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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2014:

- Revenue was RMB3,548.4 million;
- Profit attributable to owners of the Company was RMB855.0 million; and
- Basic earnings per share was RMB0.21.

FINANCIAL RESULTS

The board of directors (the "Board") of Qingdao Port International Co., Ltd. (the "Company") hereby announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2014. The interim results have been reviewed by the Audit Committee of the Board. The Group's unaudited condensed consolidated interim income statement, unaudited condensed consolidated interim statement of comprehensive income, unaudited condensed consolidated interim balance sheet and explanatory notes 1 to 13 as presented below are extracted from the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2014, which has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Unaudited	
		Six months ended 30 June	
	Note	**2014**	**2013**
		RMB'000	*RMB'000*
Revenue	4	3,548,440	3,386,819
Cost of sales	6	(2,509,850)	(2,310,754)
Gross profit		1,038,590	1,076,065
Other income		16,803	69,769
Selling and administrative expenses	6	(325,472)	(455,056)
Other gains - net	5	2,939	96,771
Share of profit of joint ventures		333,991	256,266
Share of profit of associates		521	1,217
Profit before income tax		1,067,372	1,045,032
Income tax expenses	7	(200,450)	(256,072)
Profit for the period		866,922	788,960
Attributable to:			
— Owners of the Company		854,959	778,916
— Non-controlling interests		11,963	10,044
		866,922	788,960
Earnings per share for profit attributable to owners of the Company			
(expressed in RMB per share)			
— basic	8	0.21	0.22
— diluted	8	0.21	0.22

Details of aggregate amounts of the dividends paid and proposed to owners of the Company during the six months ended 30 June 2014 and 2013 are set out in Note 9.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Unaudited Six months ended 30 June	
	2014	**2013**
	RMB'000	*RMB'000*
Profit for the period	866,922	788,960
Other comprehensive expense:		
Items that will not be reclassified subsequently to profit or loss:		
— Remeasurement of employee benefit obligations	(163,199)	(97,320)
Other comprehensive expense for the period, net of tax	(163,199)	(97,320)
Total comprehensive income for the period	703,723	691,640
Attributable to:		
— Owners of the Company	692,032	681,727
— Non-controlling interests	11,691	9,913

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2014

	Note	Unaudited As at 30 June 2014 RMB'000	Audited As at 31 December 2013 RMB'000 (Restated)
ASSETS			
Non-current assets			
Land use rights		649,702	598,365
Property, plant and equipment		10,436,950	9,204,664
Goodwill	13	18,837	—
Investment properties		223,831	221,986
Intangible assets		75,509	40,118
Investments in joint ventures		5,110,365	4,392,298
Investments in associates		5,098	5,488
Available-for-sale financial assets		72,208	72,208
Deferred income tax assets		904,376	936,694
Trade and other receivables	10	253,188	279,977
		17,750,064	15,751,798
Current assets			
Inventories		151,806	204,725
Trade and other receivables	10	2,379,841	2,088,472
Amounts due from customers for contract work		275,365	166,036
Restricted bank deposits		1,010,000	9
Cash and cash equivalents		3,089,983	1,277,288
		6,906,995	3,736,530
Total assets		24,657,059	19,488,328

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2014

	Note	Unaudited As at 30 June 2014 *RMB'000*	Audited As at 31 December 2013 *RMB'000* *(Restated)*
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	4,705,800	4,000,000
Share premium	11	9,117,504	7,835,866
Reserves		(3,160,393)	(3,290,767)
		10,662,911	8,545,099
Non-controlling interests		372,640	23,948
Total equity		11,035,551	8,569,047
LIABILITIES			
Non-current liabilities			
Borrowings		119,511	—
Deferred income		3,975,970	4,078,613
Early retirement and supplemental benefit obligations		2,708,425	2,533,750
Trade and other payables	12	76,655	54
		6,880,561	6,612,417
Current liabilities			
Deferred income		213,671	212,308
Early retirement and supplemental benefit obligations		132,528	132,528
Trade and other payables	12	6,236,539	3,915,487
Current income tax liabilities		84,459	46,541
Borrowings		73,750	—
		6,740,947	4,306,864
Total liabilities		13,621,508	10,919,281
Total equity and liabilities		24,657,059	19,488,328
Net current assets/(liabilities)		166,048	(570,334)
Total assets less current liabilities		17,916,112	15,181,464

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Unaudited Six months ended 30 June	
	2014	**2013**
	RMB'000	*RMB'000*
Cash flows from operating activities		
Cash generated from operations	321,886	186,256
Income tax paid	(130,572)	(115,183)
Net cash generated from operating activities	191,314	71,073
Cash flows from investing activities		
Payments on behalf of related parties	(184,596)	(92,364)
Purchases of property, plant and equipment	(370,545)	(1,154,218)
Repayments received from related parties	688,583	223,127
Proceeds from sale of property, plant and equipment, land use rights and intangible assets	449	1,036,509
Investments in joint ventures	(523,900)	(328,996)
Increase in restricted bank deposits	(1,000,000)	—
Capital reduction of a joint venture	100,000	—
Interest received	—	49,855
Dividends received	336,169	29,447
Government grants received	8,512	—
Amounts paid to a related party	(4,100)	—
Proceeds from acquisition of a subsidiary	4,142	—
Net cash used in investing activities	(945,286)	(236,640)

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Unaudited Six months ended 30 June	
	2014	**2013**
	RMB'000	*RMB'000*
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	2,342,038	—
Capital contribution received from non-controlling interests for establishment of a subsidiary	300,000	—
Contributions from government	—	129,250
Amounts received from a related party	—	10,000
Dividends paid	(13,872)	(20,317)
Repayments of borrowings	(5,000)	—
Repayments to related parties	—	(32,320)
Payments for share issue expenses	(52,714)	—
Deemed distributions	—	(150,000)
Interest paid	(417)	—
Net cash generated from/(used in) financing activities	2,570,035	(63,387)
Net increase/(decrease) in cash and cash equivalents	1,816,063	(228,954)
Cash and cash equivalents at beginning of the period	1,277,288	829,255
Exchange (losses)/gains on cash and cash equivalents	(3,368)	4
Cash and cash equivalents at end of the period	3,089,983	600,305

Notes:

1. General information

Qingdao Port International Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC" or "China") on 15 November 2013 as a joint stock company with limited liability as a result of the reorganisation of Qingdao Port (Group) Co., Ltd (the "QDP") and its subsidiaries (the "Reorganisation") in preparation for listing the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of the Company's registered office is 7 Gang Hua Road, City North District, Qingdao City, Shandong Province, the PRC.

The Company and its subsidiaries (the "Group") are principally engaged in the provision of containerised and non-containerised cargo handling services, port infrastructure construction services and other port ancillary services at the port of Qingdao in the PRC.

Prior to the incorporation of the Company, the abovementioned principal activities were carried out by QDP which is operating under the supervision and regulation of the State-owned Assets Supervision and Administration Commission of Qingdao (the "Qingdao SASAC").

Pursuant to the Reorganisation, the principal operations and businesses of QDP (the "Core Operations") and the relevant assets and liabilities were transferred to the Company on 15 November 2013, which include:

(i) all operating assets and liabilities relating to container handling and ancillary services;

(ii) all operating assets and liabilities relating to metal ore, coal and other cargo handling and ancillary services;

(iii) all operating assets and liabilities relating to liquid bulk handling and ancillary services;

(iv) all operating assets and liabilities relating to logistics and port value-added services;

(v) all operating assets and liabilities relating to port construction service and other services.

In connection with the Reorganisation, the following assets and liabilities were not transferred to the Company and were retained by QDP:

(i) operating businesses unrelated to the Core Operations, which primarily include public infrastructure construction and operations of certain social and community facilities such as hospitals, schools and hotels;

(ii) certain operating assets and liabilities historically associated with the Core Operations, which mainly represented the operating assets and liabilities owned by QDP Dongjiakou Branch, namely two metal ore berths (the "Dongjiakou Operation I") and two multi-purpose berths (the "Dongjiakou Operation II", collectively "Dongjiakou Operations").

(iii) certain land use rights, investment properties, non-operating property, plant and equipment, operating property, plant and equipment that are related to public infrastructure or related to the Core Operations but without ownership certificates, intangible assets, investments in an associate, available-for-sale financial assets, deferred income taxes, inventories, trade and other receivables, cash, borrowings, deferred income, early retirement and supplemental benefit obligations, trade and other payables that were not transferred to the Company (the "Other Retained Operations").

On 15 November 2013, QDP transferred cash and the assets and liabilities relating to the Core Operations to the Company which are accounted for 90% of the entire registered and paid-up share capital of the Company. Shenzhen Malai Storage Co., Ltd. (碼來倉儲(深圳)有限公司), Qingdao Ocean Shipping Co., Ltd. (青島遠洋運輸有限公司), China Shipping Terminal Development Co., Ltd. (中海碼頭發展有限公司), Everbright (Qingdao) Financial Leasing Co., Ltd. (光大控股(青島)融資租 賃有限公司) and Qingdao International Investment Co., Ltd. (青島國際投資有限公司) together as the promoters of the Company, injected cash to the Company and accounted for 2.8%, 2.4%, 2.4%, 1.2% and 1.2% shareholdings in the Company, respectively.

Upon the establishment of the Company, the initial registered capital of the Company was RMB4,000 million, consisting of 4,000 million shares of RMB1.00 each. The H shares of the Company were listed on the Hong Kong Stock Exchange on 6 June 2014. Details of movements in the Company's share capital are set out in Note 11.

In May 2014, the Company completed the acquisition of Dongjiakou Operation II and certain other assets from QDP, with a total consideration of RMB738.72 million. The acquisition of Dongjiakou Operation II was regarded as a business combination under common control in a manner similar to a uniting of interests and was accounted for with reference to the principles of merger accounting under Hong Kong Accounting Guideline 5 "Merger Accounting for the Common Control Combination" issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements for the year ended 31 December 2013 have been restated as a result of adoption of merger accounting for the above business combination under common control. Details of relevant restatement for the common control combination on the financial position as at 31 December 2013 are set out in Note 13(c). The acquisition of the other assets was accounted for as an acquisition of assets and the consideration was recorded as the cost of assets to the Group.

This unaudited condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This unaudited condensed consolidated interim financial information was approved for issue by the Board on 28 August 2014.

This condensed consolidated interim financial information has been reviewed, not audited.

2 Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the financial information of the Group for the year ended 31 December 2013 presented in the Appendix I to the prospectus of the Company dated 26 May 2014 (the "Prospectus") in connection with the initial listing of the Company's shares on the Hong Kong Stock Exchange (the "Accountant's Report") which has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

The Company and QDP are both state-owned enterprises controlled and owned by Qingdao SASAC. Accordingly, the Reorganisation referred to in Note 1 above has been accounted for as a reorganisation of businesses under common control in a manner similar to a uniting of interests. The condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six months ended 30 June 2013, which are presented for comparative purposes only, have been prepared as if the current group structure had been in existence throughout the period from 1 January 2013 to 30 June 2013, or since the respective dates of incorporation of the combining companies, or since the date when the combining companies first came under the control of QDP, whichever is the shorter period.

Dongjiakou Operations and Other Retained Operations as described in Note 1 above, either they are engaged in similar businesses with the Core Operations, or their operations and financial records are under common management and control of QDP, were included in the condensed consolidated interim financial information before the Reorganisation, and were accounted for as a distribution to QDP at the effective date of the Reorganisation (i.e. the date of incorporation of the Company on 15 November 2013).

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the Accountant's Report as contained in the Appendix I of the Prospectus.

3.1 Amended standards and interpretation that are effective for the first time for the financial year beginning 1 January 2014

IAS 32 (Amendment)	Financial instruments:presentation
IFRS 10, 12 and IAS 27	Consolidation
IAS 36 (Amendment)	Impairment of Assets
IAS 39 (Amendment)	Financial instruments: recognition and measurement
IFRIC 21	Levies

The adoption of these amended standards and interpretation has no significant impact on the results and financial position of the Group.

3.2 The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted:

		Effective for accounting periods beginning on or after
IAS 19 (Amendment)	Defined benefit plans	1 July 2014
Annual improvements 2012	Amendments to IFRS 2, 3, 8, 9 and IAS 16, 24, 37, 38, 39	1 July 2014
Annual improvements 2013	Amendments to IFRS 3, 13 and IAS 40	1 July 2014
IFRS 14	Regulatory deferral accounts	1 January 2016
IFRS 11 (Amendment)	Joint arrangement	1 January 2016
IAS 16 and IAS 38 (Amendment)	Property, Plant and Equipment and Intangible Assets	1 January 2016
IAS 27 (Amendment)	Consolidated and separate financial information	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

The Group has commenced an assessment of the related impact to the Group and will adopt the relevant new standards and amendments to standards when they become effective.

3.3 Defined contributions

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Besides the pension and other post-employment obligations contained in the Appendix I of the Prospectus, the Group also provided supplemental pension scheme to employees who will retire after 31 December 2015 which are considered to be defined contribution plan, and are expensed as incurred.

This plan was approved by the Board meeting on 8 May 2014.

3.4 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. Segment information

The chief operating decision maker has been identified as the Board. Management has determined the operating segments based on the information reviewed by the chief operating decision maker for the purposes of allocating resources and assessing the performance.

The Board considers the business from service activities perspective, which mainly include the following five reportable segments:

— Container handling and ancillary services: Loading and discharging of containers and various container logistics services；

— Metal ore, coal and other cargo handling and ancillary services: Loading and discharging of mental ore coal and other cargo;

— Liquid bulk handling and ancillary services: Loading and discharging, storage and transshipment for liquid bulk;

— Logistics and port value-added services: Tallying, towing, cargo logistics and other services;

— Port construction and other services: Provision of facilities construction service and manufacturing of port related equipment and others.

Container handling and ancillary services, liquid bulk and ancillary services are mainly operated by joint ventures. Management has concluded that these segments should be reported, as they are the main services and are expected to materially contribute to the Group's profit in future and thus Board closely monitor the share of net profit from those joint ventures.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transactions are conducted in accordance with the terms mutually agreed between the parties.

The Board assesses the performance of the operating segments based on a measure of adjusted segment results of each segment. Such segment results consist of revenue, cost of sales, selling and administrative expenses, other income, other gains - net, share of profit of joint ventures and associates directly attributable to each segment. Unallocated costs consist of corporate expenses and exchange loss. Unallocated other income consists of head office's interest income from deposits and amounts due from related parties. Inter-segment transactions were conducted at terms mutually agreed amongst those operating segments.

Segment assets consist primarily of land use rights, property, plant and equipment, investment properties, intangible assets, investments in joint ventures, investments in associates, trade and other receivables, inventories, amounts due from customers for contract work and cash and cash equivalents. Unallocated assets comprise head office's property, plant and equipment, intangible assets, available-for-sale financial assets, deferred income tax assets, trade and other receivables, restricted bank deposits and cash and cash equivalents.

Segment liabilities consist primarily of early retirement and supplemental benefit obligations, trade and other payables and borrowing. Unallocated liabilities comprise items such as head office's deferred income, bill payables, other payables to QDP and current income tax liabilities.

Additions to non-current assets (other than financial instruments and deferred income tax assets) comprise additions to land use right, property, plant and equipment, investment properties and intangible assets.

During the six months ended 30 June 2014, more than 90% of the Group's revenue is generated from customers located in Mainland China.

The segment information for the reportable segments is as follows:

	For the six months ended 30 June 2014 (Unaudited)						
	Container handling and ancillary services	**Metal ore, coal and other cargo handling and ancillary services**	**Liquid bulk handling and ancillary services**	**Logistics and port value-added services**	**Port construction and other services**	**Elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total segment revenue	61,268	1,572,526	8,422	1,014,185	1,231,490	(339,451)	3,548,440
Inter-segment revenue	—	(7,149)	—	(29,632)	(302,670)	339,451	—
Revenue from external customers	61,268	1,565,377	8,422	984,553	928,820	—	3,548,440
Total segment cost	(45,757)	(1,114,762)	(4,246)	(747,953)	(930,177)	333,045	(2,509,850)
Inter-segment cost	—	16,065	—	29,998	286,982	(333,045)	—
Cost from external customers	(45,757)	(1,098,697)	(4,246)	(717,955)	(643,195)	—	(2,509,850)
Share of profit of joint ventures	211,250	4,168	92,328	26,245	—	—	333,991
Share of profit of associates	—	—	—	521	—	—	521
Segment results	217,540	356,461	95,172	254,970	240,571	(5,460)	1,159,254
Unallocated costs							(97,701)
Unallocated other income							5,819
Profit before income tax							1,067,372
Income tax expenses							(200,450)
Profit for the period							866,922
Other information:							
Depreciation and amortisation	9,247	119,259	3,194	33,392	62,528	—	227,620
Unallocated depreciation and amortisation							9,096
Non-cash items other than depreciation and amortisation*	—	34,145	181	9,438	25,216	—	68,980

	As at 30 June 2014 (Unaudited)						
	Container handling and ancillary services	**Metal ore, coal and other cargo handling and ancillary services**	**Liquid bulk handling and ancillary services**	**Logistics and port value-added services**	**Port construction and other services**	**Elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	2,692,030	7,522,210	2,249,175	1,960,740	5,187,979	(614,263)	18,997,871
Unallocated assets:							5,659,188
Total assets							24,657,059
Total assets include:							
- Interests in joint ventures	2,545,401	863,867	1,401,537	299,560	—	—	5,110,365
- Interests in associates	—	—	—	5,098	—	—	5,098
- Additions to non-current assets (other than financial instruments and deferred income tax assets)	—	1,441,191	68,725	21,783	20,116	(15,032)	1,536,783
Segment liabilities	66,420	3,367,193	5,843	697,901	6,889,036	(534,787)	10,491,606
Unallocated liabilities:							3,129,902
Total Liabilities							13,621,508

	For the six months ended 30 June 2013 (Unaudited)						
	Container handling and ancillary services	**Metal ore, coal and other cargo handling and ancillary services**	**Liquid bulk handling and ancillary services**	**Logistics and port value-added services**	**Port construction and other services**	**Elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total segment revenue	66,483	1,519,434	232,741	839,230	1,375,365	(646,434)	3,386,819
Inter-segment revenue	—	(1,968)	(198)	(16,277)	(627,991)	646,434	—
Revenue from external customers	66,483	1,517,466	232,543	822,953	747,374	—	3,386,819
Total segment cost	(47,420)	(989,041)	(91,446)	(654,118)	(1,142,083)	613,354	(2,310,754)
Inter-segment cost	—	2,984	198	11,676	598,496	(613,354)	—
Cost from external customers	(47,420)	(986,057)	(91,248)	(642,442)	(543,587)	—	(2,310,754)
Share of profit of joint ventures	149,662	1,102	82,391	23,111	—	—	256,266
Share of profit of associates	—	—	—	1,217	—	—	1,217
Segment results	156,998	426,676	217,879	177,695	165,690	(33,081)	1,111,857
Unallocated costs							(228,690)
Unallocated other income							54,816
Unallocated other gains							107,049
Profit before income tax							1,045,032
Income tax expenses							(256,072)
Profit for the period							788,960
Other information:							
Depreciation and amortisation	4,911	174,573	17,340	31,838	77,331	—	305,993
Unallocated depreciation and amortisation							25,214
Non-cash items other than depreciation and amortisation*	—	34,744	1,214	9,181	25,481	—	70,620

	As at 31 December 2013 (Audited) (Restated)						
	Container handling and ancillary services	**Metal ore, coal and other cargo handling and ancillary services**	**Liquid bulk handling and ancillary services**	**Logistics and port value-added services**	**Port construction and other services**	**Elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	2,849,236	5,433,174	1,980,634	1,865,207	4,979,476	(423,193)	16,684,534
Unallocated assets:							2,803,794
Total assets							19,488,328
Total assets include:							
- Interests in joint ventures	2,437,134	438,053	1,207,641	309,470	—	—	4,392,298
- Interests in associates	—	—	—	5,488	—	—	5,488
- Additions to non-current assets (other than financial instruments and deferred income tax assets)	4,107	1,857,815	266,747	40,725	640,129	(36,846)	2,772,677
- Unallocated additions to non-current assets (other than financial instruments and deferred income tax assets)							3,707
Segment liabilities	61,450	1,716,246	5,389	639,844	7,121,266	(379,588)	9,164,607
Unallocated liabilities:							1,754,674
Total Liabilities							10,919,281

* Non-cash items other than depreciation and amortisation represent the interest cost of early retirement and supplemental benefit obligations and gains or losses of early retirement benefit obligations.

Reportable segment's assets and liabilities are reconciled to total assets and liabilities as follows:

	As at 30 June 2014	**As at 31 December 2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
		(Restated)
Segment assets	18,997,871	16,684,534
Unallocated corporate assets:		
- Property, plant and equipment	539,341	518,190
- Intangible assets	36,550	33,827
- Available-for-sale financial assets	483	483
- Deferred income tax assets	910,261	933,272
- Trade and other receivables	695,255	487,954
- Restricted bank deposits	1,010,000	—
- Cash and cash equivalents	2,467,298	830,068
	24,657,059	19,488,328

	As at 30 June 2014	**As at 31 December 2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Segment liabilities	10,491,606	9,164,607
Unallocated corporate liabilities:		
- Trade and other payables	3,037,766	1,724,710
- Current income tax liabilities	92,136	29,964
	13,621,508	10,919,281

Entity-wide information

Breakdown of the revenue from all services is as follows:

	Six months ended 30 June	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue from handling, ancillary and other related services	1,635,067	1,816,492
Revenue from logistics and port value-added services	984,553	822,953
Revenue from port construction and equipment manufacturing	418,148	474,721
Rental income	152,162	148,611
Sales of electricity, oil and others	358,510	124,042
	3,548,440	3,386,819

5. Other gains — net

	Six months ended 30 June	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Gains on disposals of property, plant and equipment, land use rights and intangible assets	6,642	102,100
Donations	—	(1,840)
Others	(3,703)	(3,489)
	2,939	96,771

Gains on disposals of property, plant and equipment, land use rights and intangible assets for the six months ended 30 June 2013 are mainly in connection with the sale of liquid bulk handling assets to a joint venture, Qingdao Shihua Crude Oil Terminal Co., Ltd. ("Qingdao Shihua").

6. Expenses by nature

	Six months ended 30 June	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Employee benefit expenses	824,029	951,388
Subcontract costs	570,074	180,648
Transportation costs	350,193	249,460
Materials used in contract work	222,820	143,284
Depreciation of property, plant and equipment	214,596	302,035
Cost of sales for oil and electricity	134,771	85,653
Fuel and heating expenditures	196,979	234,835
Raw material and consumables used	84,197	219,351
Business tax and others	53,363	141,292
Operating lease rental	51,366	43,456
Repair and maintenance expenses	34,175	98,029
Amortisation of land use rights and intangible assets	9,069	8,392
Depreciation of investment properties	4,600	5,585
Amortisation of other non-current assets	8,451	15,195
Auditor's remuneration	3,500	780
Other expenses	73,139	86,427
Total cost of sales, selling and administrative expenses	2,835,322	2,765,810

7. Income tax expense

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits arising in or derived from Hong Kong for the six months ended 30 June of 2014 (six months ended 30 June of 2013: nil).

The Group is subject to PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% (2013: 25%) of the assessable profit for the six months ended 30 June of 2014.

The amounts of income tax expenses charged to the condensed consolidated interim income statement represent:

	Six months ended 30 June	
	2014	**2013**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
PRC income tax		
- Current	177,482	265,059
- Deferred	22,968	(8,987)
	200,450	256,072

8. Earnings per share

(a) *Basic*

Basic earnings per share for the six months ended 30 June 2014 is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

The basic earnings per share for the period ended 30 June 2013 is calculated on the profit attributable to owners of the Company and on the assumption that 3,600 million shares issued upon the establishment of the Company in connection with the Reorganisation were deemed to have been in issue since 1 January 2013.

	Six months ended 30 June	
	2014	**2013**
	(Unaudited)	*(Restated)*
Profit attributable to owners of the Company (RMB'000)	854,959	778,916
Weighted average number of ordinary shares in issue (thousands)	4,094,107	3,600,000
Basic earnings per share (RMB per share)	0.21	0.22

(b) *Diluted*

Diluted earnings per share is the same as basic earnings per share as there were no potential diluted ordinary shares outstanding during the six months ended 30 June 2014 and 2013.

9. Dividends

Pursuant to the resolution of the shareholders' meeting held on 15 November 2013 (the "Shareholders' Resolution") and the applicable PRC financial regulations, the Company is required to make a distribution (the "Special Distribution") to QDP in an amount equal to the difference between the Group's combined equity attributable to owners of the Company as at 31 December 2012 and that as at 15 November 2013 (the date on which the Company was incorporated), as determined based on the audited accounts prepared in accordance with People's Republic of China Generally Accepted Accounting Principles ("PRC GAAP"). The Company has appropriated the Special Distribution of RMB1,303,228,000 accordingly. As at 31 December 2013, the Company paid approximately RMB270,688,000 to QDP and as at 30 June 2014, the Company had not yet paid the remaining portion.

Pursuant to the Shareholders' Resolution, QDP and the other promoters are entitled to a special dividend (the "Special Dividend") in an amount equal to the distributable profit of the Group generated from 16 November 2013, the date immediately after the date of establish of the Company, to the last day of the month prior to the listing of the Company's shares, in accordance with PRC GAAP or IFRS, whichever is lower. The Company estimated that the Special Dividend would amount to approximately RMB0.66 billion, which is subject to the completion of the audit.

10. Trade and other receivables

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited) (Restated)
Trade receivables (Note a)	1,006,119	904,204
- third parties	799,499	675,599
- related parties	206,620	228,605
Less: Provision for impairment	(10,409)	(10,409)
Trade receivables - net	995,710	893,795
Other receivables	422,000	745,397
- third parties	214,075	158,048
- related parties	207,925	587,349
Less: Provision for impairment	(272)	(272)
Other receivables - net	421,728	745,125
Bill receivables	859,062	387,230
Taxes due on port facilities rentals and others	219,924	225,472
VAT recoverable	31,920	26,254
Prepayments	104,685	90,573
Trade and other receivables	2,633,029	2,368,449
Less: non-current portion:		
- Taxes due on port facilities rentals and others	(208,630)	(214,177)
- Prepayments	(43,558)	(64,800)
- Other receivables	(1,000)	(1,000)
Non-current portion	(253,188)	(279,977)
Current portion	2,379,841	2,088,472

(a) In general, the Group grants a credit period of 30 to 90 days to its trade customers. As at 30 June 2014, the ageing analysis of trade receivables are as follows:

	As at 30 June 2014 *RMB'000* *(Unaudited)*	**As at 31 December 2013** *RMB'000* *(Audited)* *(Restated)*
Less than 3 months	730,747	674,497
3 to 6 months	123,639	143,729
6 to 12 months	120,926	56,210
1 to 2 years	17,455	19,153
2 to 3 years	3,765	809
Over 3 years	9,587	9,806
	1,006,119	904,204

11. Share capital and share premium

	2014	
	Number of shares *(thousands)*	**Nominal value** *(RMB'000)*
Registered, issued and fully paid		
- Domestic shares of RMB1.00 each	3,929,420	3,929,420
- H shares of RMB1.00 each	776,380	776,380
As at 30 June (unaudited)	4,705,800	4,705,800

The Company was incorporated on 15 November 2013, with an initial registered capital of RMB4,000 million, consisting of 4,000 million shares of RMB1.00 each.

The Company's H shares were listed on the Hong Kong Stock Exchange on 6 June 2014 and 705.8 million new H shares with a nominal value of RMB1.00 each were issued to the investors by way of international offering and public offering at HKD3.76 (equivalent to approximately RMB2.98) each. The Company raised net proceeds of approximately RMB1,987.4 million (HKD2,500 million) from the issuance of 705.8 million new shares, of which paid-up share capital was RMB705.8 million and share premium was approximately RMB 1,281.6 million.

Upon the issuance of new shares by the Company, 70.58 million domestic shares (10% of the number of new shares issued) were converted into H shares and transferred to the National Council for Social Security Fund of the PRC which were sold as part of the international offering.

As a result, the registered shares of the Company increased from 4,000 million shares to 4,705.8 million shares, comprising 3,929.42 million domestic shares and 776.38 million H shares, representing approximately 83.5% and 16.5% of the registered capital, respectively.

12. Trade and other payables

	As at 30 June 2014 *RMB'000* *(Unaudited)*	As at 31 December 2013 *RMB'000* *(Audited)*
Trade payables	743,632	719,299
- third parties	539,076	644,677
- related parties	204,556	74,622
Advance from customers	41,758	11,668
- third parties	18,305	11,668
- related parties	23,453	—
Bills payable	20,000	—
Warranties	184	54
Payables for purchases of property, plant and equipment	1,235,002	1,403,084
Other taxes payables	48,792	22,462
Salary, bonus and staff welfare benefits payable	65,033	18,519
Other payables and accruals	4,158,793	1,740,455
- third parties	473,669	132,434
- related parties	3,685,124	1,608,021
	6,313,194	3,915,541
Less: non-current portion	(76,655)	(54)
	6,236,539	3,915,487

At 30 June 2014, the ageing analysis of the trade payable are as follows:

	As at 30 June 2014 *RMB'000* *(Unaudited)*	As at 31 December 2013 *RMB'000* *(Audited)*
Less than 1 year	739,434	712,268
1 to 2 years	2,904	5,384
2 to 3 years	957	976
Over 3 years	337	671
	743,632	719,299

13 Business combinations

(a) The Company purchased 51% equity interests in Datang Qingdao Port Co., Ltd. ("Datang Qingdao Port"), at a cash consideration of RMB179,110,000 from Datang Shandong Power Generation Co., Ltd. The acquisition date was 31 May 2014, on which the Company obtained control over Datang Qingdao Port. Since then, Datang Qingdao Port has become a subsidiary of the Company.

The following table summarises the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed recognised at the acquisition date.

	As at 31 May 2014
	RMB'000
Purchase consideration	
- cash paid	179,110
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	179,110
Land use rights	57,307
Property, plant and equipment	311,223
Intangible assets	36,786
Other receivables	2,524
Other payables	(54,566)
Borrowings	(198,261)
Total identifiable net assets	334,123
Non-controlling interest	(163,721)
Goodwill	8,708
Purchase consideration	179,110
Outflow of cash to acquire business, net of cash acquired	
- cash consideration	179,110
- cash and banks deposits in subsidiary acquired	(179,110)
Cash outflow on acquisition	—

The assets of Datang Qingdao Port mainly comprise construction-in-progress. Datang Qingdao Port has not commenced its operations before 30 June 2014 and has not incurred any significant incomes or expenses.

(b) The Company acquired 51% equity interests in Qingdao Haiye Mercuria Logistics Co., Ltd. ("Mercuria Logistics"), at a consideration of RMB273,422,000. The acquisition date was 23 May 2014, on which the Company obtained control over Mercuria Logistics. Since then, Mercuria Logistics has become a subsidiary of the Company.

The following table summarises the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed recognised at the acquisition date.

	As at 23 May 2014
	RMB'000
Purchase consideration	
- non-cash consideration	273,422
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	4,142
Property, plant and equipment	896,802
Other receivables	20
Other payables	(430,677)
Deferred tax liabilities	(19,861)
Total identifiable net assets	450,426
Non-controlling interest	(187,133)
Goodwill	10,129
Purchase consideration	273,422
Acquisition-related costs (included in administrative expenses in the interim consolidated income statement for the period ended 30 June 2014)	250
Inflow of cash to acquire business, net of cash acquired	
- cash consideration	—
- cash and banks in subsidiary acquired	4,142
Cash inflow on acquisition	4,142

The assets of Mercuria Logistics mainly comprise construction-in-progress. Mercuria Logistics has not commenced its operations before 30 June 2014 and has not incurred any significant incomes or expenses.

(c) The Company adopts merger accounting for common control combination in respect of the acquisition of Dongjiakou Operation II as mentioned in Note 1. Pursuant to the Reorganisation and as mentioned in Note 2 Basis of preparation, Dongjiakou Operation II was included in the condensed consolidated interim financial information before the Reorganisation, and was accounted for as a distribution to QDP at the effective date of the Reorganisation on 15 November 2013. Therefore, the condensed consolidated interim balance sheet as at 1 January 2013 and the Group's results for the period ended 30 June 2013 were not restated. The consolidated balance sheet as at 31 December 2013 were restated and included the additions of property, plant and equipment of RMB536,112,000, the increase of trade and other receivables by RMB903,000 and the increase of reserves by RMB537,015,000.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group, as the primary operator of the Port of Qingdao, operates four port areas including Dagang Port Area, Qianwan Port Area, Huangdao Oil Port Area and Dongjiakou Port Area and owns dedicated terminals capable of docking the world's largest container vessels, metal ore vessels and oil tanks. It is mainly engaged in the handling of different types of cargoes such as containers, metal ore, coal and oil and the provision of ancillary services, logistics and port value-added services, port construction and port machinery manufacturing services.

As stated in notes 1 and 2 to the unaudited condensed consolidated interim financial information for the six months ended 30 June 2014, as a result of the reorganisation of Qingdao Port (Group) Co., Ltd. ("QDP"), the controlling shareholder of the Company, on 15 November 2013 (i.e. the date of incorporation of the Company), the operating assets and liabilities owned by QDP Dongjiakou Branch, namely two metal ore berths (the "Dongjiakou Operation I") and two multi-purpose berths (the "Dongjiakou Operation II", collectively the "Dongjiakou Operations"), and certain other assets and liabilities (the "Other Retained Operations") were not transferred to the Company. Accordingly, the results of Dongjiakou Operations and the Other Retained Operations were included in the condensed consolidated interim financial information for the six months ended 30 June 2013 but no longer consolidated into the Company's results of operations after 15 November 2013. In May 2014, the Company completed the acquisition of Dongjiakou Operation II from QDP, which is accounted for as a business combination under common control.Therefore, the results of operations of the Company for the six months ended 30 June 2014 will not be comparable to those of the six months ended 30 June 2013, which included Dongjiakou Operation I and the Other Retained Operations. In addition, in light of the completion of acquisition of Dongjiakou Operation II, the consolidated financial statements for the year ended 31 December 2013 have been restated.

Unless otherwise specified, references to the operational data or information of the Company such as throughput and berthing and storage capacity shall include the aggregate of such operational data or information of the Group and the joint ventures and associates of the Company (including Dongjiakou Operations) or such entity's predecessor, without regard to the proportion of interest held by the Company in such joint ventures and associates.

In the first half of 2014, the global economy continued to recover with growth. According to data from the National Bureau of Statistics of the PRC, the gross domestic product (GDP) of the domestic economy was 7.4% during the first half of 2014. According to data from the Ministry of Transport of the PRC, cargo throughput handled at major ports of considerable size in the PRC amounted to 5,490 million tons during the first half of 2014, representing an increase of 5.2% on a year-on-year (YOY) basis. Of which, foreign trade throughput handled was 1,780 million tons, representing an increase of 8.3% on a YOY basis. The stable growth of the global economy and the PRC economy, together with the continuous development of the port industry, provided a sound external environment for the development of the Company.

During the first half of 2014, the Company handled cargo throughput of 203.84 million tons, representing an increase of 4.9% over the same period of last year. For the six months ended 30 June 2014, the Group recorded a net profit of RMB867 million, representing an increase of 9.9% over the same period of last year.

Revenue of the Group for the first half of 2014 was RMB3,548.4 million, representing an increase of 4.8% over the same period of last year, which was mainly due to the increase of business volume in logistics and port value-added services, port construction and other services.

Cost of sales of the Group was RMB2,510 million for the first half of 2014, representing an increase of 8.6% over the same period of last year, which was also mainly due to the increase of business volume in logistics and port value-added services, port construction and other services.

Selling and administrative expenses of the Group for the first half of 2014 amounted to RMB325 million, representing a decrease of 28.5% over the same period of last year, since the Group strengthened human resources management and reasonably adjusted remuneration policies to reduce labour costs as well as enhanced internal management to reduce administrative expenses.

Other gains of the Group recorded in the first half of 2014 amounted to RMB3 million, representing a decrease of 97% over the same period of last year, as we recorded one-off gains on disposal generated from the transfer of assets of Yougang Branch to Qingdao Shihua Crude Oil Terminal Co., Ltd. ("Qingdao Shihua") by QDP in the first half of 2013.

Investment income from joint ventures was RMB334 million during the first half of 2014, representing an increase of 30.3% over the same period of last year, which was mainly due to the increase in the profits attributable to joint ventures of the Company, including Qingdao Qianwan Container Terminal Co., Ltd. ("QQCT") and Qingdao Shihua.

During the first half of 2014, the operation results of each business segment are set out as below:

Container Handling and Ancillary Services

During the first half of 2014, benefiting from (i) steady development of PRC economy, (ii) increased international trade lines and (iii) expansion of international transhipped containers, the Company handled container throughput of 8.33 million Twenty-foot Equivalent Unit (TEUs), representing an increase of 4.6% compared to the first half of 2013. The Company's container handling and ancillary services are mainly operated by QQCT. During the first half of 2014, investment income derived from QQCT reached RMB199 million, representing an increase of 44.5% over the same period of last year.

Metal Ore, Coal and Other Cargo Handling and Ancillary Services

During the first half of 2014, in light of the continuously declining global commodity prices and increasing effective demand from the domestic market, the Company accelerated the construction and operation of Dongjiakou Port Area, promoted the construction of ore distribution center and commodity trading platform and maintained its leading position in terms of ore handling efficiency in the world. During the first half of 2014, the Company handled metal ore, coal and other cargo throughput of 87.56 million tons, representing an increase of 2.3% compared to the first half of 2013. Revenue derived from the Group's metal ore, coal and other cargo handling and ancillary services was RMB1,565 million, representing an increase of 3.2% over the same period of last year. The gross profit margin is 29.8%, representing a decrease of 5.2 percent over the same period of last year, primarily due to the increase of subcontract business which generated lower margin.

Liquid Bulk Handling and Ancillary Services

During the first half of 2014, through (i) expansion of new transportation channels for locally refined oil products; (ii) market promotion, (iii) acceleration of turnaround and (iv) reinforcement of railway delivery, the Company handled liquid bulk throughput of 28.56 million tons, remaining at the same level compared to the same period of last year. Liquid bulk handling and ancillary services are mainly operated by Qingdao Shihua which is a joint venture of the Company. During the first half of 2014, income derived from investment in Qingdao Shihua was RMB92 million, representing an increase of 12.1% over the same period of last year.

Logistics and Port Value-Added Services

During the first half of 2014, benefiting from active domestic market and increasing customer demand for total logistics services, the Company seized the opportunities arising from the governmental strategies of New Silk Road Economic Zone and New Maritime Silk Route for the 21st Century by constructing "inland ports" in Shandong, Henan, Shaanxi and Xinjiang and strengthening the cooperation with China Railway Corporation to accelerate the development of sea-rail intermodal transportation. To this end, there were seven newly opened railway lines in Shandong for the promotion of the layout of sea-rail intermodal transportation networks. Revenue derived from logistics and port value-added services of the Group reached RMB985 million, representing an increase of 19.6% over the same period of last year. The gross profit margin is 27.1%, representing an increase of 5.1 percent over the same period of last year, primarily due to the newly-developed logistics value-added services which generated higher margin.

Port Construction and Other Services

The continuous development of the port handling business effectively boosted the development of associated businesses such as port construction, fuel sales and power supply. During the first half of the year, revenue derived from the Group's port construction and other services was RMB929 million, representing an increase of 24.3% over the same period of last year. The gross profit margin is 30.8%, representing an increase of 3.5 percent over the same period of last year, primarily due to the increase in margin of part of the construction business and power supply.

Cash flow analysis

As at 30 June 2014, the Company's net cash inflow amounted to RMB1,816 million, among which: net cash inflow from operating activities amounted to RMB191 million, representing an increase of RMB120 million over the same period of last year, mainly due to the increase in operating profits; net cash outflow from investing activities amounted to RMB945 million, representing an increase of RMB708 million over the same period of last year, mainly due to the payment of the registered capital of the finance company which is a subsidiary of the Company; and net cash inflow from financing activities amounted to RMB2,570 million, representing an increase of RMB2,633 million over the same period of last year, mainly due to the proceeds from the initial public offering of the Company.

Liquidity and Financial Resources

As at 30 June 2014, balance of the Group's cash and deposits (including restricted deposits) amounted to RMB4,100 million and was mainly settled in RMB. As at 30 June 2014, the Group's total borrowings amounted to RMB193 million and bear interest at floating rates.

Gearing ratio represents the percentage of total interest-bearing bank and other borrowings at the end of each financial period (after deduction of cash balance) in total equity. As at 30 June 2014, the Group's cash balance exceeded its total interest-bearing bank and other borrowings.

Outlook for the Second Half of 2014

From a global perspective, according to the World Economic Outlook issued by the World Bank in June 2014, it is expected that the world economy will gradually accelerate in the second half of 2014 with an expected annual growth rate of 2.8%, up by 0.4% as compared with that of 2013. From a domestic perspective, according to the National Bureau of Statistics of the PRC at a press conference held on 16 July 2014, China's national economy is able to maintain sustained and rapid growth in the second half of 2014. The continuous development of China's national economy is expected to facilitate the development of the port industry.

During the second half of 2014, by seizing the opportunities arising from the governmental strategies of New Silk Road Economic Zone and New Maritime Silk Route for the 21st Century as well as those arising from the policy of the New Economic District in West Coast of Qingdao as the ninth state-level development zone, the Company will continue to focus on the construction of the fourth generation of the world's top logistics port and strategic deployment in the modern logistics service value chain, with a view to further strengthen and promote our position as the operator of one of the world's leading comprehensive ports, continuously increase our overall profitability and create stable and growing investment return for all shareholders of the Company.

Use of Net Proceeds from Initial Public Offering

The net proceeds from the initial public offering of the Company amounted to approximately RMB1,987.4 million, which is intended to be applied in the manner disclosed in the prospectus of the Company, of which approximately 90% will be used for funding the construction of port facilities at the Dongjiakou Port Area, and approximately 10% is intended to be used for the Group's general working capital.

Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2014.

Subsequent Events

On 2 July 2014, the over-alloted shares of the Company were listed on The Stock Exchange of Hong Kong Limited, whereby 79,645,000 H shares with a par value of RMB1.00 each were offered at a price of HK$3.76 (approximately RMB2.98) each share. In respect of the exercise of the over-allotment option, 7,241,000 domestic shares (representing 10% of the number of new shares issued) were converted into H shares and transferred to National Council for Social Security Fund of the PRC, which were sold as part of the international offering.

On 28 July 2014 and 15 August 2014, Dagang Branch of QDP, Dagang Branch of the Company, QDP and the Company (collectively the "QDP Relevant Parties") received litigation documents in respect of the litigations against QDP Relevant Parties from CITIC Australia Commodity Trading Pty Ltd and Pacorini Metals (Shanghai) Logistics Company Limited (理資堂(上海)物流有限公司) as plaintiffs, respectively, requiring QDP Relevant Parties to deliver the subject cargo to the plaintiffs or compensate losses. For details of the aforesaid litigations, please refer to the Company's announcements published on 28 July 2014 and 15 August 2014, respectively. The Company does not expect the aforesaid litigations and relevant judgments and orders to have an adverse impact on the Group's business and operations and does not consider that the aforesaid matters constitute significant contingent liabilities.

Contingent liabilities

As at 30 June 2014, the Group did not have any significant contingent liabilities.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability.

The Company has complied with all code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the period from 6 June 2014 (the "Listing Date") to 30 June 2014.

Compliance with Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by directors and supervisors of the Company. Specific enquiry has been made to all the directors and supervisors of the Company and each of the directors and supervisors of the Company has confirmed that he/she has complied with the Model Code throughout the period from the Listing Date to 30 June 2014.

Purchase, Sale or Redemption of Listed Securities

No purchase, sale and redemption of any listed securities of the Company was made by the Company or any of its subsidiaries during the period from the Listing Date to 30 June 2014.

Audit Committee

The Board has established the Audit Committee which comprises two independent non-executive directors, namely Mr. CHAU Kwok Keung (chairman) and Mr. XU Guojun and one non-executive director, namely Mr. SUN Yafei.

The Audit Committee of the Board has reviewed the unaudited interim results and interim report of the Group for the six months ended 30 June 2014.

Publication of Interim Report

The interim report for the six months ended 30 June 2014 will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.qingdao-port.com), and dispatched to shareholders of the Company in due course.

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

Qingdao, the PRC, 28 August 2014

As at the date of this announcement, the executive directors of the Company are ZHENG Minghui and JIAO Guangjun; the non-executive directors are CHENG Xinnong, SUN Yafei, WANG Shaoyun and MA Baoliang; and the independent non-executive directors are XU Guojun, WANG Yaping and CHAU Kwok Keung.