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Qingdao Port International Co., Ltd.

青島港國際股份有限公司

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

(Stock Code: 06198)

**(1) ALIGNMENT IN PREPARATION OF FINANCIAL STATEMENTS
IN ACCORDANCE WITH
CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES
(2) PROPOSED CHANGE OF INTERNATIONAL AUDITOR AND
PROPOSED APPOINTMENT OF AUDITOR
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
(4) AMENDMENTS TO THE PROPOSALS TO BE CONSIDERED
AT THE 2015 AGM**

We refer to the circular (the “**Circular**”) and the notice of the annual general meeting (the “**Notice**”) of Qingdao Port International Co., Ltd. (the “**Company**”) dated 11 April 2016, which set out, among other things, the special resolution numbered 3 in relation to the proposed amendments to the Articles of Association and the ordinary resolution numbered 14 in relation to the re-appointment of the domestic and international auditors of the Company for the year 2016 to be considered at the 2015 AGM. Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular and the Notice.

Subsequent to the despatch of the Circular, QDP, the controlling shareholder of the Company, proposed to change and add following resolutions in relation to (i) change of the accounting standard of the international financial statements of the Company from the International Financial Reporting Standards to the China Accounting Standards for

Business Enterprises; (ii) proposed change of the international auditor of the Company; (iii) proposed appointment of the auditor of the Company; and (iv) proposed amendments to the Articles of Association. After due consideration by the Board on the meeting of the Board held on 18 May 2016, the above-mentioned resolutions have been passed and among which, items (ii), (iii) and (iv) will be submitted to the 2015 AGM for the consideration and approval by the Shareholders and the details of which are set out below. The above extraordinary proposals of QDP are in compliance with the requirements under the relevant laws and regulations in the PRC and the Articles of Association.

ALIGNMENT IN PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

As the Company has issued its first tranche of the corporate bonds of 2016 on the Shanghai Stock Exchange in March 2016, it shall comply with the relevant disclosure requirements on the financial statements of both the Stock Exchange and Shanghai Stock Exchange. According to the *Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong* published by the Stock Exchange in December 2010, Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using Mainland accounting standards, and Mainland audit firms approved by the Ministry of Finance of the PRC (“MOF”) and the China Securities Regulatory Commission (“CSRC”) are allowed to serve these issuers using Mainland auditing standards. In order to improve efficiency and to reduce the cost of disclosure and audit expenses, the Board resolved to change the accounting standard of the international financial statements of the Company from the International Financial Reporting Standards to the China Accounting Standards for Business Enterprises.

The Company believes that the change of accounting standard of the international financial statements of the Company will not affect the publication of the Company’s interim results for the six months ending 30 June 2016.

PROPOSED CHANGE OF INTERNATIONAL AUDITOR AND PROPOSED APPOINTMENT OF AUDITOR

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers are the domestic and the international auditor of the Company, respectively. In order to simplify working process, improve working efficiency and lower disclosure cost and audit expenses, in light of the change of accounting standard of the international financial statements of the Company as provided above, the Board proposed to, subject to the approval by the Shareholders at the AGM, cease to re-appoint PricewaterhouseCoopers as the international auditor of the Company.

In addition, the Board proposed to appoint PricewaterhouseCoopers Zhong Tian LLP as its auditor to carry out the audit work of the Company's financial statements prepared in accordance with the China Accounting Standards for Business Enterprises and undertaking the role of international auditor in compliance with the Listing Rules, subject to the approval by the Shareholders at the AGM. PricewaterhouseCoopers Zhong Tian LLP is a firm of practicing accountants which has been approved by the MOF and the CSRC and eligible to provide auditing services by using the China Standards on Auditing to the Mainland incorporated issuers listed in Hong Kong.

PricewaterhouseCoopers has confirmed that there were no matters regarding the proposed cessation of its re-appointment that need to be brought to the attention of the Shareholders. The Board is not aware of any matter regarding the proposed change of the international auditor of the Company that needs to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirmed that there were no disagreement between the Company and PricewaterhouseCoopers regarding the proposed cessation of its re-appointment.

The Company believes that the proposed change of the international auditor of the Company will not affect the publication of the Company's interim results for the six months ending 30 June 2016.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the change of accounting standard of the international financial statements of the Company, proposed change of the international auditor and proposed appointment of auditor of the Company, the Board also proposed the following amendments to the Articles of Association:

The original Article 151 which provides that:

“In addition to the PRC accounting standards and regulations, the financial statements of the Company shall also be prepared in accordance with the international accounting standards or the accounting standards of the place outside the PRC where the shares of the Company are listed. Any material discrepancy between the financial statements prepared in accordance with two different accounting standards shall be explained in the notes of the financial statements. Distribution of profits after tax shall be based on the lower of the profits after tax shown in the financial statements.”

is hereby amended as follows:

“The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.”

The original Article 152 which provides that:

“Interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place outside the PRC where the shares of the Company are listed.”

is hereby amended as follows:

“Interim results or financial information published or disclosed by the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.”

The above proposed amendments to the Articles of Association provided above, together with the proposed addition of two new scopes of operation of the Company according to the latest business development of the Group provided in the Circular, will be submitted together as a new resolution in relation to the proposed amendments to the Articles of Association to be considered by the Shareholders at the 2015 AGM.

AMENDMENTS TO THE PROPOSALS TO BE CONSIDERED AT THE 2015 AGM

In light of the above, the special resolution numbered 3 “To consider and to approve the proposed amendments to the articles of association of the Company in relation to the expansion of the Company’s scope of operation.” and the ordinary resolution numbered 14 “To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, as the domestic and international auditors of the Company for the year 2016 respectively to hold office until the conclusion of the next annual general meeting, and to authorise the Board to fix their remuneration.” as set out in the Notice will be withdrawn from the 2015 AGM.

Additional resolutions will be set out in the revised notice of the 2015 AGM and the supplemental circular to be dispatched by the Company soon.

By order of the Board
Qingdao Port International Co., Ltd.
ZHENG Minghui
Chairman

Qingdao, the PRC, 18 May 2016

As at the date of this announcement, the Executive Directors of the Company are ZHENG Minghui, JIAO Guangjun and JIANG Chunfeng; the Non-executive Directors are CHENG Xinnong, SUN Yafei and MA Baoliang; and the Independent Non-executive Directors are WANG Yaping, CHAU Kwok Keung and YANG Qiulin.