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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2014:

- Revenue was RMB6,903 million, representing an increase of 5.8% as compared to the same period in the prior year. Revenue and income from all services (including interest income of Qingdao Finance) was RMB6,986 million, representing an increase of 7.0% compared to the prior year;
- Profit attributable to owners of the Company was RMB1,586 million, representing an increase of 18.5% compared to the adjusted [Note] one for the prior year;
- Earnings per share was RMB0.36;
- The Board proposes to pay a dividend of approximately RMB295.79 million or RMB61.91 per 1,000 shares (tax inclusive) for the period from 1 June 2014 to 31 December 2014.

Note: The "adjusted" financial information has not been audited. The adjustment was made to account for the impact of Dongjiakou Operation I and Group Loans on the results for the year ended 31 December 2013 to facilitate the shareholders and investors to compare the results for the year ended 31 December 2014 with the results for the year ended 31 December 2013. Please refer to the section headed "Management Discussion and Analysis" in this announcement for details.

The Board hereby announces the consolidated results of the Company and its subsidiaries as of 31 December 2014. The annual results have been reviewed by the Audit Committee of the Board. The annual results have been prepared in accordance with the International Financial Reporting Standards.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	**2014**	**2013**
		RMB'000	*RMB'000*
Revenue	3	6,903,070	6,526,264
Cost of sales	5	(4,959,954)	(4,474,642)
Gross profit		1,943,116	2,051,622
Other income	4	127,536	144,393
Selling and administrative expenses	5	(677,954)	(865,122)
Other gains - net		24,579	105,881
Finance costs		(11,823)	(10,070)
Share of profit of joint ventures		611,033	511,459
Share of profit of associates		895	1,799
Profit before income tax		2,017,382	1,939,962
Income tax expenses	6	(395,502)	(418,160)
Profit for the year		1,621,880	1,521,802
Attributable to:			
— Owners of the Company		1,586,371	1,500,499
— Non-controlling interests		35,509	21,303
		1,621,880	1,521,802
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)			
— basic and diluted	7	0.36	0.41

Details of the aggregate amounts of the dividends paid and proposed to owners of the Company for the years ended 31 December 2014 and 2013 are set out in Note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	RMB'000	*RMB'000*
Profit for the year	1,621,880	1,521,802
Other comprehensive (expenses)/income:		
Items that will not be reclassified subsequently to profit or loss		
— Remeasurement of employee benefit obligations	(171,490)	419,810
Items that may be reclassified subsequently to profit or loss		
— Change in fair value of available-for-sale financial assets, net of tax	—	2,056
Other comprehensive (expenses)/income for the year, net of tax	(171,490)	421,866
Total comprehensive income for the year	1,450,390	1,943,668
Attributable to:		
— Owners of the Company	1,415,286	1,921,575
— Non-controlling interests	35,104	22,093
	1,450,390	1,943,668

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	**2014**	**2013**
		RMB'000	*RMB'000*
			(Restated)
ASSETS			
Non-current assets			
Land use rights		751,859	598,365
Property, plant and equipment		10,686,050	9,204,664
Goodwill		18,837	—
Investment properties		220,994	221,986
Intangible assets		74,412	40,118
Investments in joint ventures		4,448,192	4,392,298
Investments in associates		5,472	5,488
Available-for-sale financial assets		72,208	72,208
Deferred income tax assets		888,267	936,694
Trade and other receivables	9	335,672	279,977
		17,501,963	15,751,798
Current assets			
Inventories		159,157	204,725
Trade and other receivables	9	2,716,426	2,088,472
Amounts due from customers for contract work		41,088	166,036
Restricted bank deposits		874,552	9
Term deposits with initial term of over three months		2,013,248	—
Cash and cash equivalents		4,534,746	1,277,288
		10,339,217	3,736,530
Assets classified as held for sale		486,127	—
		10,825,344	3,736,530
Total assets		28,327,307	19,488,328

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 RMB'000	2013 RMB'000 (Restated)
EQUITY			
Equity attributable to owners of the Company			
Share capital	10	4,778,204	4,000,000
Share premium	10	9,269,751	7,835,866
Other reserves		(3,969,357)	(3,403,219)
Retained earnings		1,538,296	112,452
- Proposed dividends		946,176	—
- Others		592,120	112,452
		11,616,894	8,545,099
Non-controlling interests		801,405	23,948
Total equity		12,418,299	8,569,047
LIABILITIES			
Non-current liabilities			
Trade and other payables	11	55,618	54
Borrowings		82,011	—
Deferred income		3,846,012	4,078,613
Early retirement and supplemental benefit obligations		2,757,150	2,533,750
		6,740,791	6,612,417
Current liabilities			
Trade and other payables	11	8,674,060	3,915,487
Current income tax liabilities		45,561	46,541
Borrowings		106,250	—
Deferred income		211,086	212,308
Early retirement and supplemental benefit obligations		131,260	132,528
		9,168,217	4,306,864
Total liabilities		15,909,008	10,919,281
Total equity and liabilities		28,327,307	19,488,328
Net current assets/(liabilities)		1,657,127	(570,334)
Total assets less current liabilities		19,159,090	15,181,464

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	**2013**
	RMB'000	*RMB'000*
Cash flows from operating activities		
Cash generated from operations	1,158,477	117,861
Income tax paid	(345,580)	(362,133)
Net cash generated from/(used in) operating activities	812,897	(244,272)
Cash flows from investing activities		
Investments in joint ventures	(574,941)	(419,630)
Purchases of property, plant and equipment	(586,817)	(1,874,780)
Payments on behalf of related parties	(466,135)	(316,836)
Increase in amounts due from related parties	(155,080)	—
Increase in term deposits with initial term of over three months	(2,013,248)	—
Increase in restricted bank deposits	(874,552)	—
Dividends received	852,929	55,712
Repayments from related parties	830,954	956,181
Proceeds from sale of property, plant and equipment, land use rights and intangible assets	61,930	1,049,151
Capital reduction in a joint venture	100,000	—
Government grants received	8,512	—
Net cash inflow from acquisitions of subsidiaries	4,959	—
Interest received	50,577	96,458
Net cash used in investing activities	(2,760,912)	(453,744)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	RMB'000	*RMB'000*
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	2,325,511	—
Cash contribution from promoters	—	1,583,587
Capital contribution from non-controlling interests of subsidiaries	341,990	—
Increase in amounts due to related parties	3,887,911	—
Contributions from government	—	129,250
Proceeds from borrowings	—	610,000
Dividends paid	(1,046,412)	(291,005)
Repayments of borrowings	(170,000)	—
Repayments to related parties	—	(153,899)
Interest paid	(10,649)	(1,756)
Payments for share issue expenses	(117,746)	(22,973)
Deemed distributions	—	(250,000)
Distribution to QDP in the Reorganisation	—	(457,131)
Net cash generated from financing activities	5,210,605	1,146,073
Net increase in cash and cash equivalents	3,262,590	448,057
Cash and cash equivalents at beginning of year	1,277,288	829,255
Exchange losses on cash and cash equivalents	(5,132)	(24)
Cash and cash equivalents at end of year	4,534,746	1,277,288

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 Company and its subsidiaries (the "Group") are principally engaged in the provision of containerised and non-containerised cargo handling services, and 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; and

(v) all operating assets and liabilities relating to port ancillary 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 the "Dongjiakou Operations");

(iii) certain land use rights, investment properties, non-operating property, plants and equipment, operating property, plants 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., Qingdao Ocean Shipping Co., Ltd., China Shipping Terminal Development Co., Ltd., Everbright (Qingdao) Financial Leasing Co., Ltd. and Qingdao International Investment Co., Ltd., 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 incorporation 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 main board of the Hong Kong Stock Exchange on 6 June 2014. Details of movements in the Company's share capital are set out in Note 10.

In May 2014, the Company completed the acquisition of Dongjiakou Operation II and certain other assets from QDP at the consideration of approximately RMB550.41 million and RMB188.31 million, respectively. The acquisition of Dongjiakou Operation II was regarded as a business combination under common control (Note 2). 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.

2 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The Company and QDP are both state-owned enterprises controlled and owned by Qingdao SASAC. Accordingly, the Reorganisation and the acquisition of Dongjiakou Operation II 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 consolidated statements of income, comprehensive income, changes in equity and cash flows for the year ended 31 December 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 31 December 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 Operation I 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 consolidated financial statements 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).

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. As a result of adoption of merger accounting for the above business combination under common control, the property, plant and equipment and trade and other receivables in connection with the Dongjiakou Operation II with carrying amounts of approximately RMB536,112,000 and RMB903,000 respectively have been included in consolidated balance sheet as at 31 December 2013, with the corresponding recognition of a merger reserve (as credited to capital reserve) of approximately RMB537,015,000. The relevant comparative financial information as of 31 December 2013 and for the year then ended have therefore been restated accordingly. As Dongjiakou Operation II had been in existence in the Group throughout the period from 1 January 2012 to 31 December 2012, there is no need to restate the consolidated financial statements as at 1 January 2013.

Amendments and interpretation to standards adopted by the Group

The following amended standards and interpretation have been adopted by the Group for the first time for the financial year beginning on 1 January 2014.

- Amendment to IAS 32 "Financial instruments: Presentation" on asset and liability offsetting
- Amendments to IFRS 10, 12 and IAS 27 "Consolidation for investment entities"
- Amendment to IAS 36 "Impairment of assets" on recoverable amount disclosures
- Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" - "Novation of derivatives"
- IFRIC 21 "Levies"

The adoption of the above amendments and interpretation did not have any material effect on the consolidated financial statements or result in any significant changes in the Group's significant accounting policies.

New and amended standards not yet adopted by the Group

A number of new standards, amendments to existing standards which are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing the consolidated financial statements are summarised as below:

	Effective for accounting periods beginning on or after
Amendment to IAS 19 regarding defined benefit plans	1 July 2014
Annual improvements 2012, which includes changes to: IFRS 8, IAS 16, 24 and 38	1 July 2014
Annual improvements 2013, which includes changes to: IFRS 3, 13 and IAS 40	1 July 2014
IFRS 14 "Regulatory Deferral Accounts"	1 January 2016
Amendment to IFRS 11 on accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 and 38 on clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 and 41 on bearer plants	1 January 2016
Amendments to IFRS 10 and IAS 28 on sale or contribution of assets between an investor and its associates or joint venture	1 January 2016
Amendments to IAS 27 on equity method in separate financial statements	1 January 2016
Annual improvements 2014, which includes changes to: IFRS 5, 7, IAS 19 and 34	1 July 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 anticipate that the adoption of above new and amended standards will have no material impact on the results and financial position of the Group, except for the following set out below:

IFRS 15 "Revenue from Contracts with Customers", establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach. The core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an "earnings processes" to an "asset-liability" approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost and license arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is yet to assess IFRS 15's full impact and will apply the new standard when it becomes effective.

IFRS 9 (2014), "Financial instruments" replaces the whole of IAS 39.

IFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

IFRS 9 introduces a new model for the recognition of impairment losses — the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

IFRS 9 applies to all hedging relationships, with the exception of portfolio fair value hedges of interest rate risk. The new guidance better aligns hedge accounting with the risk management activities of an entity and provides relief from the more "rule-based" approach of IAS 39.

The Group is yet to assess IFRS 9's full impact and will apply the new standard when it becomes effective.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. Segment information

The Board is the Group's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing the performance.

The Board considers the business from service activities perspective, which mainly include the following six 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 metal ore, coal and other cargo and storage;

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

— Logistics and port value-added services: Transshipment hub services, tallying, towing, cargo logistics and other services;

— Port ancillary services: Provision of facilities construction service and manufacturing of port related equipment and others; and

— Financial services: Provision of financial products and services to the Company and its subsidiaries and related parties (including provision of deposit-taking activities, corporate loans, financial lease, guarantee, insurance services and others.)

During the year ended 31 December 2014, the following changes were made to the operating segments:

Port management services, previously included in port ancillary services, are now specifically allocated to container handling and ancillary services, metal ore, coal and other cargo handling and ancillary services, and liquid bulk handling and ancillary services.

Yard leasing services, previously included in port ancillary services, are now included in logistics and port value-added services;

During 2013, financial services have not been identified as a reportable operating segment and included in port ancillary services. With the incorporation Qingdao Port Finance Co., Ltd. ("Qingdao Finance") in 2014, financial services have been identified as a reportable operating segment.

The changes are in line with the internal management reporting to the Board.

The comparative segment information has been restated to reflect the abovementioned changes.

Container handling and ancillary services, liquid bulk handling 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 the Board closely monitors 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 as 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 interest income on head office's bank 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, restricted bank deposits, term deposits with initial term of over three months and cash and cash equivalents. Unallocated assets consist of deferred income tax assets in connection with the reversal of the Company's asset revaluation surplus in the consolidated financial statements, corporate property, plant and equipment, intangible assets, available-for-sale financial assets, deferred income tax assets, trade and other receivables, and cash and cash equivalents.

Segment liabilities consist primarily of early retirement and supplemental benefit obligations, trade and other payables and borrowings. Unallocated liabilities consist of items such as corporate current income tax liabilites, bill payables and other payables to QDP.

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

During the year ended 31 December 2014, more than 90% of the Group's revenue is generated from customers located in the Mainland China and all of the non-current assets of the Group were located in the Mainland China.

The segment information for the reportable segments is as follows:

	For the year ended 31 December 2014							
	Container handling and ancillary services *RMB'000*	**Metal ore, coal and other cargo handling and ancillary services** *RMB'000*	**Liquid bulk handling and ancillary services** *RMB'000*	**Logistics and port value-added services** *RMB'000*	**Port ancillary services** *RMB'000*	**Financial services** *RMB'000*	**Elimination** *RMB'000*	**Total** *RMB'000*
Total reportable segment revenue	196,825	2,977,561	89,749	2,126,735	2,218,588	86,312	(709,612)	6,986,158
Inter-segment revenue	—	(15,181)	—	(47,780)	(646,651)	—	709,612	—
Reportable segment revenue from external customers	196,825	2,962,380	89,749	2,078,955	1,571,937	86,312	—	6,986,158
Total reportable segment costs	(60,794)	(2,152,210)	(15,423)	(1,519,838)	(1,884,925)	(19,701)	684,650	(4,968,241)
Inter-segment costs	—	28,417	—	47,904	597,869	10,460	(684,650)	—
Reportable segment costs associated with services provided to external customers	(60,794)	(2,123,793)	(15,423)	(1,471,934)	(1,287,056)	(9,241)	—	(4,968,241)
Share of profit of joint ventures	398,147	5,629	161,537	45,720	—	—	—	611,033
Share of profit of associates	—	—	—	895	—	—	—	895
Segment results	515,120	576,271	235,106	561,574	201,316	60,815	(24,962)	2,125,240
Unallocated costs								(133,597)
Unallocated other income								25,739
Profit before income tax								2,017,382
Income tax expenses								(395,502)
Profit for the year								1,621,880

	For the year ended 31 December 2014							
	Container handling and ancillary services *RMB'000*	**Metal ore, coal and other cargo handling and ancillary services** *RMB'000*	**Liquid bulk handling and ancillary services** *RMB'000*	**Logistics and port value-added services** *RMB'000*	**Port ancillary services** *RMB'000*	**Financial services** *RMB'000*	**Elimination** *RMB'000*	**Total** *RMB'000*
Other information:								
Depreciation and amortisation	20,966	217,487	12,848	68,221	128,783	346	(2,620)	446,031
Unallocated depreciation and amortisation								12,553
Impairment provision	—	1,065	—	—	422	1,560	—	3,047
Non-cash items other than depreciation and amortisation*	—	43,260	340	13,530	40,160	50	—	97,340
	As at 31 December 2014							
Segment assets	2,568,831	7,735,186	3,112,594	2,361,649	5,103,100	7,347,351	(3,209,762)	25,018,949
Unallocated assets								3,308,358
Total assets								28,327,307
Total assets include:								
- Interests in joint ventures	1,835,768	925,586	1,362,820	324,018	—	—	—	4,448,192
- Interests in associates	—	—	—	5,472	—	—	—	5,472
Unallocated additions to non-current assets (other than financial instruments and deferred income tax assets)								10,473
Additions to non-current assets (other than financial instruments and deferred income tax assets)	—	1,590,878	348,640	141,564	94,346	7,260	(33,720)	2,148,968
Segment liabilities	71,370	2,866,400	436,272	800,135	7,057,470	6,446,587	(3,629,002)	14,049,232
Unallocated liabilities								1,859,776
Total liabilities								15,909,008

	For the year ended 31 December 2013 (Restated)							
	Container handling and ancillary services *RMB'000*	Metal ore, coal and other cargo handling and ancillary services *RMB'000*	Liquid bulk handling and ancillary services *RMB'000*	Logistics and port value-added services *RMB'000*	Port ancillary services *RMB'000*	Financial services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Total reportable segment revenue	192,954	3,118,443	322,009	1,724,372	2,223,988	2,040	(1,057,542)	6,526,264
Inter-segment revenue	—	(34,818)	—	(66,115)	(956,609)	—	1,057,542	—
Reportable segment revenue from external customers	192,954	3,083,625	322,009	1,658,257	1,267,379	2,040	—	6,526,264
Total reportable segment costs	(64,359)	(2,047,431)	(110,984)	(1,259,626)	(1,991,273)	(690)	999,721	(4,474,642)
Inter-segment costs	—	34,818	—	66,115	898,788	—	(999,721)	—
Reportable segment costs associated with services provided to external customers	(64,359)	(2,012,613)	(110,984)	(1,193,511)	(1,092,485)	(690)	—	(4,474,642)
Share of profit of joint ventures	304,243	4,422	157,027	45,767	—	—	—	511,459
Share of profit of associates	—	—	—	1,799	—	—	—	1,799
Segment results	413,043	777,926	357,898	431,847	122,943	1,500	(57,821)	2,047,336
Unallocated costs								(313,665)
Unallocated other income								109,312
Unallocated other gains								107,049
Finance costs								(10,070)
Profit before income tax								1,939,962
Income tax expenses								(418,160)
Profit for the year								1,521,802

	For the year ended 31 December 2013 (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 ancillary services**	**Financial services**	**Elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other information:								
Depreciation and amortisation	20,064	335,630	22,966	96,540	119,211	18	(13,565)	580,864
Unallocated depreciation and amortisation								30,477
Impairment provision	—	—	—	—	1,562	—	—	1,562
Unallocated reversal of impairment provision								(2,583)
Non-cash items other than depreciation and amortisation*	—	38,570	2,140	2,570	81,480	10	—	124,770

	As at 31 December 2013 (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 ancillary services**	**Financial services**	**Elimination**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	2,948,000	5,412,658	2,308,103	1,982,977	4,880,281	6,563	(423,193)	17,115,389
Unallocated assets								2,372,939
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
Unallocated additions to non-current assets (other than financial instruments and deferred income assets)								3,707
Additions to non-current assets (other than financial instruments and deferred income tax assets)	4,107	1,857,815	266,747	40,725	636,422	3,707	(36,846)	2,772,677
Segment liabilities	61,450	1,716,246	160,237	639,844	6,965,488	930	(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 revenue from external customers and reportable segment costs associated with services provided to external customers are reconciled to the consolidated figures as reported in the consolidated financial statement as follows:

	2014	**2013**
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue from external customers	6,986,158	6,526,264
Less: interest income of Qingdao Finance *(i)*	(83,088)	—
Consolidated revenue	6,903,070	6,526,264

	2014	**2013**
	RMB'000	*RMB'000*
Cost of sales		
Reportable segment costs associated with services provided to external customers	4,968,241	4,474,642
Less: interest expense of Qingdao Finance *(ii)*	(8,287)	—
Consolidated cost of sales	4,959,954	4,474,642

Notes:

(i) Reportable segment revenue from external customers of the Financial Services segment is primarily comprised of the interest income as generated by Qingdao Finance and the amount has been classified and presented as other income in the consolidated income statement.

(ii) Reportable segment costs of the Financial Services segment is primarily comprised of the interest expenses paid or payable by Qingdao Finance to QDP, fellow subsidiaries, joint ventures, and associates and the amounts have been classified and presented as finance costs in the consolidated income statement.

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

	2014	2013
	RMB'000	*RMB'000*
		(Restated)
Segment assets	25,018,949	17,115,389
Unallocated assets:		
- Deferred income tax assets	884,392	933,272
Corporate assets:		
- Property, plant and equipment	106,816	87,335
- Intangible assets	34,801	33,827
- Available-for-sale financial assets	483	483
- Trade and other receivables	526,889	487,954
- Cash and cash equivalents	1,754,977	830,068
	28,327,307	19,488,328

	2014	2013
	RMB'000	*RMB'000*
Segment liabilities	14,049,232	9,164,607
Unallocated corporate liabilities:		
- Trade and other payables	1,822,701	1,724,710
- Current income tax liabilities	37,075	29,964
	15,909,008	10,919,281

Unallocated trade and other payables are mainly payables to QDP.

The Group's revenue (representing turnover) for the year ended 31 December 2014 are analysed as below:

	2014	2013
	RMB'000	*RMB'000*
		(Restated)
Revenue from handling, ancillary and other related services	3,248,954	3,598,588
Revenue from logistics and port value-added services	2,078,955	1,658,257
Revenue from port construction and equipment manufacturing	723,436	599,343
Rental income	232,370	231,675
Sales of electricity, oil and others	619,355	438,401
	6,903,070	6,526,264

4. Other income

	2014	2013
	RMB'000	*RMB'000*
Interest income		
- from bank deposits	101,388	14,306
- from amounts due from related parties	1,279	96,458
Commission from port construction fees	13,090	13,318
Government grants	4,676	12,689
Income from available-for-sale financial assets	6,639	1,084
Others	464	6,538
	127,536	144,393

5. Expenses by nature

	2014	2013
	RMB'000	*RMB'000*
Employee benefit expenses	1,700,534	1,891,708
Subcontract costs	1,116,501	342,395
Transportation costs	691,295	507,524
Depreciation of property, plant and equipment	417,013	563,331
Materials used in contract work	375,315	328,054
Raw material and consumables used	193,258	336,333
Fuel and heating expenditures	303,102	474,431
Cost of sales for oil and electricity	356,751	262,847
Business tax and others	126,961	208,252
Operating lease rental	116,615	86,355
Repair and maintenance expenses	53,357	158,096
Amortisation of land use rights and intangible assets	19,317	18,745
Amortisation of other non-current assets	13,123	18,126
Depreciation of investment properties	9,131	11,139
Auditor's remuneration	7,198	5,737
Provision for/(reversal of) impairment of trade and other receivables — net	3,047	(1,021)
Other expenses	135,390	127,712
Total cost of sales and selling and administrative expenses	5,637,908	5,339,764

6. Taxation

(a) *Income tax expenses*

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

	2014	2013
	RMB'000	*RMB'000*
Current income tax		
PRC enterprise income tax	344,600	422,198
Deferred income tax charge/(credit)	50,902	(4,038)
	395,502	418,160

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%) on the assessable profit for the current and the prior year.

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 current and the prior year.

7. Earnings per share

(a) *Basic*

Basic earnings per share for the year ended 31 December 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 year.

	2014	**2013**
Profit attributable to owners of the Company (RMB'000)	1,586,371	1,500,499
Weighted average number of ordinary shares in issue (thousands)	4,440,444	3,650,000
Basic earnings per share (RMB per share)	0.36	0.41

(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 years ended 31 December 2014 and 2013.

8 Dividends

Pursuant to the resolution of the shareholders' meeting held on 15 November 2013 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 approximately RMB1,303,228,000 accordingly. The Company has paid approximately RMB270,688,000 to QDP in December 2013 and settled the remaining portion in December 2014.

Pursuant to the resolution of the shareholders' meeting held on 15 November 2013, QDP and other promoters are entitled to a 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 the incorporation of the Company, to the last day of the month prior to the listing of the Company's shares (the "Special Dividend"), in accordance with PRC GAAP or IFRS, whichever is lower. At the board meeting held on 20 March 2015, the Board approved the Special Dividend, as determined based on the audited consolidated balance sheet as at 31 May 2014 prepared in accordance with PRC GAAP, distributable to QDP and other promoters of approximately RMB650,384,000.

A dividend in respect of the period from 1 June 2014 to 31 December 2014 of approximately RMB61.91 per 1,000 shares, amounting to a total dividend of approximately RMB295,792,000, is to be proposed at the annual general meeting on 6 June 2015. The consolidated financial statements do not reflect this dividend payable and the aforementioned distribution of Special Dividend to QDP and other promoters of RMB946,176,000 in total.

During the years ended 31 December 2014 and 2013, certain of the Group's non-wholly owned subsidiaries had paid dividends to minority shareholders of approximately RMB13,872,000 and RMB20,317,000 respectively.

9. Trade and other receivables

	2014	2013
	RMB'000	*RMB'000*
		(Restated)
Trade receivables (Note a)	1,400,916	904,204
- third parties	1,034,005	675,599
- related parties	366,911	228,605
Less: Provision for impairment	(12,167)	(10,409)
Trade receivables - net	1,388,749	893,795
Other receivables	457,182	745,397
- third parties	261,032	158,048
- related parties	196,150	587,349
Less: Provision for impairment	(1,561)	(272)
Other receivables - net	455,621	745,125
Bill receivables	722,929	387,230
Amounts due from related parties	155,080	—
Taxes due on port facilities rentals and others	214,375	225,472
VAT recoverable	33,659	26,254
Prepayments	81,685	90,573
Trade and other receivables - net	3,052,098	2,368,449
Less: non-current portion:		
- Taxes due on port facilities rentals and others	(203,081)	(214,177)
- Prepayments	(41,208)	(64,800)
- Other receivables	(91,383)	(1,000)
Non-current portion	(335,672)	(279,977)
Current portion	2,716,426	2,088,472

(a) In general, the Group grants a credit period of 30 to 90 days to its trade customers. As at 31 December 2014 and 2013, ageing analysis of trade receivables is as follows:

	2014	**2013**
	RMB'000	*RMB'000*
		(Restated)
Less than 3 months	988,255	674,497
3 to 6 months	233,216	143,729
6 to 12 months	117,054	56,210
1 to 2 years	49,595	19,153
2 to 3 years	3,947	809
Over 3 years	8,849	9,806
	1,400,916	904,204

10. Share capital and share premium

	2014		**2013**	
	Number of shares	**Nominal value**	**Number of shares**	**Nominal value**
	(thousands)	*(RMB'000)*	*(thousands)*	*(RMB'000)*
Registered, issued and fully paid				
- Domestic shares of RMB1.00 each	3,922,179	3,922,179	4,000,000	4,000,000
- H shares of RMB1.00 each	856,025	856,025	—	—
As at 31 December	4,778,204	4,778,204	4,000,000	4,000,000

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 the Hong Kong Public Offering and the International Offering at HKD3.76 (equivalent to approximately RMB2.98) each. On 2 July 2014, the Company exercised the over-allotment option and 72.4 million H shares with a nominal value of RMB1.00 each were issued at HKD3.76 (equivalent to approximately RMB2.99) per share. The Company raised proceeds of approximately RMB2,325.5 million (HKD2,926.0 million) from the issuance of 778.2 million new H shares and incurred capitalised shares issue expenses of approximately RMB113.4 million. The net proceeds raised from the issue of H shares amounted to approximately RMB2,212.1 million of which paid-up share capital and share premium amounted to RMB778.2 million and approximately RMB1,433.9 million respectively.

In connection with the issuance of new shares and the exercise of the over-allotment option by the Company, 77.8 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 Hong Kong Public Offering and the International Offering.

As a result, the registered shares of the Company increased from 4,000 million shares to 4,778.2 million shares, comprising 3,922.2 million domestic shares and 856.0 million H shares, representing approximately 82.1% and 17.9% of the registered capital, respectively.

11. Trade and other payables

	2014	2013
	RMB'000	*RMB'000*
Trade payables	873,558	719,299
- third parties	553,973	644,677
- related parties	319,585	74,622
Advance from customers	67,760	11,668
- third parties	62,711	11,668
- related parties	5,049	—
Bills payable	1,241,052	—
Warranties	2,638	54
Payables for purchases of property, plant and equipment	1,317,675	1,403,084
Other taxes payables	41,262	22,462
Salary, bonus and staff welfare benefits payable	75,052	18,519
Amounts due to related parties	3,887,911	—
Other payables and accruals	1,222,770	1,740,455
- third parties	330,616	132,434
- related parties	892,154	1,608,021
Trade and other payables	8,729,678	3,915,541
Less: non-current portion	(55,618)	(54)
Current portion	8,674,060	3,915,487

As at 31 December 2014 and 2013, ageing analysis of the trade payables is as follows:

	2014	2013
	RMB'000	*RMB'000*
Less than 1 year	821,679	712,268
1 to 2 years	51,877	5,384
2 to 3 years	2	976
Over 3 years	—	671
	873,558	719,299

AUDITOR'S WORKS ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC HK"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PwC HK in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC HK on the preliminary announcement.

Management Discussion and Analysis

In 2014, with the economy development in advanced economies become increasingly uneven and developing economies experienced a slower growth, the global economy recovery suffered setbacks. The economy of the PRC faced with greater pressure under the impact of factors such as overcapacity, a decline in the growth rate of fixed asset investment, an increase in labor costs and a cyclical correction in real estate. The growth rate of the gross domestic product (GDP) for the full year was 7.4%, representing a decrease of 0.3 percentage point compared to the same period. The growth rate of total export trade value of the PRC for the full year was 5.1%, representing a decline of 1.1 percentage point compared to the same period, and the growth rate of total import trade value was -0.5%, representing a fall of 5.9 percentage point compared to the same period. (Statistical Communiqué of the PRC 2014).

With a slowdown in the growth rate of import and export trade of the PRC, the growth rate of the port throughput has also entered into a "new normal" characterized by a single-digit moderate-growth from a two-digit high-growth era over the past years. Meanwhile, with the PRC increasing investment in port infrastructure and gradually releasing its capacity in recent years, the overall capacity of ports in the PRC was in structural excess. The growth rate of the national coastal port throughput from 2011 to 2014 was 11.3%, 7.0%, 8.8% and 5.6%, respectively. The growth rate of the container throughput was 10.4%, 7.6%, 7.0% and 6.9%, respectively (statistics from the Ministry of Transport, with the data of 2014 being the cumulative data from January to November 2014).

Being confronted with the new normal of the PRC economy, to create new competitive advantages, maintain the continued increase of earnings and repay the shareholders, the Group has swiftly adjusted its development strategy and fully leveraged the core position of ports in the logistics chain on the basis of further reinforcing its position as a leading terminal operator in the world. With the advantages of ports in cargo supply control and resource allocation in supply chain and focusing on the port logistics business, the Group fully expanded functions and enhanced value-added services to create a modern comprehensive logistics service provider integrating stevedoring, agency, transportation, trading, logistics, finance and the Internet, form a new pattern of mutual promotion between the principal business of stevedoring and logistics value-added services, continously improve the Group's core competitiveness and create a diversified and sustainable profit model.

1. Review of Overall Business and Results

The Company was established on 15 November 2013 (i.e. the date of incorporation of the Company) through an assets reorganization and the contribution of principal bussiness operations and corresponding assets and liabilities by its controlling shareholder, QDP. Therefore, the compared financial information of the Company for the year ended 31 December 2013 was prepared as if the existing structure of the Company had been in existence throughout the period from 1 January 2013 to 31 December 2013 or since the incorporation date of each Consolidated Group Company or the date on which each Consolidated Group Company was brought under the control of QDP for the first time, whichever is earlier.

As a result of the above reorganization of QDP (please refer to the Prospectus for details), the consolidated income statement of the Company for the period ended 31 December 2013 included: (1) gains on the assets held by the Company at the date of its establishment during the period from 1 January 2013 to 31 December 2013; and (2) earnings from Dongjiakou Operation I, Dongjiakou Operation II and Other Retained Operations (which were not transferred to the Company at the date of its establishment) during the period from 1 January 2013 to 14 November 2013. Earnings generated by the aforementioned Dongjiakou Operation I, Dongjiakou Operation II and Other Retained Operations during the period from 15 November 2013 to 31 December 2013 and subsequent period were not included in the audited consolidated income statement of the Company any more.

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 financial information of the same period as provided in the consolidated financial statements of the Company for the year ended 31 December 2014 have been restated. Accordingly, Dongjiakou Operation II does not have any impact on the financial results of the Company.

In February 2014, the Company through QDOT, a 30% owned joint venture of the Company, acquired Dongjiakou Operation I from QDP. Therefore, Dongjiakou Operation I was not consolidated into the financial statements of the Company for the year ended 31 December 2014 but is included in share of profit of joint ventures instead. In addition, as of 31 December 2014, Other Retained Operations were not transferred to the Company. Therefore, the results of operations of the Company for the year ended 31 December 2014 will not be comparable to those for the year ended 31 December 2013, which included earnings generated by Dongjiakou Operation I and Other Retained Operations during the period from 1 January 2013 to 14 November 2013.

Based on the above, for the convenience of the shareholders and investors of the Company to compare the results of the Company for the year ended 31 December 2014 with that of the year ended 31 December 2013, the management of the Company have adjusted the consolidated income statement of the Company for the year ended 31 December 2013 and produced the adjusted unaudited consolidated income statement figures for the year ended 31 December 2013 based on the earnings arising from Dongjiakou Operation I and Group Loans, which is the main profitable asset of Other Retained Operations, during the period from 1 January 2013 to 14 November 2013. In this announcement, the financial information and related analysis provided in the consolidated income statement which are marked up with “adjusted” refer to the financial information provided in the unaudited income statement after adjusting the impact of Dongjiakou Operation I and Group Loans.

The adjustments to profit for the year ended 31 December 2013 are as follows:

	Note	RMB'000
Profit for the year ended 31 December 2013		1,521,802
Attributable to: owners of the Company		1,500,499
Adjustment to Dongjiakou Operation I		
Adjustment to subcontract gross profit	(a)	(180,307)
Adjustment to selling and administrative expenses	(b)	9,748
Adjustment to other losses - net	(b)	2
Impact of income tax	(b)	42,639
Adjustment to investment income	(c)	38,375
Adjustment to Group Loans		
Other income	(d)	(96,458)
Impact of income tax	(d)	24,115
Adjusted profit for the year ended 31 December 2013		1,359,916
Attributable to: owners of the Company		1,338,613

(a) The operating model of Dongjiakou Operation I during the period from 1 January 2013 to 14 November 2013 and subsequent period is to handle subcontract business of QDP Qiangang Branch or Qiangang Branch (the details of which are set out in the Prospectus), therefore, the gross profit of Dongjiakou Operation I during the period from 1 January 2013 to 14 November 2013 (the relevant figures of which are set out in Note 3 to the Accountant's Report as set forth in Appendix I of the Prospectus) is deemed to be operation costs of the Group, which represents a reduction of the profit of the Group for 2013.

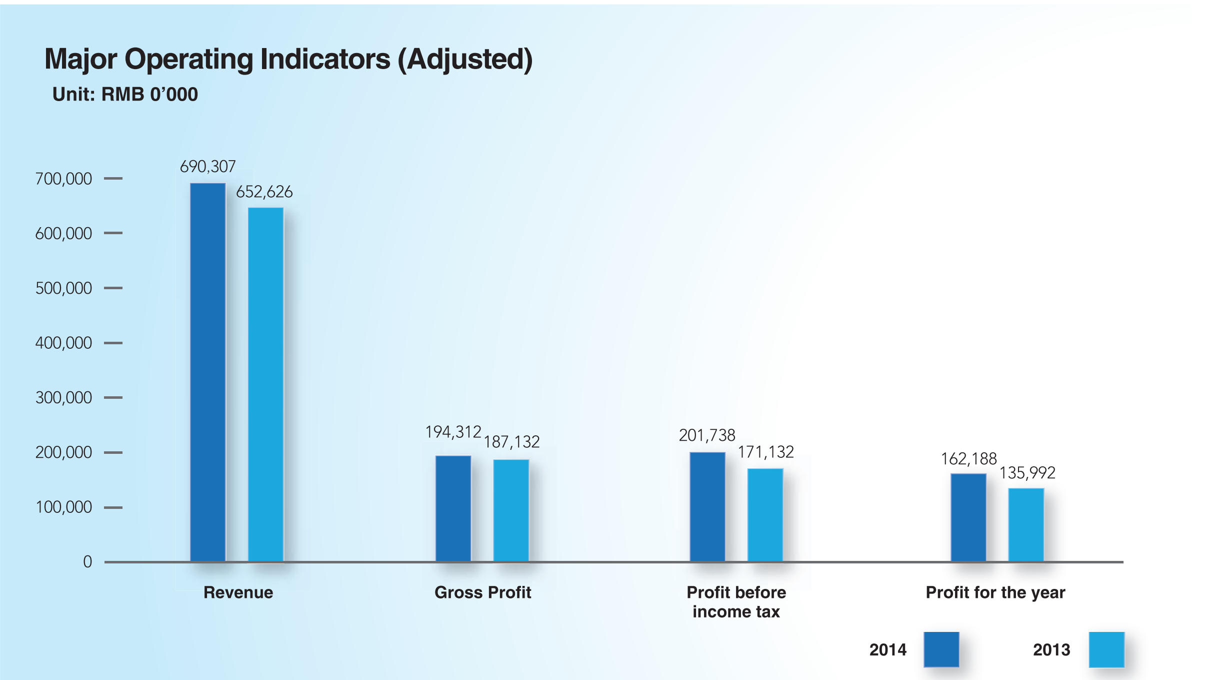
(b) Selling and administrative expenses, etc. (the relevant figures of which are set out in Note 3 to the Accountant's Report as set forth in Appendix I of the Prospectus) and income tax expense of Dongjiakou Operation I incurred during the period from 1 January 2013 to 14 November 2013 represent an increase of the profit of the Group for 2013.

(c) Based on the profit of Dongjiakou Operation I during the period from 1 January 2013 to 14 November 2013, we calculated the share of profit of the joint ventures attributable to the Group on a 30% equity basis (i.e. the shareholding percentage of the Company in QDOT).

(d) Interest income from Group Loans (the relevant figures of which are set out in Note 8 to the Accountant's Report as set forth in Appendix I of the Prospectus) and income tax expense of Dongjiakou Operation I incurred during the period from 1 January 2013 to 14 November 2013 represent a reduction of the profit of the Group for 2013.

Unless otherwise specified, references to the operational data or information such as throughput and berthing and storage capacity of the Group shall include the aggregate of such operational data or information of the Group and the joint ventures and associates of the Company, without regard to the proportion of interest held by the Company in such joint ventures and associates.

The Group is the primary operator of the Port of Qingdao, and is mainly engaged in container, metal ore, coal, crude oil and other cargo handling and ancillary services, logistics and port value-added services, port ancillary services and financial services.



For 2014, the Group handled a total cargo throughput of 394.09 million tons, representing an increase of 8.0% over the same period, mainly due to the acquisition of Dongjiakou Operation I through QDOT, a joint venture in which the Group holds 30% interest, and the acquisition of Dongjiakou Operation II through the Company. The Group handled a container throughput of 16.48 million TEUs, representing an increase of 7.0% over the same period of last year respectively.

For 2014, the Group recorded a revenue of RMB6,903 million, representing an increase of RMB377 million or 5.8% over the same period of last year, and revenue from all services (including interest income of Qingdao Finance) of RMB6,986 million, representing an increase of 7.0% compared to the same period, mainly due to the increase in revenue from the segments including logistics and port value-added services, port ancillary services and financial services.

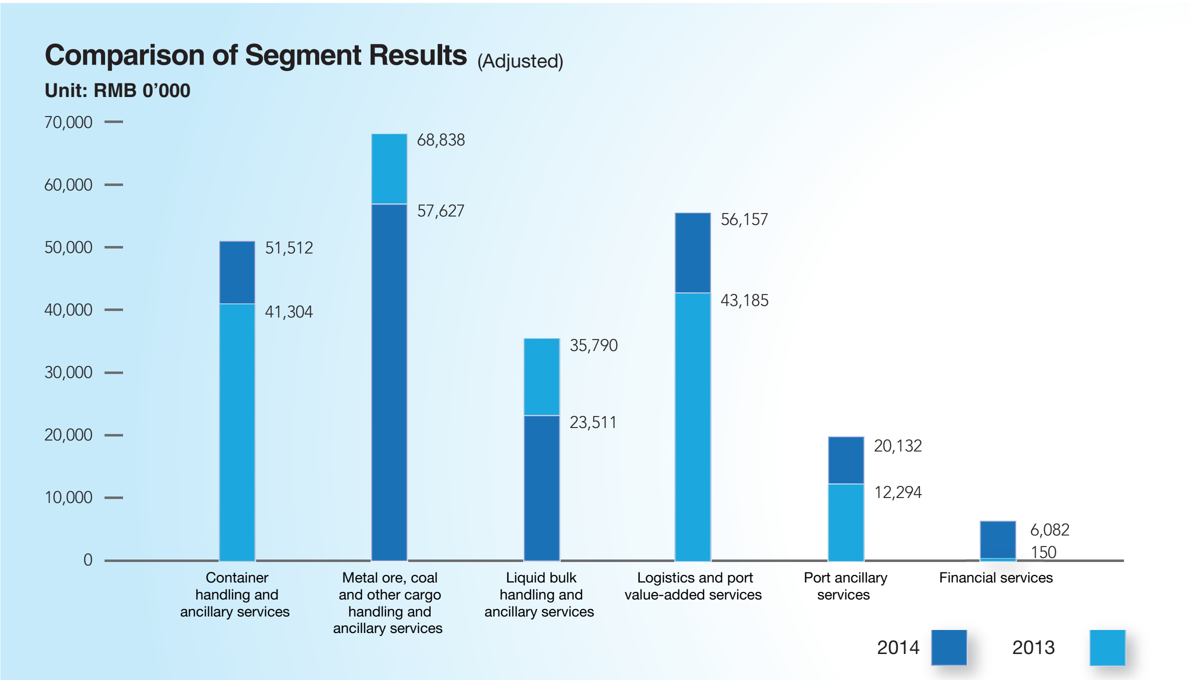
For 2014, the Group recorded a gross profit of RMB1,943 million, representing an increase of RMB72 million or 3.8% over the adjusted figure for the same period of last year, mainly due to the increase in gross profit from the segments including logistics and port value-added services and port ancillary services.

For 2014, the selling and administrative expenses of the Group decreased RMB177 million or 20.7% over the adjusted figure for the same period of last year, mainly due to the improvement in internal operation management, the cut down in administrative expenses and the reform in staff compensation and recruitment system.

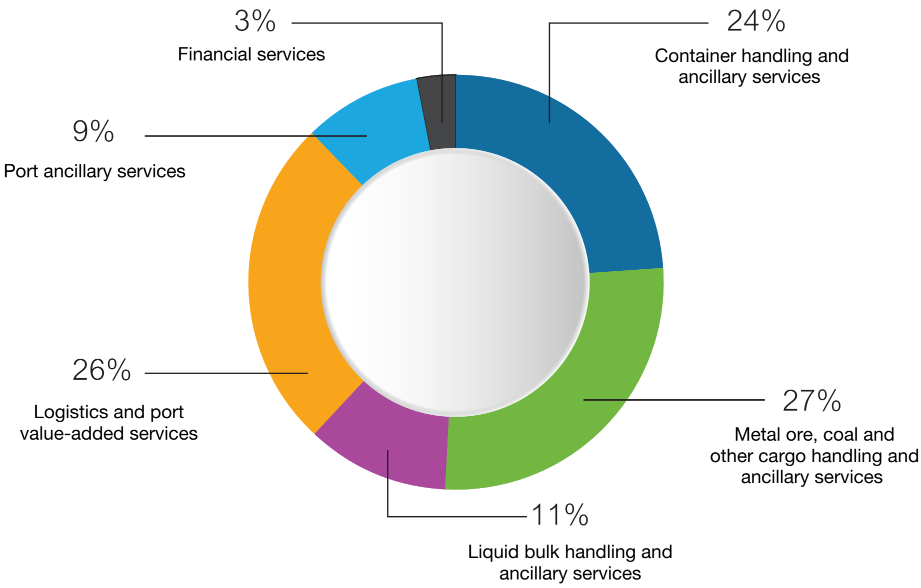
For 2014, the share of profit of joint ventures and associates amounted to RMB611 million, representing an increase of RMB60 million or 10.9% over the adjusted figure for the same period, which was mainly due to the significant increase in the results from container handling and ancillary services.

Based on the above, net profit attributable to the Company's owners amounted to RMB1,586 million, representing an increase of RMB248 million or 18.5% over the adjusted figure for the same period of last year.

2. Review of Segment Business and Results



Breakdown of segment results for 2014



Container Handling and Ancillary Services

RMB'000

Item	2014	2013	Increase over 2013	Change (%)
Consolidated Group Companies				
Revenue	**196,825**	192,954	3,871	2.0%
Cost	**60,794**	64,359	-3,565	-5.5%
Gross profit	**136,031**	128,595	7,436	5.8%
Profit of Consolidated Group Companies	**116,973**	108,800	8,173	7.5%
Joint ventures(*Note*)				
Revenue	**2,962,738**	2,652,250	310,488	11.7%
Cost	**1,192,188**	1,185,619	6,569	0.6%
Share of profit of joint ventures	**398,147**	304,243	93,904	30.9%
Segment results	**515,120**	413,043	102,077	24.7%

Note: Revenue and cost of joint ventures are extracted from the financial statements of joint ventures including QQCT, without taking into account the shareholding percentage of the Company has in those joint ventures.

Business Overview

In 2014, the Group further improved its container logistics networks with an addition of 11 new international lines and 3 feeder ports, and formed a normal anchor port for large container ships over 18,000 TEUs, which further strengthened our position as the hub port among the Northeast Asia port clusters. In addition, the Group has launched 10 and 6 sea-railway intermodal container transportation trains in and outside Shandong province, respectively, through which way it gets connected to the border ports and builds up a cross-border logistic channel with direct access to Central Asia and Europe. This enhanced our radiating capacity in the hinterland.

Results Overview

Container handling and ancillary services are primarily operated through one of our joint ventures QQCT, and its joint ventures such as QQCTU. In 2014, we have achieved throughput of 16.48 million TEUs, representing an increase of 7.0% over the same period, and a segment results of RMB515 million, representing an increase of RMB 102 million or 24.7% over the same period. The significant increase in profit is primarily due to the following reasons:

(1) The logistics network are further improved, which drove the growth in handling volume of international trade full containers and the steady increase in cross handling volume with other ports in the hinterland.

(2) Leveraging on our position as the largest container port in northern China and our advantage with normal anchor port for large container ships, we have strengthened the bargaining power of QQCT and its joint ventures with shipping companies and adjusted commercial preferential policy when appropriate, which promoted the increase in both volume and price and significantly increased our earnings.

(3) We have filed value-added tax exemption for shipping companies to entitle QQCT and its joint ventures to governmental tax incentives and therefore increased our earnings.

Metal ore, coal and other cargo handling and ancillary services

RMB'000

Item	2014	2013	2013 (Adjusted) (Unaudited)	Increase over 2013 (Adjusted)	Change (%)
Consolidated Group Companies					
Revenue	**2,962,380**	3,083,625	3,083,625	-121,245	-3.9%
Cost	**2,123,793**	2,012,613	2,192,920	-69,127	-3.2%
Gross profit	**838,587**	1,071,012	890,705	-52,118	-5.9%
Profit of Consolidated Group Companies	**570,642**	773,504	645,586	-74,944	-11.6%
Joint ventures(Note)					
Revenue	**954,285**	413,970	983,826	-29,541	-3.0%
Cost	**790,304**	317,630	707,179	83,125	11.8%
Share of profit of Joint ventures	**5,629**	4,422	42,797	-37,168	-86.8%
Segment results	**576,271**	777,926	688,383	-112,112	-16.3%

Note: Amount of revenue and cost of joint ventures represents the total amount of revenue and cost in the financial statements of joint ventures of the Company such as QDOT, West United and Huaneng Qingdao without taking into account the shareholding percentage the Company has in those joint ventures.

Business Review

Through the acquisition of Dongjiakou Operation I by QDOT, the Group acquired ore and coal handling berths with a capacity of 300,000 DWTs (the hydraulic structures of the terminal were constructed to allow for docking of bulk cargo vessels with a capacity of 400,000 DWTs) as well as the relevant auxiliary assets at the Dongjiakou Port Area, whereby the Group has the capacities of loading and unloading from large-scale ore vessels and establishes an auxiliary transshipment network for water transportation. This laid a foundation for the subsequent docking of full-loaded ore vessels with a capacity of 400,000 DWTs at ports in China as well as for the construction of an ore transshipment base catering to the needs of the Northeastern Asia.

In addition, through expansion of stacking yards and investment in distribution processing equipment, the Group has a warehousing capacity of 55 million tons, (a bonded warehousing capacity of 6.8 million tons) and a distribution processing capacity of 60 million tons per year in order to meet individual needs of customers.

Performance Overview

Metal ore, coal and other cargo handling and ancillary services business segment was operated primarily through Dagang Branch, Qiangang Branch and joint ventures of the Company such as QDOT, West United and Huaneng Qingdao. In 2014, the Group handled a throughput of 166 million tons and recorded segment results of RMB576 million, representing a decrease of RMB112 million or 16.3% over the same period of last year (adjusted).

In particular, Segment revenue of Consolidated Group Company amounted to RMB2,962 million, representing a decrease of 3.9% over the same period of last year, while segment gross profit of Consolidated Group Company amounted to RMB838 million, representing a decrease of 5.9% over the same period of last year (adjusted), which was mainly attributable to decrease in imported bauxite and coal due to the impact of government policies.

Segment share of profit of joint ventures amounted to RMB5.6 million, representing a decrease of RMB37 million over the same period of last year (adjusted), which was mainly attributable to increase in QDOT's operation costs of RMB106 million as compared to Dongjiakou Branch, its processor group, due to addition of a number of assets, staff and new loans since it commenced operations in March 2014. As a large dry bulk terminal company, QDOT achieved a good performance by recording a profit of RMB12 million in the year when it was established. Capacities of QDOT will be further released and its profit model is expected to be optimized constantly along with the continuous improvement of the infrastructure at Dongjiakou Poat Area.

Liquid bulk handling and ancillary services

RMB'000

Item	2014	2013	Increase over 2013	Change (%)
Consolidated Group Companies				
Revenue	**89,749**	322,009	-232,260	-72.1%
Cost	**15,423**	110,984	-95,561	-86.1%
Gross profit	**74,326**	211,025	-136,699	-64.8%
Profit of Consolidated Group Companies	**73,569**	200,871	-127,302	-63.4%
Joint ventures *(Note)*				
Revenue	**765,026**	596,769	168,257	28.2%
Cost	**282,017**	233,378	48,639	20.8%
Share of profit of joint ventures	**161,537**	157,027	4,510	2.9%
Segment results	**235,106**	357,898	-122,792	-34.3%

Note: Information on revenue and cost of joint ventures was extracted from the financial statements of Qingdao Shihua, a joint venture of the Comapny, without taking into account the shareholding percentage of the Company has in the joint venture.

Business Review

In 2014, as the construction of crude oil berth and certain storage tanks at Dongjiakou Port Area was completed and put into operation, the Group has capacity of docking of and unloading from the world's largest full-loaded obtained the crude oil vessels with a capacity of 450,000 DWTs and an auxiliary transshipment network for water transportation. Meanwhile, the Group successfully launched the oil products transportation pipeline from Huangdao to Weifang, Shandong province (Huangwei Pipeline) with a designed capacity of 15 million tons per year. Accordingly, the amount of imported oil products in Weifang, Shandong province has increased significantly.

Performance Overview

The liquid bulk handling and ancillary services business segment was operated primarily through Qingdao Shihua, a joint venture of the Company. In 2014, the Group handled a throughput of 52.37 million tons, representing a decrease of 8.76% over the same period of last year, which was mainly attributable to decrease in the import volume of oil products resulting from, among other things, decrease in imported fuel oil of local refinery plants and four refinery plants suspending production due to repairing and maintenance of equipment. With further release of capacities of crude oil terminal at the Dongjiakou Port Area and Huangwei Pipeline, the liquid bulk handling and ancillary services business segment is expected to increase in volume and revenue in the future for 2014 the segment results amounted to RMB235 million, representing a decrease of RMB35 million or 13% over the same period of last year, after taking into account factors such as transfer of operations and assets of QDP Yougang Branch (assuming 50% of the profit of QDP Yougang Branch for the same period of last year had been converted into share of profit of joint ventures), which was mainly attributable to decrease in the throughput of Qingdao Shihua.

Logistics and port value-added services

RMB'000

Item	2014	2013	Increase over 2013	Change (%)
Consolidated Group Companies				
Revenue	**2,078,955**	1,658,257	420,698	25.4%
Cost	**1,471,934**	1,193,511	278,423	23.3%
Gross profit	**607,021**	464,746	142,275	30.6%
Profit of Consolidated Group Companies	**514,959**	384,281	130,678	34.0%
Joint ventures and associates(Note)				
Revenue	**614,023**	502,831	111,192	22.1%
Cost	**422,486**	326,093	96,393	29.6%
Share of profit of joint ventures and associates	**46,615**	47,566	-951	-2.0%
Segment results	**561,574**	431,847	129,727	30.0%

Note: Amount of revenue and cost of joint ventures and associates represents the total amount of revenue and cost in the financial statements of joint ventures and associates of the Company conducting the bussiness of providing logistics and port value-added services without taking into account the shareholding percentage of the Company has in those joint ventures and associates.

Business Review

In 2014, the Group put great efforts on the development of its container transshipment hub business, strengthened its cooperation with major shipping companies and established a new container cargo loading base for shipping companies with an increase of 30% in handling volume of export full containers at transshipment hub over the same period of last year. Through coordination and optimization of matching of trucks and cargoes and improvement of full loading rate of road transportation, the Group established a safe, high quality, intensive, efficient and low-cost transportation model, resulting in an increase of 60% in the Group's transportation volume of ore. In addition, the Group optimized the operation procedures, reduced the intermediate operation links and developed new services such as direct entry of full containers and direct taking of empty containers in order for customers to save costs and for the Group to increase revenue.

Performance Review

The logistics and port value-added services business segment was operated primarily through the Consolidated Group Companies, such as Logistic Branch, Tugboat and Barge Branch, Qingdao Port Logistics and Qingdao OST, which companies primarily engage in the provision of services such as transshipment hub, transportation, warehousing, cold chain, agency, inland ports, tallying and tugging, which are the strategic pivot for the transformation and upgrade of the business of the Group. In 2014, the Group recorded segment results of RMB561 million, representing an increase of RMB129 million or 30.0% over the same period of last year, which was mainly due to the followings:

(1) As the Group consolidated container transshipment hub resources and builds up an advantageous position in providing "one-stop" services in order to drive increase in handling volume of containers, the gross profit increased by RMB62 million;

(2) As the Group coordinated the transportation capacity of highway, railway and waterway in respect of the transportation of dry bulk, provided "door-to-door" logistics services and extended logistics value chain, the gross profit increased by RMB21 million;

(3) As the Group explored new profit models and provided new services such as centralized dispatching of vehicles arriving at and departing from our port, direct entry of full containers and direct taking of empty containers, the gross profit increased by RMB22 million;

(4) As the Group expanded new tugging and tallying business as well as business volume increased, the gross profit increased by RMB23 million.

As the Group is accelerating the process of transforming the logistics business to full logistics business and expanding value-added services, the profit contribution from this segment to the Group will further increase.

Port ancillary services

RMB'000

Item	2014	2013	Increase over 2013	Change (%)
Consolidated Group Company				
Revenue	**1,571,937**	1,267,379	304,558	24.0%
Cost	**1,287,056**	1,092,485	194,571	17.8%
Gross profit	**284,881**	174,894	109,987	62.9%
Segment results	**201,316**	122,943	78,373	63.7%

Port ancillary services segment, which are entirely operated through Consolidated Group Companies, engages in power supply, oil supply, port construction, port machinery manufacturing and terminal facilities leasing services and other businesses. The segment results of the Group from port ancillary services amounted to RMB201 million for 2014, representing an increase of RMB78 million or 63.7% over the same period of last year, mainly due to the increase in business volume of power supply, oil supply and port construction.

Financial service

RMB'000

Item	2014	2013	Increase over 2013	Change (%)
Consolidated Group Company				
Revenue	**86,312**	2,040	84,272	4,131.0%
Cost	**9,241**	690	8,551	1,239.3%
Gross profit	**77,071**	1,350	75,721	5,609.0%
Segment results	**60,815**	1,500	59,315	3,954.3%

Financial service was a newly added business segment for the year which mainly engages in deposits and loans, interbank deposits, insurance agency and other businesses through Consolidated Group Companies such as Qingdao Finance and Yongli Insurance Agent Company. Upon its establishment and commencement of operations in July 2014, Qingdao Finance has a daily average deposit amount of RMB4,100 million through enhancement of prompt collection of its members' funds, and increased its capital gains through credit, interbank deposits and other businesses.

The Group's segment results throughout 2014 increased to RMB60.82 million from RMB1.50 million for the same period, mainly due to Qingdao Finance's earnings of RMB58.33 million.

3. Cash flow analysis

The Group's net cash flow amounted to RMB3,262 million (excluding term deposits with initial term of over three months of RMB2 billion) in 2014. In particular, Qingdao Finance obtained QDP's investment in the amount of RMB300 million and generated net cash flow of RMB1,196 million in total (excluding term deposits with initial term of over three months of RMB2 billion) through business activities including deposit taking and interbank deposit. In order to facilitate the understanding of shareholders and investors, after eliminating the effects of Qingdao Finance on the Group's cash flow, the net cash flow of the Group amounted to RMB1,066 million (excluding term deposits with initial term of over three months of RMB1 billion).

In particular, net cash flow from operating activities amounted to RMB813 million, mainly derived from the operating profit of Consolidated Group Company. Net cash outflow from investing activities amounted to RMB778 million, mainly due to placing term deposits with initial term of over three months of RMB1 billion. Net cash flow from financing activities amounted to RMB1,031 million, mainly due to the proceeds from the offering of H shares and the payment of QDP's special dividends.

4. Liquidity and Financial Resources

As at 31 December 2014, the balance of the Group's cash and cash equivalents amounted to RMB4,535 million. After deducting Qingdao Finance's absorption of its members' deposit, our self-owned funds amounted to RMB2,343 million (excluding term deposits with initial term of over three months of RMB1 billion) which was mainly RMB denominated deposit. The Group's total interest-bearing bank borrowings amounted to RMB188 million, all of which were RMB-denominated borrowings 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 31 December 2014, the amount of the Group's cash balance exceeded the total interest-bearing bank and other borrowings.

5. Outlook for 2015

In 2015, the global economy will continue to undergo a period of deep adjustment following the international financial crisis and China's economy will maintain a new normal of moderate to rapid growth. The Group will face many difficulties and pressures in development as well as the state's significant strategic opportunities such as implementation of "One Belt and One Road (一帶一路)" strategy and building of China-South Korea Free Trade Zone.

While striving to develop its stevedoring operations, the Group will continue to enhance strategic innovation, build up a diversified profit model, boost profit contribution ratio of business segments such as logistics and finance, maintain a sustained and steady development, create a complete port logistics industry chain integrated with terminal stevedoring, transportation and distribution, online settlement and financial support, and seize the national strategic opportunities to explore the internationalization development.

To enlarge stevedoring operations. We will grasp a development trend of large-size ships and alliance of shipping companies in container business with a focus on promoting international transshipment, adding shipping lines and developing domestic trade so as to maintain our leading position as the top container hub port in northern China. We will enhance cooperation with major steel mills and mines in ore and coal dry bulk business to boost bonded warehousing, futures delivery, mixed screening, processing trade and other businesses and build an ore distrubition base. We will continue to increase transportation capacities of pipelines, railways and highways in liquid bulk business to further release the capacities of new Dongjiakou terminal.

To expand modern logistics. We will, under the leadership of Qingdao Port Logistics, our wholly-owned subsidiary, continue to integrate resources inside and outside the port by utilizing the port' advantages as a logistics hub for import and export with inland port as bridgehead and ocean-railway transportation network as channel, develop agency businesses such as shipping agency, freight forwarder and cargo booking agency business as well as transportation businesses such as those in relation to dry bulk, oil products fleet and container, design personalized logistics solutions for our customers, provide a full chain of comprehensive logistics services and supply sufficient sources of goods for stevedoring operation business of the Group. Meanwhile, we will strengthen cooperation with famous magnates in refrigeration industry such as Eimskip, Iceland in expansion of cold chain distribution, chilled trade and other extended services.

To build an intelligent port. We will promote the integration of internet technology and port operations to build an intelligent port that features intelligence operation of port production, logistics and electronic commerce network services, flat and coordinated operation and information sharing and intelligent analysis. We will accelerate the construction of automatic container terminals through active promotion of intelligent operations of cargoes such as dry bulk and liquid bulk, drive the transfer of modern logistics business "from offline to online (從線下到線上)" through application of advanced technologies such as big data and cloud platform to build a world's leading online port, and upgrade the traditional management process with information technology to further improve management efficiency.

To further expand financial sector. We will promote the integration of finance and logistics to foster a new growth pole for port development. The Group will continuously enrich port's financial organizational modes, expand port's financial functions, actively develop a high end financial service system consisting of financial companies, insurance brokerages and other modes and actively develop port-shipping related financial services such as logistics, investment and financing by leveraging port advantages to build a new source of profit growth for our port.

To explore overseas development. We will take initiative to "go global (走出去)" based on the national strategies to pursue a development abroad. With the advantages of the Port of Qingdao in geographical location, shipping route and management as "a northern gateway to the Maritime Silk Road (海上絲綢之路北方門戶)" and "an East Bridgehead of Silk Road Economic Belt (絲綢之路經濟帶東方橋頭堡)", we will work with our strategic partners to participate in development, construction and business management of ports in countries and regions along "One Belt and One Road (一帶一路)" through capital contribution, management output, business cooperation and other means. Meanwhile, we will seize the opportunities arising from the establishment of the China—South Korea Free Trade Zone to further increase cargo transportation volume between Qingdao and South Korea by leveraging such favorable situation where Qingdao has initiated an all-round construction of China—South Korea Trade Cooperation Zone and accelerated its declaration as a free trade port area.

To enhance internal management. We will enhance our internal management and control to ensure healthy operation of the Group in compliance with the laws and regulations; optimize institution setting, improve work efficiency and lower management cost; strengthen risk prevention measures to ensure controllable safety of operational activities; and perfect incentive mechanism, optimize the allocation of human resources and conducting normalized training to cultivate diversified talents.

Use of net proceeds from the Global Offering

The Company raised a total of approximately HKD2,926 million, equivalent to approximately RMB2,326 million, by issuing H Shares on 6 June 2014. After deducting the listing expenses of approximately RMB128 million, the net proceeds amounted to approximately RMB2,198 million. As at 31 December 2014, we invested RMB841 million of the proceeds from the global offering in the projects as disclosed in Prospectus and used RMB268 million to fund our working capital in the way exactly as disclosed in the Prospectus.

Special dividend

Pursuant to the resolution of the shareholders' meeting of the Company convened on 15 November 2013, QDP and other promoters were entitled to a special dividend for the distributable profits for the period from 16 November 2013, the date immediately after the date of establishment of the Company, to 31 May 2014, the last day of the month prior to the listing of the Company's shares, the amount of which shall be determined in accordance with PRC GAAP or IFRS, whichever is lower. For details, please refer to the Prospectus. As a result, based on the audited consolidated balance sheet as at 31 May 2014 prepared in accordance with PRC GAAP, the Group will distribute a special dividend of approximately RMB650.38 million to QDP and other promoters in proportion to their respective shareholding in the Company's shares. Such special dividend will be paid to these shareholders prior to 31 August 2015.

Proposed the final dividend for the year and closure of register

The Board has proposed the distribution of final dividend of approximately RMB295.79 million or RMB61.91 per 1,000 shares (tax inclusive) for the year ended 31 December 2014 to the shareholders whose names appear on the register of members of the Company on 17 June 2015, prior to 5 August 2015. The payment of the proposed final dividend shall be subject to approval by the Company's shareholders at the forthcoming annual general meeting.

In order to determine the eligibility of being entitled to the proposed final dividend, the share register of the Company will be closed from Friday, 12 June 2015 to Wednesday, 17 June 2015 (both days inclusive), during which no share transfer will be registered. The Shareholders whose names appear on the register of members of the Company on Wednesday, 17 June 2015 are entitled to the proposed final dividend. Holders of the Company's shares who wish to receive the proposed final dividend are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or at the Company's registered office in the PRC, at 7 Ganghua Road, City North District, Qingdao, Shandong Province, the PRC (for holders of domestic shares), no later than 4:30 p.m. on Thursday, 11 June 2015 for registration.

Distribution of final dividend and withholding of corporate income tax and individual income tax

(1) Overseas enterprise shareholders

In accordance with the Corporate Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation rules effective on 1 January 2008, where a PRC domestic enterprise distributes dividends to non-resident enterprise shareholders, it is required to withhold 10% corporate income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of dividends as corporate income tax, distribute the dividends to non-resident enterprise Shareholders, i.e. any Shareholders who hold the Company's Shares in the name of non-individual Shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups.

(2) Individual shareholders

Pursuant to the Notice of the PRC State Administration of Taxation Concerning the Collection and Management of Individual Income Tax after the Abolition of the Circular SAT No. [1993] 045 (國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知) issued by the SAT on 4 January 2011, dividends paid by a PRC non-foreign-funded company listed in Hong Kong are generally subject to a 10% individual income tax. For residents in a country where a tax treaty is signed, if the applicable tax rate is lower than 10%, the Company may apply for treaty benefits on their behalf and claim a refund of the excessively withheld tax subject to approval by the competent tax authorities. However, if the tax rate applicable to the dividends to be distributed to the residents of a country where a tax treaty is signed is between 10% and 20%, the Company will withhold such residents' individual income tax at the tax rate stipulated under the tax treaty. For residents of a country which has not entered into a tax treaty with the PRC or in other cases, the Company will withhold individual income tax at the tax rate of 20%.

Compliance with 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 Listing Rules during the period from the Listing Date to 31 December 2014.

Compliance with Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as its own code of conduct for securities transactions by directors and supervisors of the Company. Specific enquiries have 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/their respective date of appointment after the Listing Date to 31 December 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 31 December 2014.

Audit Committee

The Audit Committee has reviewed, with management, the accounting principles and policies adopted by the Group and the consolidated financial statements for the year.

AUDITORS

PricewaterhouseCoopers was appointed as the Company's auditors to audit the financial statements which are prepared in accordance with the International Financial Reporting Standards for the year ended 31 December 2014. The Company has retained the services of PricewaterhouseCoopers since the date of preparation of its listing.

Amendments of Constitutional Document

The Company adopted new Articles of Association on the Listing Date, and made amendments to Articles of Association at the extraordinary general meeting held on 29 September 2014. The revised version came into effect on the date of announcement. The current effective Articles of Association have been published on the websites of the Company and the Hong Kong Stock Exchange.

Closure of register

In order to determine the eligibility of shareholders who are entitled to attend the annual general meeting of the Company, the share register of the Company will be closed from Thursday, 7 May 2015 to Saturday, 6 June 2015 (both days inclusive), during which no share transfer will be registered. The shareholders whose names appear on the register of members of the Company on Saturday, 6 June 2015 are entitled to attend and vote at the annual general meeting. Holders of the Company's shares who wish to attend the annual general meeting but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or at the Company's registered office in the PRC, at 7 Ganghua Road, City North District, Qingdao, Shandong Province, the PRC (for holders of domestic shares), no later than 4:30 p.m. on Wednesday, 6 May 2015 for registration.

Material litigations

Other than the litigations to which the Company was involved as disclosed in the announcements published on 28 July 2014, 15 August 2014 and 5 September 2014, the Group was not involved in any material litigation or arbitration from the Listing Date to 31 December 2014.

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 would constitute material contingent liabilities.

Publication of the Company's 2014 consolidated annual results and the 2014 annual report on the websites of the Hong Kong Stock Exchange and the Company

The annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.qingdao-port.com), and the 2014 annual report (containing all particulars as required by the Listing Rules) will be dispatched to the shareholders of the Company in due course and published on the websites of the Hong Kong Stock Exchange and the Company, respectively.

By Order of the Board
Qingdao Port International Co., Ltd.
Zheng Minghui
Chairman

Qingdao, the PRC, 20 March 2015

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 WANG Yaping, CHAU Kwok Keung and YANG Qiulin.

Definitions

"Board"	The Board of Directors of Qingdao Port International Co., Ltd. (青島港國際股份有限公司)
"Company"	Qingdao Port International Co., Ltd. (青島港國際股份有限公司), a joint stock company established in the PRC with limited liability on November 15, 2013
"Consolidated Group Company"	the Company (including its branches) and its subsidiaries which are consolidated into in the consolidated financial statements of the Company
"Dagang Branch"	Dagang Branch of Qingdao Port International Co., Ltd. (青島港國際股份有限公司大港分公司), a branch of the Company, which is mainly engaged in the business of providing ore, coal and other cargo handling and ancillary services
"Datang Port"	Datang Qingdao Port Co., Ltd. (大唐青島港務有限公司), a subsidiary acquired by the Company in 2014, in which the Company holds 51% equity interest, which is mainly engaged in construction and management of terminals and its ancillary facilities; procurement, consulting and invitation of tender for the equipment and materials needed by terminals; leasing, maintenance and management of terminals and their ancillary facilities; cargo loading and unloading, warehousing services (excluding dangerous goods) and international freight forwarding
"Dongjiakou Operation I"	two metal ore and coal berths and their ancillary operating assets and liabilities in the Dongjiakou Port Area with a docking capacity of 300,000 DWTs and 200,000 DWTs, respectively, please refer to the Prospectus for details

"Dongjiakou Operation II"	two multi-purpose berths and their ancillary operating assets and liabilities in the Dongjiakou Port Area each with a docking capacity of 50,000 DWTs, please refer to the Prospectus for details
"DWTs"	deadweight ton, which is a measure of how much weight a vessel carrying or can safely carry. DWT is the sum of the weight of cargo, fuel, fresh water, ballast water, provisions, passengers, and crew, and the term is often used to specify a vessel's maximum permissible deadweight
"Group"	the Company and its branches and subsidiaries; when references are made to operational data such as throughput, including joint ventures and associates of the Company
"Group Loans"	major profitable assets of the Other Retained Operations, being loans extended by QDP to QQCTN, QQCTU, West United and other companies, which are included in trade and other receivables of Other Retained Operations
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huangwei Pipeline"	the pipeline that runs from Huangdao, Shandong to Weifang, Shandong
"Huaneng Qingdao"	Huaneng Qingdao Port Operation Co., Ltd. (華能青島港務有限公司), a joint venture in which the Company holds 49% equity interest, which is mainly engaged in the business of providing dry bulk cargo and break bulk cargo handling and ancillary services
"Listing Date"	6 June 2014, the date on which our H Shares were listed on the main board of the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"Logistics Branch"	Logistics Branch of Qingdao Port International Co., Ltd. (青島港國際股份有限公司物流分公司), a branch of the Company, which is mainly engaged in the business of providing container transshipment hub and agency service
"Mercuria Logistics"	Qingdao Haiye Mercuria Logistics Co., Ltd. (青島海業摩科瑞物流有限公司), a subsidiary acquired by the Company in 2014, in which the Company holds 51% equity interest, which is mainly engaged in freight forwarding, incoming and outgoing cargo warehousing, transshipment and distribution, construction of warehousing and logistics facilities
"Mercuria Oil Terminal"	Qingdao Haiye Mercuria Oil Terminal Co., Ltd. (青島海業摩科瑞倉儲有限公司), a subsidiary acquired by the Company in 2014, in which the Company holds 65% equity interest, which is mainly engaged in construction and management of warehouse as well as wholesale of machinery and equipment and construction materials
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"Other Retained Operations"	certain land use right, investment properties, non-operating property, plant and equipment, and 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
"Prospectus"	the listing document of the Company in relation to the global offering dated 26 May 2014

"QDOT"	Qingdao Port Dongjiakou Ore Terminal Co., Ltd. (青島港董家口礦石碼頭有限公司), a joint venture in which the Company holds 30% equity interest, which is mainly engaged in the business of providing ore, coal and other cargo handling and ancillary services
"QDP"	Qingdao Port (Group) Co., Ltd. (青島港(集團)有限公司), the controlling shareholder of the Company, which holds a proximately 73.71% equity interest in the Company as of the date of this announcement
"QDP Dongjiakou Branch"	Dongjiakou Branch of Qingdao Port (Group) Co., Ltd. (青島港(集團)有限公司董家口分公司), which was mainly engaged in the business of providing ore, coal and other cargo handling and ancillary services, and whose major assets and liabilities had been transferred to QDOT and the Company in 2014
"QDP Yougang Branch"	Yougang Branch of Qingdao Port (Group) Co., Ltd. (青島港(集團)有限公司油港分公司), which was mainly engaged in the business of providing liquid bulk handling and ancillary services, and whose operating assets and liabilities had been transferred to Qingdao Shihua in March 2013
"Qingdao Finance"	Qingdao Port Finance Co., Ltd. (青島港財務有限責任公司), a subsidiary jointly established by the Company (holding 70% equity interest) and QDP (holding 30% equity interest), which is mainly engaged in the provision of depository services, credit granting services, financial and financing advisory services, credit assurance services and relevant consulting and agency services; trade receivables collection and payment services; internal fund transfer and settlement services formulation of proposals for the corresponding settlement and clearing services and other financial services to QDP and its group companies

"Qingdao OST"	Qingdao Ocean Shipping Tally Co., Ltd. (青島外輪理貨有限公司), a subsidiary in which the Company holds 84% equity interest, which is mainly engaged in the business of providing tallying services
"Qiangang Branch"	Qiangang Branch of Qingdao Port International Co., Ltd. (青島港國際股份有限公司前港分公司), a branch of the Company, which is mainly engaged in the business of providing ore, coal and other cargo handling and ancillary services
"Qingdao Port Logistics"	Qingdao Port International Cargo Logistics Co., Ltd. (青島港國際貨運物流有限公司), a wholly-owned subsidiary of the Company, which is mainly engaged in the business of providing logistics value added services, such as transportation and agency service
"Qingdao Shihua"	Qingdao Shihua Crude Oil Terminal Co., Ltd. (青島實華原油碼頭有限公司), a joint venture in which the Company holds 50% equity interest, which is mainly engaged in the business of providing liquid bulk handling and ancillary services
"QQCT"	Qingdao Qianwan Container Terminal Co., Ltd. (青島前灣集裝箱碼頭有限責任公司), a joint venture in which the Company holds a 31% equity interest, which is mainly engaged in the business of providing container handling and ancillary services
"QQCTU"	Qingdao Qianwan United Container Terminal Co., Ltd. (青島前灣聯合集裝箱碼頭有限責任公司), a joint venture in which QQCT indirectly holds 40% equity interest, which is mainly engaged in the business of providing container handling and ancillary services
"TEUs"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, a height of eight feet and six inches and a width of eight feet

"Tugboat and Barge Branch"	Tugboat and Barge Branch of Qingdao Port International Co., Ltd. (青島港國際股份有限公司輪駁分公司), a branch of the Company, which is mainly engaged in the business of tugboat and ocean engineering
"West United"	Qingdao Qianwan West Port United Terminal Co., Ltd. (青島前灣西港聯合碼頭有限責任公司), a joint venture in which the Company holds 51% equity interest (but is not consolidated into consolidated financial statements of the Company as the Company does not have control over it), and which is mainly engaged in the business of providing dry bulk cargo and break bulk cargo handling and ancillary services
"Yongli Insurance Agent Company"	Qingdao Yongli Insurance Agent Co., Ltd. (青島永利保險代理有限公司), a wholly-owned subsidiary of the Company, which is mainly engaged in the marketing of insurance products, collection of premium, survey for the loss of relevant insurance business as agent, wealth management and other business approved by the China Insurance Regulatory Commission