfer
22	Shanghai Yungang Shipping Co., Ltd.	Shanghai	Shanghai	Shipping agency, shipping		51.00	51.00	Investment
23	Lianyungang Huishun Shipping Co., Ltd	Lianyungang	Lianyungang	Domestic ship agency; Ship leasing		70.00	70.00	Investment
24	Lianyungang Dongliang Wharf Co., Ltd.	Lianyungang	Lianyungang	Port cargo unloading, warehousing (except hazardous chemicals), port transport; domestic freight forwarding etc.	91.0134		100.00	Investment
25	Lianyungang New Bay Wharf Co., Ltd.	Lianyungang	Lianyungang	Wharf development and construction	65.00	25.00	90.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
26	Lianyungang Hongyun Industrial Co., Ltd.	Lianyungang	Lianyungang	Diving operations and maintenance of the ship; domestic shipping agent	100.00		100.00	Investment
27	Lianyungang Tianhua Industrial Co. Ltd.	Lianyungang	Lianyungang	Drinking purified water production, sales	100.00		100.00	Investment
28	Lianyungang New Marine Investment Development Co., Ltd.	Lianyungang	Lianyungang	The development and operation of investment, terminal management and supporting facilities; import and export trade	100.00		100.00	Investment
29	Lianyungang Shenggang Disinfest Engineering Services Co., Ltd.	Lianyungang	Lianyungang	Pest control services and disinfest equipment retail; termite control, cleaning		100.00	100.00	Investment
30	Lianyungang Runtong Environmental Engineering Co. Ltd.	Lianyungang	Lianyungang	Environmental engineering construction		100.00	100.00	Investment
31	Lianyungang Xinhaiyue Tug Co. Ltd.	Lianyungang	Lianyungang	As the ship out of the harbor, dock, shifting with pushing and pulling service		70.00	70.00	Investment
32	Yancheng Haixing Tug Co. Ltd.	Yancheng	Yancheng	Tug service	70.00		70.00	Investment
33	Wuyishan Jinchuan Investment and Development Co., Ltd.	Wuyishan	Wuyishan	Real estate development and management, tourism project investment and development, property management, landscape art design and construction		100.00	100.00	Corporate merger not under the same control
34	Lianyungang Yunyang Investment Co., Ltd.	Lianyungang	Lianyungang	Trade		100.00	100.00	Investment
35	Lianyungang Port Engineering Design & Research Institute Co., Ltd.	Lianyungang	Lianyungang	Waterway engineering design, earthwork foundation treatment	100.00		100.00	Investment
36	Lianyungang Keyi Engineering Construction Supervision Co., Ltd.	Lianyungang	Lianyungang	Engineering construction supervision		100.00	100.00	Investment
37	Jiangsu Golden Harbour International Logistics Industry Company	Lianyungang	Lianyungang	International freight forwarding; domestic freight forwarding; domestic shipping agency; storage; investment		100.00	100.00	Investment
38	Lianyungang Golden Harbour Dongsu port Expressway Co. Ltd.	Lianyungang	Lianyungang	Dongsu highway engineering construction investment, development and management		100.00	100.00	Investment
39	Lianyungang New Yuntai Terminal Co. Ltd.	Lianyungang	Lianyungang	Wharf construction engineering construction, technical consultation		100.00	100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
40	Lianyungang Foreign Shipping Tally Co. Ltd.	Lianyungang	Lianyungang	International and domestic shipping tally business; international and domestic container business	84.00		84.00	Investment
41	Lianyungang Ocean Shipping Inspection Co., Ltd	Lianyungang	Lianyungang	inspection services		100.00	100.00	Investment
42	Jiangsu Wisdom Yungang Science and Technology Co. Ltd.	Lianyungang	Lianyungang	Communication equipment and communication cable engineering construction	100.00		100.00	Investment
43	Lianyungang Electronic Port Information Development Co., Ltd.	Lianyungang	Lianyungang	The port information platform of information system development and management, incoming data exchange service, information system engineering design, installation, technical consultation	61.685		61.685	Investment
44	Jiangsu Yunlian Information Corp	Nanjing	Nanjing	Logistics and Internet of information systems research and development, operations, management, services, information technology consulting services, etc		45.13	45.13	Corporate merger not under the same control
45	Lianyungang Shanhai Guarantee Co., Ltd.	Lianyungang	Lianyungang	Financing guarantee business	100.00		100.00	Investment
46	Shanhai (Hongkong) Investment and Development Co. Ltd.	Hongkong	Hongkong	Investment ,International trade etc.	100.00		100.00	Investment
47	Shanhai (Hongkong) International Trade Co. Ltd.	Hongkong	Hongkong	International trade		100.00	100.00	Investment
48	Shanhai (Hongkong) Leasing Co. Ltd.	Hongkong	Hongkong	Finance leasing		100.00	100.00	Investment
49	Shanhai (Hongkong) Ship Finance Leasing Co., Ltd.	Hongkong	Hongkong	Finance leasing		100.00	100.00	Investment
50	Shanhai (Hongkong) International Investment Co. Ltd.	Hongkong	Hongkong	Investment ,International trade etc.		100.00	100.00	Investment
51	Lianyungang Xiangchang International Trade Co., Ltd.	Lianyungang	Lianyungang	Trade		100.00	100.00	Investment
52	Shanhai financial leasing (Lianyungang) Co. Ltd.	Lianyungang	Lianyungang	Lease		100.00	100.00	Investment
53	Jiangsu New Horizon International Trade Co., Ltd.	Nanjing	Nanjing	Trade		100.00	100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
54	Lianyungang Shanhai Chenghui International Trade Co., Ltd	Lianyungang	Lianyungang	International trade		100.00	100.00	Investment
55	Lianyungang New Luyuan International Container Storage and Transportation Co., Ltd.	Lianyungang	Lianyungang	Container Storage and Transportation		100.00	100.00	Investment
56	Lianyungang New Road belt International Logistics Co., Ltd.	Lianyungang	Lianyungang	Logistics		51.00	51.00	Investment
57	Lianyungang Xinwei port wharf Co., Ltd	Lianyungang	Lianyungang	General storage service; wharf development and construction	100.00		100.00	Investment
58	Jiangsu New Longgang Port Co., Ltd.	Lianyungang	Lianyungang	Terminals and other port facilities services; provide cargo handling and storage services (only for trial operation); construction of port terminals	91.6257		91.6257	Investment
59	Lianyungang Jiangang Industrial Co., Ltd.	Lianyungang	Lianyungang	Harbor engineering design, consultation, measurement, construction contract, railway engineering construction	100.00		100.00	Investment
60	Lianyungang Zhongha International Logistics Co., Ltd.	Lianyungang	Lianyungang	International multimodal transport, disassembly and assembly boxes, shipping, warehousing, packaging, cargo loading and unloading, monitoring, acting and other international freight forwarding agent	51.00		51.00	Investment
61	Jiangsu Shanghe Logistics Park Development Co., Ltd.	Lianyungang	Lianyungang	Port infrastructure construction and investment	100.00		100.00	Investment
62	Lianyungang Hui Xin Asset Management Co., Ltd.	Lianyungang	Lianyungang	Investment and asset management	100.00		100.00	Investment
63	Lianyungang Hui Jia Asset Management Co., Ltd.	Lianyungang	Lianyungang	Investment and asset management		100.00	100.00	Investment
64	Lianyungang Lianhe International Container Development Co., Ltd	Lianyungang	Lianyungang	Container handling, loading and unloading, LCL and other services	100.00		100.00	Investment
65	Lianyungang Kaida International Shipping Agency Co., Ltd.	Lianyungang	Lianyungang	The goods for customs clearance, shipping and transit cargo; and tourist organization, agreed to contact the water rescue .		100.00	100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
66	Ningxia Gangtong International Logistics Co., Ltd	Ningxia	Ningxia	International transport agency business for the import and export of goods by sea		60.00	60.00	Corporate merger not under the same control
67	Suqian Traffic Logistics Co., Ltd.	Suqian	Suqian	Freight forwarding agent		60.00	60.00	Corporate merger not under the same control
68	Xi'an Continental Bridge International Logistics Co., Ltd.	Xian	Xian	Container ship loading and unloading and site operations		60.00	60.00	Corporate merger not under the same control
69	Xian Camel customer Electronic Commerce Co., Ltd.	Xian	Xian	Warehousing services, etc.		60.00	60.00	Investment
70	Xinjiang Bridge International Logistics Co., Ltd.	Khorgos	Khorgos	Agent; storage; loading and unloading		55.00	55.00	Corporate merger not under the same control
71	Jiangsu New Sugang Investment Development Co., Ltd.	Lianyungang	Lianyungang	Investment, development and operation of port, wharf and supporting facilities; loading, unloading, warehousing and transit of cargo	40.00		51.00	Corporate merger not under the same control
72	Lianyungang New Sugang wharf Co., Ltd	Lianyungang	Lianyungang	Loading, unloading and stacking of goods, operation and management of wharfs and wharfs facilities		51.00	51.00	Corporate merger not under the same control
73	Lianyungang New Sugang International Logistics Co., Ltd	Lianyungang	Lianyungang	Cargo loading and unloading, cargo storage, port facilities, equipment and port machinery leasing and maintenance services		100.00	100.00	Corporate merger not under the same control
74	Lianyungang Xinliang Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
75	Lianyungang Xinyin Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
76	Lianyungang Xinbao Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
77	Lianyungang Xinbi Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
78	Lianyungang Xinhuan Bay Terminal Co., Ltd.	Lianyungang	Lianyungang	Wharf infrastructure construction, water cargo transportation agency service	100.00		100.00	Investment
79	Jiangsu Lanbao Star Technology Co., Ltd	Lianyungang	Lianyungang	R & D and consultation of Internet of things technology, intelligent technology and information technology	100.00		100.00	Investment
80	Jiangsu Xinhang Electric Co., Ltd	Lianyungang	Lianyungang	Development of ship, offshore platform electrification and automation engineering, shore power engineering, etc	100.00		100.00	Corporate merger not under the same control
81	Lianyungang new Coast Real Estate Developement Co., Ltd	Lianyungang	Lianyungang	Real estate development	100.00		100.00	Corporate merger not under the same control
82	Lianyungang Xingang Property Management Co., Ltd	Lianyungang	Lianyungang	Property services		100.00	100.00	Investment
83	Lianyungang highway port Co., Ltd	Lianyungang	Lianyungang	Freight forwarding, transportation services	68.50		100.00	Corporate merger not under the same control
84	Lianyungang Port Group Power Supply Engineering Co., Ltd	Lianyungang	Lianyungang	Power engineering construction, power supply, etc	100.00		100.00	Investment
85	Lianyungang Port Maintenance Engineering Co., Ltd	Lianyungang	Lianyungang	Building construction; Waterproof engineering construction; Building maintenance in port	100.00		100.00	Restructured and merged into
86	Lianyungang Gangxin Sanitary Cleaning Co., Ltd	Lianyungang	Lianyungang	Cleaning, Pest and rodent control service		100.00	100.00	Restructured and merged into
87	Lianyungang Lianhe New Building Materials Technology Co., Ltd	Lianyungang	Lianyungang	Technology development, technical consultation, technical service, technology promotion and technology transfer of new building materials		90.00	90.00	Investment

No.	Name of Subsidiary	Registration Place	Operation Site	Business Nature	Share-holding Ratio (%)		Voting right(%)	Acquisition Manner
					direct	indirect		
88	Lianyungang Port Printing Co., Ltd	Lianyungang	Lianyungang	Print binding services; Packaging and decoration printing; Printing of documents, materials and other printed materials	100.00		100.00	Restructured and merged into
89	Lianyungang Port Construction and Installation Engineering Co., Ltd	Lianyungang	Lianyungang	Housing construction works, indoor and outdoor decoration works, earthwork works, electromechanical equipment installation works and hoisting equipment installation works	100.00		100.00	Restructured and merged into
90	Lianyungang Huayi Door and Window Production Co., Ltd	Lianyungang	Lianyungang	Timber sales; Sales of doors and windows; Construction of metal doors and windows		100.00	100.00	Restructured and merged into
91	Lianyungang Port Handling Service Co., Ltd	Lianyungang	Lianyungang	Port cargo handling activities	100.00	100.00		Restructured and merged into
92	Lianyungang Port Holding Group Xuwei Co., Ltd	Lianyungang	Lianyungang	Port and dock loading and unloading and warehousing services, engineering management services.	100.00		100.00	Equity Replacement
93	Sulong (Gansu) Logistics Supply Chain Co., Ltd	Lanzhou	Lanzhou	Road freight transportation (excluding dangerous goods);	55.00		55.00	Investment
94	Lianyungang Xinxin Port Logistics Co., Ltd	Lianyungang	Lianyungang	Road freight transportation, freight forwarding, etc	100.00		100.00	Corporate merger not under the same control
95	Lianyungang Xinxin Chemical Logistics Co., Ltd	Lianyungang	Lianyungang	Road freight transportation, freight forwarding, etc	100.00		100.00	Investment
96	Lianyungang Jinzhong Development and Construction Co., Ltd	Lianyungang	Lianyungang	Municipal facility management	100.00		100.00	Investment
97	Lianyungang Lianhe Express Logistics Co., Ltd	Lianyungang	Lianyungang	Domestic freight forwarding agent	100.00		100.00	Investment

1.2 Important non-wholly owned subsidiaries

Subsidiaries	Shareholding ratio of minority shareholders(%)	Current net profit attributable to minority shareholders	Dividends paid to minority shareholders in the current period	Accumulated minority interests at the end of the period
Jiangsu Lianyungang Port Corporation	41.24	77,777,142.39	25,581,863.55	1,633,354,356.70
Lianyungang Foreign Shipping Tally Co. Ltd.	16	1,304,072.88	1,120,000.00	5,362,893.57

Subsidiaries	Shareholding ratio of minority shareholders(%)	Current net profit attributable to minority shareholders	Dividends paid to minority shareholders in the current period	Accumulated minority interests at the end of the period
Lianyungang Electronic Port Information Development Co., Ltd.	38.31	6,975,653.51	3,500,000.00	28,113,482.70
Lianyungang New Road belt International Logistics Co., Ltd.	49	2,304,552.41	5,768,259.79	53,286,762.05
Lianyungang New Bay Wharf Co., Ltd.	10	4,667,677.59		96,554,373.88
Jiangsu New Longgang Port Co., Ltd.	8.37	-1,157,174.87		22,212,227.98
Lianyungang Zhongha International Logistics Co., Ltd.	49	2,537,744.30	3,920,000.00	209,040,769.05
Jiangsu New Sugang Investment Development Co., Ltd.	60	61,827,458.11	2,400,000.00	814,739,549.23
Lianyungang New Oriental Container Terminal Co., Ltd.	49	23,272,269.95		660,373,197.33

1.3 Major Financial Information of Important Non-wholly-owned Subsidiaries

Items	12/31/2023 / 2023 (Jan-Dec)								
	Jiangsu Lianyungang Port Corporation	Lianyungang Foreign Shipping Tally Co. Ltd.	Lianyungang Electronic Port Information Development Co., Ltd.	Lianyungang New Road belt International Logistics Co., Ltd.	Lianyungang New Bay Wharf Co., Ltd.	Jiangsu New Longgang Port Co., Ltd.	Lianyungang Zhongha International Logistics Co., Ltd.	Jiangsu New Sugang Investment Development Co., Ltd.	Lianyungang New Oriental Container Terminal Co., Ltd.
Current assets	3,425,350,931.97	23,966,310.88	89,711,222.69	27,030,580.76	96,289,811.95	351,221,680.36	109,089,073.09	169,913,306.52	125,530,923.21
Non-current assets	8,964,734,987.29	14,362,448.26	14,173,801.98	91,027,186.45	2,006,956,013.15	598,229,680.57	344,042,870.88	2,987,126,281.41	1,843,429,856.85
Total assets	12,390,085,919.26	38,328,759.14	103,885,024.67	118,057,767.21	2,103,245,825.10	949,451,360.93	453,131,943.97	3,157,039,587.93	1,968,960,780.06
Current liabilities	5,083,144,046.22	4,810,674.30	22,864,947.21	9,309,273.23	351,507,533.25	280,420,007.90	22,644,374.46	986,045,333.41	99,057,252.33
Non-current liabilities	1,857,937,699.56		3,106,411.87		786,194,553.05	403,652,285.18	3,873,755.12	102246270.9	522,203,125.01
Total liabilities	6,941,081,745.78	4,810,674.30	25,971,359.08	9,309,273.23	1,137,702,086.30	684,072,293.08	26,518,129.58	1,088,291,604.30	621,260,377.34
Operating income	2,522,253,455.20	44,804,108.01	64,939,431.97	67,414,370.57	370,941,189.55	60,845,496.03	164,339,748.35	740424519.3	308,535,617.18
Net profit	288,160,242.37	8,150,455.52	18,766,938.55	4,703,168.19	46,676,775.88	-13,825,267.25	5,179,069.99	174,367,810.42	47,494,428.46
Total comprehensive income	288,642,303.91	8,150,455.52	18,766,938.55	4,703,168.19	46,676,775.88	-13,825,267.25	5,179,069.99	174,367,810.42	47,494,428.46
Net cash flows from operating activities	842,763,642.78	11,811,647.26	29,796,263.39	11,730,737.12	168,154,841.93	-151,165,943.57	15,583,169.20	254,307,819.79	183,682,601.06

(Continued)

Items	12/31/2022 / 2022 (Jan-Dec)								
	Jiangsu Lianyungang Port Corporation	Lianyungang Foreign Shipping Tally Co. Ltd.	Lianyungang Electronic Port Information Development Co., Ltd.	Lianyungang New Road belt International Logistics Co., Ltd.	Lianyungang New Bay Wharf Co., Ltd.	Jiangsu New Longgang Port Co., Ltd.	Lianyungang Zhongha International Logistics Co., Ltd.	Jiangsu New Sugang Investment Development Co., Ltd.	Lianyungang New Oriental Container Terminal Co., Ltd.
Current assets	3,128,033,107.89	15,102,155.19	77,957,797.66	34,860,791.41	124,714,691.61	257,651,207.08	92,540,625.07	129,485,920.41	108,144,791.93
Non-current assets	6,074,568,926.35	15,915,709.65	16,808,445.55	95,723,000.46	2,060,528,464.22	576,122,636.23	358,850,873.25	1,022,807,015.12	1,916,805,090.78
Total assets	9,202,602,034.24	31,017,864.84	94,766,243.21	130,583,791.87	2,185,243,155.83	833,774,043.31	451,391,498.32	1,152,292,935.53	2,024,949,882.71
Current liabilities	3,411,560,814.18	4,365,304.88	28,475,786.55	12,277,877.50	311,381,871.88	338,973,671.43	17,528,958.64	8,880,927.56	114,773,089.73
Non-current liabilities	361,675,983.99		771,277.68	2,447,813.49	954,994,321.03	330,597,849.06	4,427,795.28		613,284,375.01
Total liabilities	3,773,236,798.17	4,365,304.88	29,247,064.23	14,725,690.99	1,266,376,192.91	669,571,520.49	21,956,753.92	8,880,927.56	728,057,464.74
Operating income	2,231,840,722.06	40,900,750.78	38,373,001.22	76,406,721.22	371,392,936.64	77,311,485.75	80,990,639.92		294,259,883.57
Net profit	238,859,620.23	5,202,004.16	11,988,318.36	3,792,268.85	38,289,778.20	1,305,433.30	5,944,046.77	31,539,101.92	39,454,120.74
Total comprehensive income	241,547,213.25	5,202,004.16	11,988,318.36	3,792,268.85	141,393,722.64	1,305,433.30	5,944,046.77	31,539,101.92	39,454,120.74
Net cash flows from operating activities	562,442,121.52	-474,105.74	17,702,124.30	10,044,363.88	185,873,957.06	20,792,740.73	22,987,930.85	-4,246,975.48	141,393,722.64

2 Interests in Joint Ventures or Associates

2.1 Important Joint Ventures or Associates

Name of Joint Venture/Associate	Operation Site	Registration Place	Business Nature	Shareholding Proportion		Accounting Method
				Direct	Indirect	
Associates:						
Lianyungang New Oriental International Container Terminal Co., Ltd.	Lianyungang	Lianyungang	Container ship loading and unloading and site operations		45.00%	Equity method
Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang	Lianyungang	Production and processing of soybean products and by-products	20.00%		Equity method
New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang	Lianyungang	Terminal, loading and unloading, storage transit		38.00%	Equity method
Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang	Lianyungang	Surface active agent, auxiliary agent, natural spice	20.00%		Equity method
Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Lianyungang	Lianyungang	Processing and sale of liquefied petroleum gas	25.00%		Equity method
Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang	Lianyungang	Tally	35.00%		Equity method
Lianyungang Port International Petrochemical Storage Co., Ltd.	Lianyungang	Lianyungang	Cargo warehousing s	49.00%		Equity method
Lianyungang Taidi Petrochemical Co., Ltd	Lianyungang	Lianyungang	Petrochemical industry	20.00%		Equity method

2.2 Key financial information of important associated enterprises

Items	12/31/2023 / 2023 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang Taidi Petrochemical Co., Ltd	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Current assets	2,238,447,522.47	3,137,530.34	3,406,130,464.12	18138655.38	426,679,399.86	15,104,561.34	273,487,933.06	246,284,357.05
Non-current assets	191,131,273.03	183,459,040.1	1,329,328,014.88	2,768,803.99	700,751,037.64	392,182,831.04	316,047,959.60	644,710,767.37
Total assets	2,429,578,795.50	186,596,670.44	4,735,458,479.00	20,907,459.37	1,127,430,437.50	407,287,392.38	589,535,892.66	890,995,124.42
Current liabilities	1,733,091,086.21	31,210,467.73	3,024,005,860.39	5,391,062.20	89,988,733.85	298,500,245.61	33,443,517.95	82,256,565.70
Non-current liabilities			773,614,312.42	795,644.62	520,000,000.00	32,185,000.00	37,722,072.63	2,322,382.35
Total liabilities	1,733,091,086.21	31,210,467.73	3,797,620,172.81	6,186,706.82	609,988,733.85	330,685,245.61	71,165,590.58	84,578,948.05
Non-controlling interests								
Total equity attributable to owners of the parent company	696,487,709.29	155,386,202.71	937,838,306.19	14,720,752.55	517,441,703.65	76,602,146.77	518,370,302.08	806,416,176.37
Share of net assets calculated by shareholding ratio	139,297,541.86	38,846,550.68	187,567,661.24	5,152,263.39	103,488,340.73	37,535,051.92	196,980,714.79	362,887,279.37
Adjustment items								
Including:Goodwill								
Unrealized profit of internal transaction								214,995.04
Others								
Book value of equity investment in associated enterprises	139,297,541.86	38,846,550.68	187,567,661.24	5,152,263.39	103,488,340.73	37,535,051.92	199,256,477.00	363,102,274.41
Fair value of equity investment with public offer								

Items	12/31/2023 / 2023 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang Taidi Petrochemical Co., Ltd	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Operating income	2,732,466,133.23	53,187,278.81	8,108,084,080.69	33,843,982.89	94,328,220.22	84,988,024.61	350,264,724.49	334,207,260.67
Net profit	34,465,318.40	138,671.63	19,121,165.17	10,295,702.15	15,795,540.58	-1,964,116.27	41,597,089.37	75,377,035.90
Other comprehensive income	-196,646.72		20,068,368.15					
Total comprehensive income	34,268,671.68	138,671.63	39,189,533.32	10,295,702.15	15,795,540.58	-1,964,116.27	41,597,089.37	75,377,035.90
Dividends received from associated enterprises in the current period	20,000,000.00		20,000,000.00	2,746,644.23			13,368,213.51	45,000,000.00

(Continued)

Items	12/31/2022 / 2022 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang New Century Petrochemical Co., Ltd.	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Current assets	1,977,902,243.56	6,783,436.45	3,881,510,207.13	14,976,,085.41	507,728,223.76	20,965,204.01	250,230,789.11	241,728,902.34
Non-current assets	197,787,582.33	197548174.5	594,009,509.43	3,160,150.26	718,795,075.28	405,498,354.09	352,613,153.94	690,267,064.57
Total assets	2,175,689,825.89	204,331,610.91	4,475,519,716.56	18,136,235.67	1,226,523,299.04	426,453,558.10	602,843,943.05	931,995,966.91
Current liabilities	1,413,470,788.28	49,084,079.83	2,271,441,501.78	4,977,181.50	394,309,421.59	251,292,295.05	32,234,397.97	100,059,562.17
Non-current liabilities			1,205,429,442.41	806,497.86	330,000,000.00	96,595,000.00	58,656,823.14	1,968,622.68
Total liabilities	1,413,470,788.28	49,084,079.83	3,476,870,944.19	5,783,679.36	724,309,421.59	347,887,295.05	90,891,221.11	102,028,174.85
Non-controlling interests								

Items	12/31/2022 / 2022 (Jan-Dec)							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang New Century Petrochemical Co., Ltd.	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Total equity attributable to owners of the parent company	762,219,037.61	155,247,531.08	998,648,772.37	12,352,556.31	502,213,877.46	78,566,263.05	511,952,721.94	829,967,792.06
	-	-	-	-	-	-	-	-
Share of net assets calculated by shareholding ratio	152,443,807.50	38,747,539.77	199,729,754.50	4,323,394.71	100,442,775.49	38,497,468.89	194,542,034.30	373,485,506.43
Adjustment items							2,333,971.62	-493,050.52
Including:Goodwill								
Unrealized profit of internal transaction							2,333,971.62	-493,050.52
Others								
Book value of equity investment in associated enterprises	152,443,807.50	38,811,882.77	199,729,754.50	4,323,394.71	100,442,775.49	38,497,468.89	196,876,005.92	372,992,455.91
Fair value of equity investment with public offer								
Operating income	3,523,709,445.00	52,698,493.27	8,673,470,026.85	29,528,103.40	107,380,107.23	97,021,919.23	327,235,333.10	358,664,366.43
Net profit	121,643,138.00	113,668.64	-57,217,420.55	7,847,554.94	34,601,611.85	-3,497,594.78	41,297,033.55	82,576,701.18
Other comprehensive income								
Total comprehensive income	121,643,138.00	113,668.64	-57,217,420.55	7,847,554.94	34,601,611.85	-3,497,594.78	41,297,033.55	82,576,701.18

Items	12/31/2022 / 2022（Jan-Dec）							
	Fengyi Oil Technology (Lianyungang) Co., Ltd.	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	Yi Hai (Lianyungang) grain and Oil Co., Ltd.	Lianyungang Zhonglian Tally Co. Ltd.	Lianyungang New Century Petrochemical Co., Ltd.	Lianyungang Port International Petrochemical Storage Co., Ltd.	New Bridge (Lianyungang) Terminal Co., Ltd.	Lianyungang New Oriental International Container Terminal Co., Ltd.
Dividends received from associated enterprises in the current period		64,343.00		2,954,578.21			13,003,683.95	45,000,000.00

VIII. Fair Value Disclosure

1. Continuous measurement at fair value and discontinuous measurement at fair value

Item	Closing fair value			
	Within Level 1 of the fair value hierarchy	Within Level 2 of the fair value hierarchy	Within Level 3 of the fair value hierarchy	Total
1.Disclosure of continuous measurement at fair value				
(1) Financial assets held for trading				
(a) Financial assets measured at FVTPL				
Liability instrument investment				
Equity instrument investment				
(b) Financial assets designated to be measured at FVTPL				
(2) Derivative financial assets				
(3) Other debt investment				
(4) Other equity instrument investment	42,663,227.16			42,663,227.16
(5) Other non-current financial assets			290,622,624.49	290,622,624.49
(6) Investment properties				
Total amount of assets measured at fair value continuously	42,663,227.16		290,622,624.49	333,285,851.65
Total amount of liabilities measured at fair value continuously				
2.Disclosure of discontinuous measurement at fair value				
Total amount of assets measured at fair value discontinuously				
Total amount of liabilities measured at fair value discontinuously				

2. Determination basis of the market value of items measured continuously and discontinuously within Level 1 of the fair value hierarchy

Item	Fair value	Active market quote			
		Main market (Most favorable market)	Transaction price	Historical quantity of transactions	Sources
1.Continuous measurement at fair value					
(1) Financial assets held for trading					
(a) Financial assets measured at FVTPL					
Liability instrument investment					
Equity instrument investment					
(b) Financial assets designated to be measured at FVTPL					
(2) Derivative financial assets					
(3) Other debt investment					
(4) Other equity instrument investment					
Bank of Jiangsu	42,663,227.16	stock exchange	6.69		closing price.
(5) Other non-current financial assets					

Item	Fair value	Active market quote			
		Main market (Most favorable market)	Transaction price	Historical quantity of transactions	Sources
Total amount of assets measured at fair value continuously	42,663,227.16				

3. Items measured continuously and discontinuously within Level 2 of the fair value hierarchy, valuation technique adopted and quantitative and qualitative information of important parameters

No.

4. Items measured continuously and discontinuously within Level 3 of the fair value hierarchy, valuation technique adopted and quantitative and qualitative information of important parameters

The operating environment, operating conditions and financial conditions of the investee have not changed significantly, so the company takes the investment cost of the investee as an important reference basis for evaluating its fair value

IX. Related Parties and Related Party Transactions

1. The Parent Company of the Company

Name of parent company	Registration Place	Business nature	Registered capital (10 thousand)	Shareholding Proportion (%)	Voting rights (%)
Lianyungang port Holding Group Co., Ltd.	Lianyungang	Port operations, capital operation	1,054,915.00	89.51	100.00

2. Subsidiaries of the Company:

For details please see Note VII.1.

3. Joint Venture and Associate of the Company

For details please see Note VII.2.

4. Other related party

Name of other related party	Relationship with the Company
Lianyungang Port Holding Group Ganyu Co., Ltd.	Subsidiary company of parent company
Lianyungang Port Holding Group Guanyun Co., Ltd.	Subsidiary company of parent company
Lianyungang Port Public Property Management Co., Ltd.	Subsidiary company of parent company
Jiangsu Golden Harbour Investment Co., Ltd	Subsidiary company of parent company
Jiangsu Guanhe International Port Co., Ltd.	Subsidiary company of parent company
Lianyungang Golden Harbour Construction Development Co. Ltd.	Subsidiary company of parent company
Lianyungang Xinxin International Logistics Co., Ltd	Subsidiary company of parent company
Lianyungang Jinhe Development and Construction Co., Ltd	Subsidiary company of parent company
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	Subsidiary company of parent company
Jiangsu Yanwei Port Co., Ltd	Shareholders of the parent company
Jiangsu Gangrong New Building Materials Co., Ltd	Subsidiary company of parent company

Name of other related party	Relationship with the Company
Lianyungang Jinrui Wharf Co., Ltd	Subsidiary company of parent company
Lianyungang Jincheng Wharf Co., Ltd	Subsidiary company of parent company
Lianyungang Jinrong Wharf Co., Ltd	Subsidiary company of parent company
Lianyungang Jinyuan Wharf Co., Ltd	Subsidiary company of parent company
Lianyungang Jinxiang Wharf Co., Ltd	Subsidiary company of parent company
Shanghai Yuzhou Shipping Co., Ltd	Subsidiary company of parent company

5. Related Party Transactions

Type	Provider	Receiver	2023(Jan-Dec)
Sale/Provide service	Jiangsu Zhugang Construction Group Co., Ltd	Lianyungang Port Public Asset Management Co., Ltd	22,779,778.76
Sale/Provide service	Lianyungang Port Maintenance Engineering Co., Ltd	Lianyungang Port Public Asset Management Co., Ltd	11,904,848.95
Sale/Provide service	Jiangsu Lanbao Planet Technology Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	8,515,183.16
Sale/Provide service	Lianyungang Port Construction and Installation Engineering Co., Ltd	Lianyungang Port Public Asset Management Co., Ltd	6,846,207.48
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	6,662,834.80
Sale/Provide service	Lianyungang Port Loading and Unloading Services Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	6,162,733.89
Sale/Provide service	Lianyungang Port Group Co., Ltd Railway Transport Branch	Lianyungang Yuangang Logistics Co., Ltd	4,165,183.63
Sale/Provide service	Lianyungang Port Group Co., Ltd Material Branch	Lianyungang Yuangang Logistics Co., Ltd	3,923,414.41
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd Dongfang Port Branch	Fengyi Oil and Fat Technology (Lianyungang) Co., Ltd	3,307,348.91
Sale/Provide service	Lianyungang Lianhe International Container Development Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	2,821,460.18
Sale/Provide service	Lianyungang Port Group Power Supply Engineering Co., Ltd	Lianyungang Port Public Asset Management Co., Ltd	2,688,735.26
Sale/Provide service	Lianyungang Jiangang Industrial Co., Ltd	Jiangsu Guanhe International Port Co., Ltd	2,558,407.08
Sale/Provide service	Jiangsu Zhugang Construction Group Co., Ltd	Lianyungang Port Holding Group Ganyu Co., Ltd	2,039,206.23
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang Port Public Asset Management Co., Ltd	1,989,572.16
Sale/Provide service	Lianyungang New Oriental Container Terminal Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	1,740,569.56
Sale/Provide service	Lianyungang Port Group Co., Ltd Overseas Shipping Service Branch	Fengyi Oil and Fat Technology (Lianyungang) Co., Ltd	1,726,938.27
Sale/Provide service	Lianyungang Jiangang Industrial Co., Ltd	Lianyungang Port Public Asset Management Co., Ltd	1,702,981.13
Sale/Provide service	Lianyungang Port Group Co., Ltd Railway Transport Branch	Lianyungang Port Public Asset Management Co., Ltd	1,265,486.73
Sale/Provide service	Lianyungang Port Group Co., Ltd Overseas Shipping Service Branch	Fengyichun Industry (Lianyungang) Co., Ltd	1,198,060.21
Sale/Provide service	Lianyungang Port Group Co., Ltd	Lianyungang Port Holding Group Ganyu Co., Ltd	1,148,095.38
Sale/Provide service	Lianyungang Port Group Co., Ltd	Shanghai Yuzhou Shipping Co., Ltd	1,778,168.76

Type	Provider	Receiver	2023(Jan-Dec)
Sale/Provide service	Jiangsu Lanbao Planet Technology Co., Ltd	Shanghai Yuzhou Shipping Co., Ltd	12,698,936.72
Sale/Provide service	Lianyungang New Oriental Container Terminal Co., Ltd	Shanghai Yuzhou Shipping Co., Ltd	35,245,121.36
Sale/Provide service	Lianyungang Kaida Container Logistics Co., Ltd	Shanghai Yuzhou Shipping Co., Ltd	9,800,183.18
Sale/Provide service	Lianyungang Port Group Co., Ltd. Material Branch	Shanghai Yuzhou Shipping Co., Ltd	3,534,529.82
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd	Shanghai Yuzhou Shipping Co., Ltd	37,572,629.40
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd	Yihai (Lianyungang) Grain and Oil Industry Co., Ltd	30,775,110.04
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd	Lianyungang Port International Petrochemical Warehousing Co., Ltd	28,292,877.27
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd	Lianyungang Hulian Container Co., Ltd	7,126,297.93
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd	Lianyungang Qianhong Petrochemical Storage Co., Ltd.	3,754,677.74
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd	Fengyi Oil and Fat Technology (Lianyungang) Co., Ltd	3,525,758.78
Sale/Provide service	Jiangsu Lianyungang Port Co., Ltd	Lianyungang Yuangang Logistics Co., Ltd	1,930,972.66
Purchasing goods / receiving services	Lianyungang Port International Petrochemical Port Co., Ltd	Lianyungang Port International Petrochemical Warehousing Co., Ltd	1,292,748.12
Purchasing goods / receiving services	Jiangsu Port Construction Group Co., Ltd	Jiangsu Golden Harbour Investment Co., Ltd.	1,469,026.55
Purchasing goods / receiving services	Jiangsu Jingangwan International Logistics Industry Co., Ltd	Jiangsu Golden Harbour Investment Co., Ltd.	2,435,658.04
Total			1,008,421,962.94

6. Receivables and Payables of Related Parties

6.1 Receivables

Related parties	12/31/2023		12/31/2022	
	Book Balance	Provision for bad debt	Book Balance	Provision for bad debt
Accounts receivable:				
Lianyungang Port Public Property Management Co., Ltd.	397,024,128.93		365,490,769.80	
Lianyungang Golden Harbour Construction Development Co. Ltd.	257,931,178.31		251,331,178.31	
Jiangsu Golden Harbour Investment Co., Ltd.	34,835,900.00		339,776.64	
Lianyungang Port Holding Group Gua	21,727,640.75			
Jiangsu Guanhe International Port Co., Ltd.	9,095,604.61			
Shanghai Yuzhou Shipping Co., Ltd	20,016,726.24			
Jiangsu Gangrong New Building Materials Co., Ltd	92,410,080.23			
Lianyungang Runqiao Port Logistics Co., Ltd	23,388,325.59			
Lianyungang Jinrui Wharf Co., Ltd	30,525,212.80			
Sub-total	886,954,797.46		617,161,724.75	
Other receivables:				
Jiangsu Guanhe International Port Co., Ltd.	109,128,247.02		150,640,254.69	

Related parties	12/31/2023		12/31/2022	
	Book Balance	Provision for bad debt	Book Balance	Provision for bad debt
Lianyungang Port Public Property Management Co., Ltd.	1,276,816,519.45		842,000,000.00	
Lianyungang Jinhe Development and Construction Co., Ltd	826,400,000.00		657,600,000.00	
Lianyungang Port Holding Group Guanyun Co., Ltd.	135,867,960.24		72,226,301.81	
Lianyungang Port Holding Group Co., Ltd.	3,459,692,222.49		3,388,242,222.49	
Lianyungang Golden Harbour Construction Development Co. Ltd.	156,064,904.30		150,324,334.36	
Lianyungang Golden Harbour Investment Co. Ltd.	2,310,000,000.00		2,097,979,868.07	
Lianyungang Xinxin International Logistics Co., Ltd	832,665,180.77		816,143,585.34	
Jiangsu Yanwei Port Co., Ltd	199,426,840.91			
Jiangsu Gangrong New Building Materials Co., Ltd	45,707,366.02			
Lianyungang Jinrui Wharf Co., Ltd	11,702,181.42			
Lianyungang Jincheng Wharf Co., Ltd	11,217,058.73			
Lianyungang Jinrong Wharf Co., Ltd	9,388,649.43			
Lianyungang Jinyuan Wharf Co., Ltd	4,926,114.13			
Lianyungang Jinxiang Wharf Co., Ltd	24,095,952.27			
Sub-total	9,413,099,197.18		8,175,156,566.76	
Total	10,300,053,994.64		8,792,318,291.51	

6.2 Payable

Related parties	12/31/2023	12/31/2022
Other payables:		
Shanghai Yuzhou Shipping Co., Ltd	109,338,398.68	108,842,626.68
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	99,570,000.00	
Lianyungang Port Holding Group Ganyu Co., Ltd	46,880,000.00	
Total	255,788,398.68	108,842,626.68

X. Commitments and Contingencies

1. Commitment Issues

There is no significant commitment at December 31, 2023.

2. Contingencies

The company provides guarantees to generate contingent liabilities:

As of December 31, 2023, the company's external guarantee for the total amount within group of RMB 13920. 8055million, detailed as follows:

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Within group:					

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang Dongliang Wharf Co., Ltd	CNY	20,750.00	2021-12-29	2035-12-26	No
Lianyungang Dongliang Wharf Co., Ltd	CNY	52,000.00	2023-6-27	2039-11-10	No
Lianyungang Dongliang Wharf Co., Ltd	CNY	17,000.00	2023-6-27	2035-6-21	No
Lianyungang Dongliang Wharf Co., Ltd	CNY	30,000.00	2023-7-28	2035-6-21	No
Lianyungang Dongliang Wharf Co., Ltd	CNY	14,000.00	2023-9-14	2035-6-21	No
Jiangsu Lanbao Planet Technology Co., Ltd	CNY	1,198.00	2023-6-16	2024-6-13	No
Jiangsu Lanbao Planet Technology Co., Ltd	CNY	1,000.00	2023-12-22	2024-12-14	No
Lianyungang New Oriental Container Terminal Co., Ltd	CNY	8,593.50	2016-10-8	2032-12-20	No
Lianyungang New Oriental Container Terminal Co., Ltd	CNY	11,832.00	2017-2-4	2032-12-20	No
Lianyungang Port Logistics Co., Ltd	CNY	3,000.00	2023-4-11	2024-4-6	No
Lianyungang Port Logistics Co., Ltd	CNY	2,000.00	2023-6-27	2024-6-25	No
Lianyungang Port Logistics Co., Ltd	CNY	2,200.00	2023-4-11	2024-3-29	No
Lianyungang Port Logistics Co., Ltd	CNY	500.00	2023-3-27	2024-3-22	No
Lianyungang Port Logistics Co., Ltd	CNY	480.00	2023-3-30	2024-3-22	No
Lianyungang Port Logistics Co., Ltd	CNY	20.00	2023-4-6	2024-3-22	No
Lianyungang Port Logistics Co., Ltd	CNY	1,000.00	2023-8-30	2024-8-29	No
Lianyungang Port Logistics Co., Ltd	CNY	5,000.00	2023-5-5	2024-5-3	No
Lianyungang Port Logistics Co., Ltd	CNY	5,000.00	2023-6-5	2024-6-3	No
Lianyungang Port Logistics Co., Ltd	CNY	5,000.00	2023-1-11	2024-1-10	No
Lianyungang Port Logistics Co., Ltd	CNY	4,000.00	2023-12-22	2024-12-21	No
Lianyungang Port Logistics Co., Ltd	CNY	10,000.00	2023-11-28	2024-11-27	No
Lianyungang Port Logistics Co., Ltd	CNY	4,000.00	2023-1-5	2023-5-6	Yes
Lianyungang Port Logistics Co., Ltd	CNY	3,000.00	2023-7-28	2024-4-27	No
Lianyungang Port Logistics Co., Ltd	CNY	2,000.00	2023-11-10	2024-8-9	No
Lianyungang Port Logistics Co., Ltd	CNY	3,000.00	2023-12-11	2024--9-10	No
Lianyungang Port Logistics Co., Ltd	CNY	4,000.00	2022-10-23	2024-7-22	No
Lianyungang Port Logistics Co., Ltd	CNY	3,000.00	2023-11-7	2024-8-6	No
Lianyungang Port Logistics Co., Ltd	CNY	5,000.00	2023-11-10	2024-8-9	No
Lianyungang Port Logistics Co., Ltd	CNY	8,000.00	2023-1-13	2024-1-12	No
Lianyungang Port Logistics Co., Ltd	CNY	6,000.00	2023-6-27	2024-3-26	No
Lianyungang Port Logistics Co., Ltd	CNY	6,000.00	2023-6-14	2024-3-14	No
Lianyungang Port Logistics Co., Ltd	CNY	6,000.00	2023-8-10	2024-5-9	No
Lianyungang Port Logistics Co., Ltd	CNY	1,000.00	2023-8-18	2024-5-18	No
Lianyungang Port Logistics Co., Ltd	CNY	4,000.00	2023-9-12	2024-6-11	No
Lianyungang Port Logistics Co., Ltd	CNY	7,000.00	2023-1-5	2023-5-6	Yes
Lianyungang Port Logistics Co., Ltd	CNY	4,000.00	2023-1-20	2023-4-27	Yes
Lianyungang Port Logistics Co., Ltd	CNY	5,000.00	2023-1-3	2024-1-3	No
Lianyungang Port Logistics Co., Ltd	CNY	5,000.00	2023-3-20	2024-3-19	No
Lianyungang Port Logistics Co., Ltd	CNY	2,000.00	2023-2-22	2024-2-21	No
Lianyungang Port Logistics Co., Ltd	CNY	10,000.00	2023-1-5	2023-5-6	Yes
Jiangsu Lianyungang Port Logistics Holdings Co., Ltd	CNY	6,000.00	2022-6-8	2023-6-7	Yes
Jiangsu Lianyungang Port Logistics Holdings Co., Ltd	CNY	4,000.00	2022-6-16	2023-6-15	Yes

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Jiangsu Lianyungang Port Logistics Holdings Co., Ltd	CNY	6,000.00	2022-5-16	2023-5-15	Yes
Lianyungang Kaida International Logistics Co., Ltd	CNY	1,000.00	2023-9-20	2025-9-20	No
Lianyungang Kaida International Logistics Co., Ltd	CNY	4,000.00	2023-5-5	2024-5-3	No
Lianyungang Kaida International Logistics Co., Ltd	CNY	1,000.00	2023-9-18	2024-3-22	No
Lianyungang Kaida International Logistics Co., Ltd	CNY	1,000.00	2023-2-28	2024-2-26	No
Lianyungang Kaida International Logistics Co., Ltd	CNY	1,000.00	2023-6-14	2024-6-8	No
Lianyungang Kaida International Logistics Co., Ltd	CNY	6,000.00	2023-12-4	2024-12-3	No
Lianyungang Land Bridge Bonded Services Co., Ltd	CNY	1,000.00	2023-2-21	2024-2-20	No
Lianyungang Land Bridge Bonded Services Co., Ltd	CNY	500.00	2023-6-27	2024-6-26	No
Lianyungang Land Bridge Bonded Services Co., Ltd	CNY	950.00	2023-8-3	2024-2-8	No
Lianyungang Yugang Bonded Services Co., Ltd	CNY	1,000.00	2023-9-19	2025-9-18	No
Lianyungang Yugang Bonded Services Co., Ltd	CNY	500.00	2023-6-27	2024-6-26	No
Lianyungang Yugang Bonded Services Co., Ltd	CNY	500.00	2023-6-14	2024-6-11	No
Lianyungang Yugang Bonded Services Co., Ltd	CNY	450.00	2023-3-22	2024-3-19	No
Lianyungang Yugang Bonded Services Co., Ltd	CNY	1,000.00	2022-12-27	2023-12-28	Yes
Lianyungang Baishida International Trade Co., Ltd	CNY	1,000.00	2023-10-9	2025-10-8	No
Lianyungang Baishida International Trade Co., Ltd	CNY	500.00	2023-6-27	2024-6-26	No
Lianyungang Kaida Container Logistics Co., Ltd	CNY	500.00	2023-7-27	2024-7-26	No
Lianyungang Kaida Container Logistics Co., Ltd	CNY	1,000.00	2023-10-9	2025-10-8	No
Lianyungang Kaida Container Logistics Co., Ltd	CNY	950.00	2023-5-12	2024-5-9	No
Lianyungang Kaida Container Logistics Co., Ltd	CNY	800.00	2023-8-31	2024-8-30	No
Lianyungang Lianhe International Container Development Co., Ltd	CNY	990.00	2023-3-30	2024-3-29	No
Lianyungang Lianhe Supply Chain Service Co., Ltd	CNY	950.00	2023-5-29	2024-5-25	No
Lianyungang Lianhe Supply Chain Service Co., Ltd	CNY	1,000.00	2023-9-19	2024-9-19	No
Lianyungang Lianhe Express Logistics Co., Ltd	CNY	950.00	2023-9-28	2024-9-27	No
Jiangsu Jingangwan International Logistics Industry Co., Ltd	CNY	600.00	2022-9-23	2023-9-22	Yes
Jiangsu Jingangwan International Logistics Industry Co., Ltd	CNY	950.00	2023/3.24	2024-3-19	No
Lianyungang Highway Port Co., Ltd	CNY	12,424.00	2016-10-18	2031-10-18	No
Lianyungang Highway Port Co., Ltd	CNY	3,656.00	2017-2-4	2031-4-1	Yes
Lianyungang Highway Port Co., Ltd	CNY	950.00	2023-1-19	2024-1-16	No
Lianyungang Highway Port Co., Ltd	CNY	1,000.00	2023-2-21	2024-2-20	No
Lianyungang Highway Port Co., Ltd	CNY	2,000.00	2022-7-29	2023-7-28	Yes

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Ningxia Gangtong International Logistics Co., Ltd	CNY	1,000.00	2023-3-20	2024-3-19	No
Ningxia Gangtong International Logistics Co., Ltd	CNY	1,000.00	2023-6-6	2024-6-5	No
Ningxia Gangtong International Logistics Co., Ltd	CNY	1,000.00	2023-6-21	2024-6-20	No
Lianyungang Huishun Shipping Co., Ltd	CNY	250.00	2021-12-24	2023-6-20	Yes
Lianyungang Huishun Shipping Co., Ltd	CNY	250.00	2021-12-24	2023-9-20	Yes
Lianyungang Huishun Shipping Co., Ltd	CNY	250.00	2021-12-24	2023-12-20	Yes
Lianyungang Huishun Shipping Co., Ltd	CNY	250.00	2021-12-24	2024-3-20	No
Lianyungang Huishun Shipping Co., Ltd	CNY	250.00	2021-12-24	2024-6-20	No
Lianyungang Huishun Shipping Co., Ltd	CNY	250.00	2021-12-24	2024-9-20	No
Lianyungang Huishun Shipping Co., Ltd	CNY	315.00	2023-5-29	2024-5-29	No
Lianyungang Huishun Shipping Co., Ltd	CNY	350.00	2023-6-29	2024-5-29	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	5,000.00	2023-6-30	2024-6-29	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	5,000.00	2023-9-27	2024-9-26	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	727.74	2023-9-28	2024-3-26	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	5,000.00	2023-3-9	2024-3-7	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	12,500.00	2023-3-20	2024-3-19	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	4,600.00	2023-6-30	2024-6-13	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	1,500.00	2023-9-28	2024-9-27	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	413.06	2023-5-17	2024-5-30	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	569.30	2023-5-9	2024-6-14	No
Jiangsu Zhugang Construction Group Co., Ltd	CNY	4,124.70	2023-6-21	2024-6-7	No
Lianyungang Xinhai Bay Terminal Co., Ltd	CNY	10,000.00	2013-5-7	2024-12-20	No
Lianyungang Xinhai Bay Terminal Co., Ltd	CNY	75,300.00	2020-6-1	2030-6-17	No
Lianyungang Xinhai Bay Terminal Co., Ltd	CNY	1,937.86	2022-4-24	2025-4-20	No
Lianyungang Xinhai Bay Terminal Co., Ltd	CNY	2,312.65	2022-7-20	2025-7-20	No
Lianyungang Xinhai Bayt Terminal Co., Ltd	CNY	1,964.29	2021-4-14	2026-4-22	No
Lianyungang Xinhai Bay Terminal Co., Ltd	CNY	3,000.00	2023-2-20	2024-2-19	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	2,640.00	2021-12-27	2028-12-29	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	1,820.00	2022-8-29	2029-8-28	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	500.00	2023-10-23	2024-10-22	No

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	500.00	2023-11-23	2024-11-19	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	500.00	2023-4-26	2024-4-25	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	800.00	2023-6-8	2024-6-7	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	800.00	2023-11-3	2024-11-2	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	800.00	2023-12-14	2024-12-13	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	800.00	2023-12-21	2024-12-20	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	700.00	2023-5-26	2024-5-25	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	300.00	2023-6-19	2024-6-18	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	800.00	2023-3-3	2024-2-27	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	800.00	2023-6-15	2024-6-14	No
Lianyungang Xinwei Bay Terminal Co., Ltd	CNY	1,500.00	2023-11-24	2024-11-24	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	23,000.00	2021.1.4	2031.1.3	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	830.00	2022-12-15	2024-1-15	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	2,955.00	2021.2.9	2028.2.8	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	570.00	2021.12.24	2027.12.23	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	630.00	2022.8.19	2025.8.18	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	2,000.00	2023.2.21	2024.2.19	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	2,000.00	2023.3.5	2024.3.5	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	1,000.00	2023.9.1	2023.8.28	Yes
Jiangsu Xinlonggang Port Co., Ltd	CNY	1,890.00	2023.5.26	2026.5.22	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	1,206.45	2022.9.9	2027.9-21	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	5,100.00	2023.1.3	2028.1.21	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	1,800.00	2023.1.10	2028.1.10	No
Jiangsu Xinlonggang Port Co., Ltd	CNY	1,000.00	2023.2.20	2024.8.10	No
Jiangsu Shanghe Logistics Park Development Co., Ltd	CNY	4,375.00	2017-9-22	2027-9-1	No
Jiangsu Shanghe Logistics Park Development Co., Ltd	CNY	25,000.00	2021-10-20	2026-4-20	No
Jiangsu Shanghe Logistics Park Development Co., Ltd	CNY	29,091.59	2021-10-12	2026-7-12	No
Jiangsu Shanghe Logistics Park Development Co., Ltd	CNY	27,394.71	2023-2-28	2028-2-27	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	4,000.00	2021-6-29	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	25,000.00	2021-8-11	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2021-9-26	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2021-10-29	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2022-1-24	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	10,000.00	2023-1-13	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	16,000.00	2023-6-28	2039-6-28	No

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	1,500.00	2021-8-24	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	13,500.00	2021-8-26	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2021-9-29	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2022-2-10	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2023-1-17	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	10,000.00	2021-9-28	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	2,500.00	2022-2-18	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2023-1-19	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	2,500.00	2023-6-30	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2021-9-26	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	2,500.00	2022-2-23	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	2,500.00	2023-1-18	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2021-10-8	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	2,500.00	2022-2-10	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	2,500.00	2023-1-18	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	10,000.00	2021-10-9	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	2,500.00	2022-2-10	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	5,000.00	2023-2-1	2039-6-28	No
Lianyungang Xinyin Bay Wharf Co., Ltd	CNY	15,500.00	2023-1-11	2034-11-21	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	3,300.00	2014-11-6	2024-9-15	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	1,000.00	2014-8-26	2024-6-15	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	1,800.00	2014-7-28	2024-6-15	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	980.00	2023-2-24	2024-3-23	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	980.00	2023-2-22	2024-3-21	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	2,200.00	2023-11-7	2024-11-6	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	1,500.00	2023-1-17	2024-1-16	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	2,100.00	2023-2-1	2024-1-30	No
Lianyungang Xinyuntai Wharf Co., Ltd	CNY	4,000.00	2023-3-3	2024-3-1	No
Subtotal		**821,770.85**			
Shanhai (Hong Kong) International Trade Co., Ltd	USD	2,000.00	2016-9-26	2024-6-10	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	1,000.00	2017-12-13	2024-7-14	No

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Shanhai (Hong Kong) International Trade Co., Ltd	USD	860.40	2017-12-13	2024-7-14	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	1,683.04	2023.10.16	2024.1.31	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	1,744.50	2023-10-13	2024-9-23	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	1,708.24	2023.12.19	2024.1.3	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	1,142.05	2023.10.26	2024.2.09	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	1,638.50	2023-6-28	2024-6-26	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	955.60	2023-9-8	2024-8-11	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	1,000.00	2023-9-26	2024-9-9	No
Shanhai (Hong Kong) International Trade Co., Ltd	USD	6,000.00	2023-11-28	2026-11-27	No
Shanhai (Hong Kong) Investment Co., Ltd	USD	920.00	2022-9-19	2025-9-5	No
Shanhai (Hong Kong) Investment Co., Ltd	USD	1,000.00	2022-9-19	2025 Sep	No
Shanhai (Hong Kong) International Investment Co., Ltd	USD	7,000.00	2022-12-19	2023-12-18	Yes
Shanhai (Hong Kong) International Investment Co., Ltd	USD	25,000.00	2022-6-16	2025-6-15	No
Shanhai (Hong Kong) International Investment Co., Ltd	USD	6,000.00	2022-9-15	2025-6-15	No
USD Subtotal	**USD**	**59,652.33**			
Subtotal converted to RMB	**CNY**	**422,499.58**			
集团内 Subtotal	**CNY**	**1,244,270.43**			
Enterprises outside the group:					
Lianyungang Port Public Asset Management Co., Ltd	CNY	5,500.00	2016-1-18	2026-1-17	No
Lianyungang Port Public Asset Management Co., Ltd	CNY	36,786.44	2020-11-30	2027-11-30	No
Lianyungang Port Public Asset Management Co., Ltd	CNY	6,314.07	2020-12-16	2025-12-15	No
Lianyungang Port Public Asset Management Co., Ltd	CNY	4,073.59	2020-12-15	2025-12-14	No
Jiangsu Guanhe International Port Co., Ltd	CNY	12,943.03	2023-6-30	2026-6-29	No
Lianyungang Port Holding Group Guanyun Co., Ltd	CNY	14,545.09	2021.12.28	2026.12.27	No
Jiangsu Jingangwan Investment Co., Ltd	CNY	6,250.00	2021-6-15	2025-3-30	No
Lianyungang Jinhe Development and Construction Co., Ltd	CNY	26,593.27	2021-10-28	2026-4-28	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	74.46	2021-9-8	2033-12-21	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	128.01	2021-11-24	2033-12-21	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	588.03	2022-1-1	2033-12-21	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	264.18	2022-1-27	2033-12-21	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	124.95	2022-7-25	2033-12-21	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	487.56	2022-11-29	2033-12-21	No

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	7,019.64	2023-1-28	2033-12-21	No
Lianyungang Xinxu Port Liquefied Hydrocarbon Terminal Co., Ltd	CNY	117.81	2023-7-20	2033-12-21	No
Lianyungang Jinneng Logistics Co., Ltd	CNY	380.00	2023-3-26	2024-3-22	No
Jiangsu Tuwang Supply Chain Management Co., Ltd	CNY	500.00	2023-1-19	2024-1-13	No
Lianyungang Hailangge Trading Co., Ltd	CNY	300.00	2023-1-18	2024-1-17	No
Lianyungang Ruiyi Hotel Co., Ltd	CNY	500.00	2023-2-28	2024-2-27	No
Feng Yan	CNY	150.00	2023-3-1	2024-3-1	No
Lianyungang Bincheng Building Materials Co., Ltd	CNY	500.00	2023-3-7	2024-3-6	No
Lianyungang Changfeng Trading Co., Ltd	CNY	500.00	2023-3-2	2024-3-22	No
Lianyungang Yueju Hotel Co., Ltd	CNY	500.00	2023-3-2	2024-3-21	No
Lianyungang Baiheng Trading Co., Ltd	CNY	500.00	2023-3.2	2024-3-21	No
Lianyungang Xingyi Fasteners Co., Ltd	CNY	120.00	2023-3-8	2024-3-5	No
Jiangsu Fuke'er Warehousing and Logistics Co., Ltd	CNY	500.00	2023-3-17	2024-3-16	No
Lianyungang Angxin Building Materials Co., Ltd	CNY	500.00	2023-3-29	2024-3-23	No
Yidao (Jiangsu) Supply Chain Management Co., Ltd	CNY	500.00	2023-3-29	2024-3-23	No
Lianyungang Yatai Trading Co., Ltd	CNY	460.00	2023-3-27	2024-3-26	No
Lianyungang Wanchuang Electronic Technology Co., Ltd	CNY	400.00	2023-3-29	2024-3-23	No
Jiangsu Yunyue De Construction Engineering Co., Ltd	CNY	400.00	2023-3-29	2024-3-23	No
Jiangsu Lanling Construction Engineering Co., Ltd	CNY	400.00	2023-3-29	2024-3-23	No
Lianyungang Yilingda Electromechanical Engineering Co., Ltd	CNY	420.00	2023-4-24	2024-4-23	No
Jiangsu Xiangying Logistics Co., Ltd	CNY	150.00	2023-4-21	2024-4-14	No
Donghai County Herun Building Materials Co., Ltd	CNY	500.00	2023-4-13	2024-3-16	No
Lianyungang Dongmao Automobile Sales and Service Co., Ltd	CNY	135.00	2023-4-1	2024-3-31	No
Lianyungang Water Conservancy Construction and Installation Engineering Co., Ltd	CNY	700.00	2021-5-17	2024-4-25	No
Lianyungang City Established Construction Machinery Co., Ltd	CNY	1,000.00	2023-4-28	2024-4-26	No
Lianyungang Bairen Construction Engineering Co., Ltd	CNY	450.00	2023-5-12	2024-5-11	No
Lianyungang Zhongbo Trading Co., Ltd	CNY	300.00	2023-5-24	2024-5-23	No
Lianyungang Chunxuan Trading Co., Ltd	CNY	280.00	2023-5-18	2024-5-17	No
Lianyungang Jinaolai Agricultural Development Co., Ltd	CNY	200.00	2023-5-17	2024-5-14	No
Lianyungang Huishun Shipping Co., Ltd	CNY	500.00	2023-6-30	2024-6-30	No
Lianyungang Kuantu Construction Engineering Co., Ltd	CNY	1,000.00	2023-7-24	2024-6-27	No
Lianyungang Fubang International Logistics Co., Ltd	CNY	200.00	2023-7-21	2024-7-18	No

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Jiangsu Shuangxiang Trading Co., Ltd	CNY	100.00	2023-7-13	2024-7-12	No
Lianyungang Deyi Materials Trading Co., Ltd	CNY	500.00	2022-7-15	2025-7-4	No
Lianyungang Longpan Huju Trading Co., Ltd	CNY	400.00	2023-8-24	2024-8-23	No
Lianyungang Zhongbo Trading Co., Ltd	CNY	160.00	2023-8-9	2024-7-25	No
Guanyun Shanhai Century Hotel Management Co., Ltd	CNY	500.00	2023-8-30	2024-8-29	No
Lianyungang Qileying Trading Co., Ltd	CNY	350.00	2023-9-12	2024-9-11	No
Xiaoxiao.com Department Store in Lianyun District	CNY	100.00	2023-9-20	2024-9-19	No
Lianyungang Rongxiang Trading Co., Ltd	CNY	500.00	2023-9-21	2024-9-12	No
Lianyungang Deyi Materials Trading Co., Ltd	CNY	1,000.00	2022-9-6	2025-8-17	No
Lianyungang Hengyuan Hotel Management Co., Ltd	CNY	50.00	2023-10-18	2024-10-17	No
Lianyungang Hengyuan Hotel Management Co., Ltd	CNY	40.00	2023-10-23	2024-10-22	No
Zhongyi (Lianyungang) International Trade Co., Ltd	CNY	500.00	2023-10-30	2024-10-29	No
Zhao Kunpeng	CNY	50.00	2023-10-26	2024-10-26	No
Zhao Kunpeng	CNY	20.00	2023-10-27	2024-10-27	No
Yuan Jingjing	CNY	360.00	2023-10-17	2024-9-22	No
Guanyun Shanhai Century Hotel Management Co., Ltd	CNY	1,000.00	2023-10-10	2024-9-26	No
Lianyungang Tian'an Electromechanical Engineering Co., Ltd	CNY	500.00	2023-10-25	2024-10-24	No
Lianyungang Qiuhui New Building Materials Co., Ltd	CNY	500.00	2023-10-31	2024-10-30	No
Lianyungang Fengshili Property Management Co., Ltd	CNY	500.00	2023-11-10	2024-11-9	No
Jiangsu Danqing Art Design Co., Ltd	CNY	120.00	2023-11-21	2024-11-20	No
Guanyun Shanhai Century Hotel Management Co., Ltd	CNY	400.00	2023-11-28	2024-11-14	No
Jiangsu Junying Construction Machinery Co., Ltd	CNY	95.00	2023-11-13	2024-11-12	No
Lianyungang Fuxin Shipping Engineering Co., Ltd	CNY	200.00	2023-11-7	2024-11-6	No
Lianyungang Dingsheng Agricultural Development Co., Ltd	CNY	500.00	2023-12-8	2024-12-7	No
Lianyungang Kaimeng Trading Co., Ltd	CNY	500.00	2023-12-12	2024-12-11	No
Lianyungang Langlang Agricultural Technology Co., Ltd	CNY	100.00	2023-12-26	2024-12-25	No
Lianyungang Jiarun Loading and Unloading Service Co., Ltd	CNY	320.00	2023-12-27	2024-12-17	No
Lianyungang Zhenghe Construction Engineering Co., Ltd	CNY	500.00	2023-12-28	2024-12-25	No
Guanyun Tengmei Industrial Co., Ltd	CNY	400.00	2023-12-28	2024-12-25	No
Lianyungang Rongjin Commercial Concrete Co., Ltd	CNY	300.00	2023-12-22	2024-12-12	No
Lianyungang Pingchuang Industrial Co., Ltd	CNY	270.00	2023-12-8	2024-12-7	No
Lianyungang Ganyu Da'an Commercial Operation Management Co., Ltd	CNY	450.00	2023-12-18	2024-12-17	No

Name of the insured company	Currency	Total amount of bank guarantee (ten thousand yuan)	Guarantee start date	Guarantee end date	Whether the guarantee has been fulfilled
Lianyungang Haobang Department Store Trading Co., Ltd	CNY	450.00	2023-12-27	2024-12-26	No
Lianyungang Kuantu Construction Engineering Co., Ltd	CNY	500.00	2023-12-28	2024-12-26	No
Lianyungang Miaolin Greening Engineering Co., Ltd	CNY	400.00	2023-12-28	2024-12-26	No
Lianyungang Xiangzhida Building Materials Sales Co., Ltd	CNY	420.00	2023-12-28	2024-12-27	No
Subtotal		**147,810.13**			
Total		**1,392,080.56**			

XI. Post Balance Sheet Event

The Company has no outstanding events occurring after the balance sheet date that require disclosure.

XII. Other Important Information

The Company has no outstanding events occurring after the balance sheet date that require disclosure.

XIII、Notes to the Main Items of the Financial Statements of Parent Company (All currency unit is CNY, except other statements)

1. Accounts receivable

62. 1.1 Disclosed by Aging

Aging	12/31/2023	12/31/2022
Within 1 year	965,980,596.88	245,627,981.14
1-2 year	144,515,078.99	135,764,547.84
2-3 year	16,341,018.48	98,176,977.90
3-4 year	96,900,677.19	31,021,885.72
4-5 year	24,501,085.34	9,883,606.01
Over 5 year	351,949,183.22	346,301,908.47
Book balance sub-total	1,600,187,640.10	866,776,907.07
Less: Bad debt provision	34,579,063.51	31,159,849.11
Net value	1,565,608,576.59	835,617,057.96

63. 1.2 Disclosed by bad debt accrual method

Items	12/31/2023				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad debt provisions are made by portfolio	1,600,187,640.10	100.00	34,579,063.51	2.16	1,565,608,576.59
Including: overdue aging combination	162,388,099.95	10.15	34,579,063.51	21.29	127,809,036.44
Other combinations	1,437,799,540.15	89.85			1,437,799,540.15
Total	1,600,187,640.10	100.00	34,579,063.51	2.16	1,565,608,576.59

Continued on the table

Items	12/31/2022				
	Book balance		Bad debt provision		Net value
	Amount	%	Amount	%	
Receivables whose bad debt provisions are made separately					
Receivables whose bad debt provisions are made by portfolio	866,776,907.07	100.00	31,159,849.11	3.59	835,617,057.96
Including: overdue aging combination	190,776,293.64	22.01	31,159,849.11	16.33	159,616,444.53
Other combinations	676,000,613.43	77.99			676,000,613.43
Total	866,776,907.07	100.00	31,159,849.11	3.59	835,617,057.96

In the portfolio, accounts receivable for which bad debt provision is withdrawn by overdue aging analysis method:

Overdue aging	12/31/2023			12/31/2022		
	Book balance	Bad debt provision	Accrual proportion%	Book balance	Bad debt provision	Accrual proportion%
Not overdue	114,533,675.87	5,726,683.79	5.00	147,779,271.31	7,388,963.57	5
Within 1 year	8,941,578.15	894,157.82	10.00	8,113,220.81	811,322.08	10
1-2 year	7,065,128.39	2,119,538.52	30.00	6,687,633.30	2,006,289.99	30
2-3 year	5,280,000.00	2,112,000.00	40.00	7,291,142.76	2,916,457.10	40
3-4 year	5,682,068.32	2,841,034.16	50.00	5,736,418.20	2,868,209.10	50
Over 4 year	20,885,649.22	20,885,649.22	100.00	15,168,607.27	15,168,607.27	100
Total	162,388,099.95	34,579,063.51	21.29	190,776,293.64	31,159,849.11	16.33

In the portfolio, bad debt reserves are not withdrawn for other portfolios.

1.3 Bad debt provision

Items	12/31/2022	Changes in current period			12/31/2023
		Increase	Reversal	Deduct	
Non-related parties portfolio	31,159,849.11	3,419,214.40			34,579,063.51
Total	31,159,849.11	3,419,214.40			34,579,063.51

1.4 Top five entities with the largest balances of the accounts receivable

Debtor's name	Closing balance	Proportion in the total accounts' receivables (%)	Provision Amount
Jiangsu Lianyungang Port Co., Ltd	638,771,003.40	39.92	
Lianyungang Port Public Property Management Co., Ltd.	365,490,769.80	22.84	
Lianyungang New Coast Real Estate Development Co., Ltd	105,008,277.54	6.56	
Lianyungang Port Holding Group Xuwei Co., Ltd	99,836,564.90	6.24	
Jiangsu Zhugang Construction Group Co., Ltd	32,500,142.29	2.03	
Total	1,241,606,757.93	77.59	

2. Other receivables

2.1 Category

Items	12/31/2023	12/31/2022
Interests receivable		
Dividends receivable	706,398,736.45	455,546,736.45
Other receivables	20,140,224,269.56	17,735,724,740.63
Total	20,846,623,006.01	18,191,271,477.08

2.2 Dividend receivable

Items	12/31/2023	12/31/2022
Lianyungang Xinwei Port Terminal Co., Ltd	45,000,000.00	45,000,000.00
Lianyungang Zhongha International Logistics Co., Ltd	4,080,000.00	
Yancheng Haixing Tugboat Co., Ltd	175,000.00	175,000.00
Jiangsu Smart Cloud Port Technology Co., Ltd	49,655,120.81	42,155,120.81
Lianyungang Port Group Power Supply Engineering Co., Ltd		15,000,000.00
Jiangsu Port Construction Group Co., Ltd	309,772,000.00	230,000,000.00
Lianyungang Jiangang Industrial Co., Ltd	51,376,736.05	39,376,736.05
Lianyungang Port Engineering Design and Research Institute Co., Ltd	98,839,879.59	57,839,879.59
Lianyungang New Coast Real Estate Development Co., Ltd	26,000,000.00	26,000,000.00
Lianyungang Hongyun Industrial Co., Ltd	8,000,000.00	
Lianyungang Loading and Unloading Services Co., Ltd	8,500,000.00	
Lianyungang Port Construction and Installation Engineering Co., Ltd	33,000,000.00	
Lianyungang Port Maintenance Engineering Co., Ltd	36,000,000.00	
Lianyungang Electronic Port Information Development Co., Ltd	36,000,000.00	
Total	706,398,736.45	455,546,736.45

2.3 Other receivables

a) Classification of other receivables by aging

Aging	12/31/2023	12/31/2022
Within 1 year	4,208,979,546.72	4,492,548,889.57
1-2 year	4,079,795,148.40	4,081,868,786.58
2-3 year	3,260,392,895.57	3,152,068,239.62
3-4 year	2,706,843,083.52	3,284,637,901.43
4-5 year	3,219,213,998.61	2,165,332,819.31
Over 5 year	2,892,156,391.89	810,953,586.95
Book balance sub-total	20,367,381,064.71	17,987,410,223.46
Less: Bad debt provision	227,156,795.15	251,685,482.83
Net value	20,140,224,269.56	17,735,724,740.63

b) Classification of other receivables by nature

Nature of payment	12/31/2023	12/31/2022
Related transactions	4,997,102,796.85	3,796,768,231.16
Security deposit	27,643,321.00	1,056,331.92
Petty cash	108,642.62	83,701.71

Nature of payment	12/31/2023	12/31/2022
Loan	15,263,544,373.00	14,112,834,339.98
Other receivables	78,981,931.24	76,667,618.69
Book balance sub-total	20,367,381,064.71	17,987,410,223.46
Less: Bad debt provision	227,156,795.15	251,685,482.83
Net value	20,140,224,269.56	17,735,724,740.63

c) Disclosed by bad debt accrual method

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
12/31/2022		251,685,482.83		251,685,482.83
Opening balance in current period				
——Move to phase II			——	
——Move to phase III				
——Back to phase II				
——Back to phase I				
Current increase				
Current Reversal		24,528,687.68		24,528,687.68
Current Deduct				
Other changes				
12/31/2023		227,156,795.15		227,156,795.15

d) Bad debt provision

Items	12/31/2022	Changes in current period			12/31/2023
		Increase	Reversal	Deduct	
Non-related parties portfolio	251,685,482.83		24,528,687.68		227,156,795.15
Total	251,685,482.83		24,528,687.68		227,156,795.15

e) Top five entities with the largest balances of the account receivables

Company name	Business content	Amount	Proportion in the total (%)	Bad debt provision
Lianyungang Jinzhong development and Construction Co., Ltd	Related contacts	4,708,050,000.00	23.12	
Jiangsu Golden Harbour Investment Co., Ltd.	Related contacts	2,276,000,000.00	11.17	
Lianyungang Port Public Property Management Co., Ltd.	Related contacts	1,276,716,519.45	6.27	
Lianyungang new Coast Real Estate Development Co., Ltd	Related contacts	1,269,434,072.26	6.23	
Lianyungang Xuwei Port Investment Co., Ltd.	Related contacts	1,027,544,148.26	5.05	182,166,876.44
Total		10,557,744,739.97	51.84	182,166,876.44

3. Long-term equity investment

Item	12/31/2023			12/31/2022		
	Book balance	Provision for impairment	Book Value	Book balance	Provision for impairment	Book Value
Investment in subsidiary	12,969,475,786.40	3,104,949.50	12,966,370,836.90	13,924,448,083.57	3,104,949.50	13,921,343,134.07
Investment in associate, joint venture	569,375,354.43		569,375,354.43	585,187,663.42		585,187,663.42
Total	13,538,851,140.83	3,104,949.50	13,535,746,191.33	14,509,635,746.99	3,104,949.50	14,506,530,797.49

3.1 Investment in subsidiary

Investee	12/31/2022	Increase	Decrease	12/31/2023	Provision for impairment in the current period	Closing balance of provision for impairment
Jiangsu Lianyungang Port Corporation	1,927,427,702.16			1,927,427,702.16		
Lianyungang Shipping Tally Co. Ltd.	6,305,544.00			6,305,544.00		
Lianyungang Electronic Port Information Development Co., Ltd.	20,016,768.05			20,016,768.05		
Lianyungang New Marine Investment Development Co., Ltd.	149,000,000.00			149,000,000.00		
Lianyungang Port Design & Research Institute Co., Ltd.	17,039,275.52			17,039,275.52		
Lianyungang Jinhe development and Construction Co., Ltd						
Jiangsu Zhugang Construction Group Co., Ltd	1,008,117,522.11			1,008,117,522.11		
Lianyungang New Sea Real Estate Development Company	763,812,700.00			763,812,700.00		
Lianyungang Shanhai Guarantee Co., Ltd.	200,000,000.00	20,000,000.00		220,000,000.00		
Xinyi Port (Lianyungang) Wharf Co., Ltd.	185,867,900.00		185,867,900.00			
Lianyungang New Bay Wharf Co., Ltd.	455,000,000.00			455,000,000.00		
Shanhai (Hongkong) Investment and Development Co. Ltd.	1,092,720,964.98			1,092,720,964.98		
Jiangsu New Longgang Port Co., Ltd.	147,592,700.00	115,000,000.00		262,592,700.00		

Investee	12/31/2022	Increase	Decrease	12/31/2023	Provision for impairment in the current period	Closing balance of provision for impairment
Jiangsu Lianyungang Port Logistics Holding Co., Ltd.	1,209,000,000.00			1,209,000,000.00		
Jiangsu Wisdom Yungang Science and Technology Co. Ltd.	29,500,000.00			29,500,000.00		
Lianyungang Dongliang Wharf Co., Ltd.	373,831,518.50			373,831,518.50		
Lianyungang Xinwei Port Wharf Co. Ltd.	595,480,000.00			595,480,000.00		
Lianyungang Port Construction Project Management Co., Ltd.	20,000,000.00		20,000,000.00			
Lianyungang JianGang Industrial Co., Ltd.	28,700,911.69			28,700,911.69		
Lianyungang New Oriental Container Terminal Co., Ltd.	838,520,460.00		838,520,460.00			
Lianyungang Zhongha International Logistics Co., Ltd.	214,200,000.00			214,200,000.00		
Lianyungang Huixin Asset Management Co., Ltd	20,000,000.00			20,000,000.00		
Jiangsu New Sugang Investment Development Co., Ltd.	387,466,103.85		387,466,103.85			
Jiangsu Shanghe Logistics Park Development Co., Ltd.	730,000,000.00			730,000,000.00		
Lianyungang Port Group Finance Co., Ltd.	490,000,000.00			490,000,000.00		
Lianyungang Port Catering Service Co., Ltd.	5,000,000.00		5,000,000.00			
Lianyungang Xinbao Bay Terminal Co., Ltd.	35,000,000.00			35,000,000.00		
Lianyungang Xinhuan Bay Terminal Co., Ltd.	45,000,000.00			45,000,000.00		
Lianyungang Xinjie Bay Terminal Co., Ltd.	5,000,000.00			5,000,000.00		
Lianyungang Xinying Bay Terminal Co., Ltd.	200,000,000.00	100,000,000.00		300,000,000.00		
Lianyungang Xinzheng Bay Terminal Co., Ltd.	5,000,000.00			5,000,000.00		

Investee	12/31/2022	Increase	Decrease	12/31/2023	Provision for impairment in the current period	Closing balance of provision for impairment
Lianyungang Xinliang Bay Terminal Co., Ltd.	15,000,000.00			15,000,000.00		
Lianyungang Xinbi Bay Terminal Co., Ltd.	40,000,000.00			40,000,000.00		
Lianyungang Friendship Hotel	3,104,949.50			3,104,949.50		3,104,949.50
Lianyungang Xinli Bay Terminal Co.	5,000,000.00		5,000,000.00			
Lianyungang Xinya Bay Terminal Co.	5,000,000.00		5,000,000.00			
Jiangsu Lanbao Star Technology Co., Ltd	45,600,000.00			45,600,000.00		
Jiangsu Xinhang Electric Co., Ltd	84,270,000.00			84,270,000.00		
Lianyungang Lianhe International Container Development Co., Ltd	404,930,466.64			404,930,466.64		
Lianyungang Hongyun Industry Co., Ltd	100,256,427.69			100,256,427.69		
Lianyungang Tianhua Industry Co., Ltd	9,793,836.88	19,000,000.00		28,793,836.88		
Lianyungang Port Group Power Supply Engineering Co., Ltd	86,644,707.97			86,644,707.97		
Lianyungang highway port Co., Ltd	420,487,137.05			420,487,137.05		
Lianyungang port printing Co., Ltd	1,073,917.25			1,073,917.25		
Yancheng Haixing Tugboat Co., Ltd	1,400,000.00			1,400,000.00		
Lianyungang Port Handling Service Co., Ltd	19,485,548.77			19,485,548.77		
Lianyungang Port Construction and Installation Engineering Co., Ltd	123,200,940.32			123,200,940.32		
Lianyungang Port Maintenance Engineering Co., Ltd	31,571,266.27			31,571,266.27		
Sulong (Gansu) Logistics Supply Chain Co., Ltd	57,983,029.08			57,983,029.08		
Lianyungang Xinxin Port Logistics Co., Ltd	4,500,000.00			4,500,000.00		
Lianyungang Xinxin Chemical Logistics Co., Ltd	500,000.00			500,000.00		
Lianyungang	626,226,185.29			626,226,185.29		

Investee	12/31/2022	Increase	Decrease	12/31/2023	Provision for impairment in the current period	Closing balance of provision for impairment
Jinzhong Development and Construction Co., Ltd						
Lianyungang Port Holding Group Xuwei Co., Ltd	633,819,600.00			633,819,600.00		
Lianyungang Lianhe Express Logistics Co., Ltd		237,882,166.68		237,882,166.68		
Total	13,924,448,083.57	491,882,166.68	1,446,854,463.85	12,969,475,786.40		3,104,949.50

3.2 Investment in associate, joint venture

Investee	12/31/2022	Changes in Current Period								12/31/2023	Closing balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Others		
Lianyungang Qianhong Petrochemical Storage Co., Ltd.	38,747,539.77			99,010.91						38,846,550.68	
Fengyi oil technology (Lianyungang) Co., Ltd	152,443,807.52			6,893,063.68	-39,329.34		20,000,000.00			139,297,541.86	
Yihai (Lianyungang) Grain and oil industry Co., Ltd.	199,729,754.47			3,824,233.14	4,013,673.63		20,000,000.00			187,567,661.24	
Lianyungang Zhonglian Tally Co. Ltd.	4,323,394.71			3,575,512.91			2,746,644.23			5,152,263.39	
Lianyungang Port International Petrochemical Storage Co., Ltd.	38,497,468.89			-962,416.97						37,535,051.92	
Fengyi Alcohol Industrial (Lianyungang) Co., Ltd.	43,750,776.42			2,877,171.82						46,627,948.24	
Lianyungang Xinyi International Freight Forwarding Co., Ltd.	665,959.51									665,959.51	
Lianyungang Harbor travel company	250,000.00									250,000.00	
Lianyungang Taidi Petrochemical Co., Ltd	100,442,775.49			3,045,565.24						103,488,340.73	
Lianyungang new Silk Road International Container Development Co.,	6,336,186.64			3,607,850.22						9,944,036.86	

Investee	12/31/2022	Changes in Current Period								12/31/2023	Closing balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Others		
Ltd											
Total	585,187,663.42			22,969,990.95	3,974,344.29		42,746,644.23			569,375,354.43	

4. Sales and cost of sales

4.1 Sales and other operating income

Items	2023 (Jan-Dec)		2022 (Jan-Dec)	
	Revenue	Cost	Revenue	Cost
Main operations	1,037,881,161.37	854,892,423.73	957,670,536.72	772,407,185.85
Other operations	327,184,742.62	119,609,461.09	343,114,883.26	103,341,383.41
Total	1,365,065,903.99	974,501,884.82	1,300,785,419.98	875,748,569.26

4.2 Main operations (disclosure by branch line of business)

Items	2023 (Jan-Dec)		2022 (Jan-Dec)	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Loading and unloading income	8,682,511.46	8,838,448.87	5,184,902.94	1,760,168.29
Management revenue	591,960,360.15	478,854,001.36	583,884,012.60	471,415,923.88
Sales revenue	400,606,804.61	328,255,228.54	367,665,373.42	298,498,760.99
Engineering Income	1,489,550.26	1,007,214.47	936,247.76	732,332.69
Others	35,141,934.89	37,937,530.49		
Total	1,037,881,161.37	854,892,423.73	957,670,536.72	772,407,185.85

4.3 Other operations (disclosure by branch line of business)

Items	2023 (Jan-Dec)		2022 (Jan-Dec)	
	Other operating revenue	Other operating cost	Other operating revenue	Other operating cost
Lease of other assets	186,721,031.82	4,906,764.54	216,807,119.44	4,917,583.22
Supply	35,501,379.56	28,557,724.14	36,596,369.60	25,295,640.25
Others	104,962,331.24	86,144,972.41	89,711,394.22	73,128,159.94
Total	327,184,742.62	119,609,461.09	343,114,883.26	103,341,383.41

5. Investment income

Item	2023 (Jan-Dec)	2022 (Jan-Dec)
Investment income from long-term equity investments under cost method	433,565,010.31	466,341,026.32
Investment income from long-term equity investments under equity method	22,959,990.95	23,902,113.43
Investment income from disposing long-term equity investments	213,425,893.60	585,098,900.00
Other financial gains	5,704,433.31	5,000,000.00
Total	675,655,328.17	1,080,342,039.75

Lianyungang Port Group Co., Ltd.

April 25, 2024

This report is written in Chinese and in English. Both Versions are originals. In the event of any inconsistency or conflict between the Chinese version and the English version, the Chinese version shall prevail.

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