Qingdao Port International Co., Ltd.
青島港國際股份有限公司

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

(Stock Code: 06198)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2015:

- Revenue was RMB3,564 million, representing an increase of 0.4% as compared to the same period in the prior year;
- Profit attributable to owners of the Company was RMB1,084 million, representing an increase of 26.9% as compared to the same period in the prior year; and
- Basic earnings per share was RMB0.23.

The Board hereby announces the unaudited interim consolidated results of the Group for the six months ended 30 June 2015. The interim results have been reviewed by the Audit Committee of the Board. The Group's unaudited interim condensed consolidated income statement, unaudited interim condensed consolidated statement of comprehensive income, unaudited interim condensed consolidated balance sheet and the explanatory notes 1 to 11 as presented below are extracted from the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2015, which has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Note	**Unaudited Six months ended 30 June 2015** *RMB'000*	**2014** *RMB'000 (Restated)*
Revenue	4	3,563,928	3,548,719
Cost of sales	6	(2,495,484)	(2,509,884)
Gross profit		1,068,444	1,038,835
Other income		160,105	16,866
Selling and administrative expenses	6	(320,686)	(326,665)
Other gains - net		4,799	2,939
Operating profit		912,662	731,975
Finance costs		(19,202)	—
Gain from disposal of a joint venture	5	153,157	—
Share of post-tax profit of joint ventures		349,961	333,991
Share of post-tax profit of an associate		673	521
Profit before income tax		1,397,251	1,066,487
Income tax expenses	7	(275,080)	(200,450)
Profit for the period		1,122,171	866,037
Attributable to:			
— Owners of the Company		1,083,891	854,074
— Non-controlling interests		38,280	11,963
		1,122,171	866,037
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
— basic and diluted	8	0.23	0.21

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Unaudited Six months ended 30 June	
	2015	**2014**
	RMB'000	*RMB'000*
		(Restated)
Profit for the period	1,122,171	866,037
Other comprehensive expense:		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of employee benefit obligations	(68,920)	(163,199)
Total comprehensive income for the period	1,053,251	702,838
Attributable to:		
— Owners of the Company	1,015,081	691,147
— Non-controlling interests	38,170	11,691
	1,053,251	702,838

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015

	Note	Unaudited As at 30 June 2015 *RMB'000*	Restated As at 31 December 2014 *RMB'000*
ASSETS			
Non-current assets			
Land use rights		744,304	751,859
Property, plant and equipment		11,059,146	10,686,994
Investment properties		216,307	220,994
Goodwill		18,837	18,837
Intangible assets		73,239	74,412
Investments in joint ventures		4,418,008	4,448,192
Investments in an associate		5,368	5,472
Available-for-sale financial assets		72,208	72,208
Deferred income tax assets		864,913	888,267
Trade and other receivables	10	448,259	335,672
		17,920,589	17,502,907
Current assets			
Inventories		152,070	159,157
Trade and other receivables	10	3,461,897	2,734,136
Amounts due from customers for contract work		75,823	41,088
Financial assets at fair value through profit or loss		200,000	—
Restricted bank deposits		1,172,530	874,552
Term deposits with initial term of over three months		711,421	2,013,248
Cash and cash equivalents		4,372,388	4,534,822
		10,146,129	10,357,003
Asset classified as held for sale		—	486,127
		10,146,129	10,843,130
Total assets		28,066,718	28,346,037

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015

	Note	**Unaudited As at 30 June 2015** *RMB'000*	**Restated As at 31 December 2014** *RMB'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,778,204	4,778,204
Share premium		9,269,751	9,269,751
Other reserves		(4,026,939)	(3,949,357)
Retained earnings		1,671,174	1,533,486
		11,692,190	11,632,084
Non-controlling interests		840,577	801,405
Total equity		12,532,767	12,433,489
LIABILITIES			
Non-current liabilities			
Trade and other payables	11	55,002	55,618
Borrowings		133,261	82,011
Deferred income		3,745,263	3,848,290
Early retirement and supplemental benefit obligations		2,830,420	2,757,150
		6,763,946	6,743,069
Current liabilities			
Trade and other payables	11	7,279,153	8,675,322
Dividends payable	9	946,203	—
Current income tax liabilities		57,717	45,561
Borrowings		146,544	106,250
Deferred income		209,128	211,086
Early retirement and supplemental benefit obligations		131,260	131,260
		8,770,005	9,169,479
Total liabilities		15,533,951	15,912,548
Total equity and liabilities		28,066,718	28,346,037
Net current assets		1,376,124	1,673,651
Total assets less current liabilities		19,296,713	19,176,558

Notes:

1. General information

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

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

The interim condensed consolidated financial information (the "Interim Financial Information") is presented in Renminbi ("RMB"). The Interim Financial Information was approved for issue by the Board of Directors of the Company (the "Board") on 21 August 2015.

The Interim Financial Information has been reviewed and has not been audited.

2. Basis of preparation

The Interim Financial Information for the six months ended 30 June 2015 has been prepared, in accordance with International Accounting Standard 34 "Interim Financial Reporting". The Interim Financial Information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") (the "2014 Annual Financial Statements").

On 20 March 2015, the Company and Qingdao Port Investment and Construction (Group) Co., Ltd. ("Qingdao Port Investment"), one of QDP's subsidiaries, entered into an agreement pursuant to which the Company will acquire from Qingdao Investment its 100% equity interests in Qingdao City Qingdao Port Commodity Trading Center Co., Ltd. ("Commodity Trading Center") at a cash consideration of RMB15,312,000.

In April 2015, the Company has completed the acquisition of Commodity Trading Center which 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. Accordingly, certain comparative figures as presented in the Interim Financial Information have been restated as a result of adoption of merger accounting for the abovebusiness combination under common control. The merger of the subsidiary has increased the Group's total assets and total liabilities as of 31 December 2014 by approximately RMB18,732,000 and RMB3,542,000 respectively, and decrease the net loss for the six months ended 30 June 2014 by approximately RMB884,000.

3. Accounting policies

The accounting policies applied are consistent with those as described in the 2014 Annual Financial Statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1 Amendments and annual improvements adopted by the Group

The following amended standard and annual improvements have been adopted by the Group for the first time for the financial year beginning on 1 January 2015.

- Amendment to IAS 19 regarding defined benefit plans

- Annual improvements 2012, which includes changes to IFRSs 2, 3 and 8 and IASs 16, 24 and 38

- Annual improvements 2013, which includes changes to IFRSs 3 and 13 and IAS 40

The adoption of the above amendment and annual improvements did not have any material effect on the Interim Financial Information or result in any significant changes in the Group's significant accounting policies.

3.2 New and amended standards and annual improvements not yet adopted by the Group

A number of new standards, amendments to existing standards and annual improvements which are effective for annual periods beginning after 1 January 2015, have also been issued but have not been early adopted by the Group in preparing the Interim Financial Information. The Group will apply those new standards, amendments and annual improvements in accordance with their respective effective dates. The Group has already commenced an assessment of the related impact to the Group but is not yet in a position to state whether any substantial changes to Group's significant accounting policies or presentation of the Group's consolidated financial information will be resulted.

4. 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 storage;

— 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: Provision of towing, tallying, cargo logistics, container management hub services, agency 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, its subsidiaries and related parties (including provision of deposit-taking activities, corporate loans, financial lease, guarantee, insurance services and others).

As described in the 2014 Annual Financial Statements, 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.

Financial services previously have not been identified as a reportable operating segment and included in port ancillary services. With the incorporation of Qingdao Port Finance Co., Ltd. ("Qingdao Finance") in July 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 for the six months ended 30 June 2014 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.

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 post-tax profit of joint ventures and an associate directly attributable to each segment. Unallocated costs consist of corporate expenses and exchange loss. Unallocated other income consists of interest income on corporate bank deposits and loans advanced to related parties.

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

Segment assets consist primarily of land use rights, property, plant and equipment, investment properties, intangible assets, investments in joint ventures, investments in an associate, 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, other receivables, financial assets at fair value through profit or loss, restricted bank deposits 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 liabilities, borrowings, bills payable, dividend 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 six months ended 30 June 2015, 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 six months ended 30 June 2015							
	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*
Total reportable segment revenue	97,188	1,475,689	52,774	1,123,253	1,131,090	143,425	(320,066)	3,703,353
Inter-segment revenue	—	(13,445)	—	(3,133)	(302,021)	(1,467)	320,066	—
Reportable segment revenue from external customers	97,188	1,462,244	52,774	1,120,120	829,069	141,958	—	3,703,353
Total reportable segment costs	(32,819)	(1,103,749)	(8,942)	(740,117)	(917,226)	(38,105)	330,672	(2,510,286)
Inter-segment costs	—	23,963	—	7,029	277,465	22,215	(330,672)	—
Reportable segment costs associated with services provided to external customers	(32,819)	(1,079,786)	(8,942)	(733,088)	(639,761)	(15,890)	—	(2,510,286)
Gain from disposal of a joint venture	153,157	—	—	—	—	—	—	153,157
Share of post-tax profit/(loss) of joint ventures	236,653	(2,383)	88,821	26,870	—	—	—	349,961
Share of post-tax profit of an associate	—	—	—	673	—	—	—	673
Segment results	448,741	263,212	132,397	377,461	152,238	98,338	(10,143)	1,462,244
Unallocated costs								(81,734)
Unallocated other income								16,741
Profit before income tax								1,397,251
Income tax expenses								(275,080)
Profit for the period								1,122,171
Other information:								
Depreciation and amortisation	6,560	108,637	4,225	35,545	68,981	949	(2,132)	222,765
Unallocated depreciation and amortisation								7,869
Impairment provision	—	7,186	—	1,925	1,109	3,526	—	13,746
Non-cash items other than depreciation and amortisation*	—	29,760	40	7,990	21,860	10	—	59,660

	As at 30 June 2015							
	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	1,894,115	8,297,930	2,966,433	2,382,073	4,863,219	5,855,058	(2,560,511)	23,698,317
Unallocated assets								4,368,401
Total assets								28,066,718
Total assets include:								
— Investments in joint ventures	1,673,032	928,767	1,499,296	316,913	—	—	—	4,418,008
— Investments in an associate	—	—	—	5,368	—	—	—	5,368
Unallocated additions to non-current assets (other than financial instruments and deferred income tax assets)								2,179
Additions to non-current assets (other than financial instruments and deferred income tax assets)	—	531,737	63,790	27,936	24,400	—	(9,405)	638,458
Segment liabilities	74,040	3,008,868	444,811	745,881	6,901,944	4,729,891	(3,059,981)	12,845,454
Unallocated liabilities								2,688,497
Total liabilities								15,533,951

	For the six months ended 30 June 2014 (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*
Total reportable segment revenue	96,025	1,602,338	45,488	1,051,731	1,091,360	1,228	(339,451)	3,548,719
Inter-segment revenue	—	(7,149)	—	(29,632)	(302,670)	—	339,451	—
Reportable segment revenue from external customers	96,025	1,595,189	45,488	1,022,099	788,690	1,228	—	3,548,719
Total reportable segment costs	(32,200)	(1,129,556)	(8,471)	(751,243)	(921,142)	(317)	333,045	(2,509,884)
Inter-segment costs	—	16,065	—	29,998	286,982	—	(333,045)	—
Reportable segment costs associated with services provided to external customers	(32,200)	(1,113,491)	(8,471)	(721,245)	(634,160)	(317)	—	(2,509,884)
Share of post-tax profit of joint ventures	211,250	4,168	92,328	26,245	—	—	—	333,991
Share of post-tax profit of an associate	—	—	—	521	—	—	—	521
Segment results	265,854	371,479	128,013	288,096	109,522	865	(5,460)	1,158,369
Unallocated costs								(97,701)
Unallocated other income								5,819
Profit before income tax								1,066,487
Income tax expenses								(200,450)
Profit for the period								866,037
Other information:								
Depreciation and amortisation	9,247	119,259	3,194	33,509	62,517	11	—	227,737
Unallocated depreciation and amortisation								9,096
Non-cash items other than depreciation and amortisation*	—	34,145	181	9,438	25,188	28	—	68,980

	As at 31 December 2014 (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	2,568,831	7,735,186	3,112,594	2,380,379	5,103,100	7,347,351	(3,209,762)	25,037,679
Unallocated assets								3,308,358
Total assets								28,346,037
Total assets include:								
— Investments in joint ventures	1,835,768	925,586	1,362,820	324,018	—	—	—	4,448,192
— Investments in an associate	—	—	—	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	141,595	94,346	7,260	(33,720)	2,148,999
Segment liabilities	71,370	2,866,400	436,272	807,699	7,057,470	6,442,563	(3,629,002)	14,052,772
Unallocated liabilities								1,859,776
Total liabilities								15,912,548

* 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 Interim Financial Information as follows:

	Six months ended 30 June	
	2015	**2014**
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Reportable segment revenue from external customers	3,703,353	3,548,719
Less: interest income of Qingdao Finance (i)	(139,425)	—
Consolidated revenue	3,563,928	3,548,719

	Six months ended 30 June	
	2015	**2014**
	RMB'000	*RMB'000*
		(Restated)
Cost of sales		
Reportable segment costs associated with services provided to external customers	2,510,286	2,509,884
Less: interest expense of Qingdao Finance (ii)	(14,802)	—
Consolidated cost of sales	2,495,484	2,509,884

Notes:

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

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

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

	As at 30 June 2015	**As at 31 December 2014**
	RMB'000	*RMB'000*
		(Restated)
Segment assets	23,698,317	25,037,679
Unallocated assets and corporate assets:		
- Deferred income tax assets	858,104	884,392
- Property, plant and equipment	89,197	106,816
- Intangible assets	33,388	34,801
- Available-for-sale financial assets	483	483
- Other receivables	1,024,741	526,889
- Financial assets at fair value through profit or loss	200,000	—
- Restricted bank deposits	748,000	—
- Cash and cash equivalents	1,414,488	1,754,977
	28,066,718	28,346,037

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
		(Restated)
Segment liabilities	12,845,454	14,052,772
Unallocated corporate liabilities:		
- Borrowings	90,000	—
- Other payables	1,612,902	1,822,701
- Dividends payable	946,203	—
- Current income tax liabilities	39,392	37,075
	15,533,951	15,912,548

Unallocated other payables are mainly payables to QDP.

Entity-wide information

The Group's revenue (representing turnover) for the six months ended 30 June are analysed as below:

	Six months ended 30 June	
	2015	**2014**
	RMB'000	*RMB'000*
		(Restated)
Revenue from handling, ancillary and other related services	1,612,206	1,736,702
Revenue from logistics and port value-added services	1,120,120	1,022,099
Revenue from port construction and equipment manufacturing	319,917	315,284
Rental income	106,049	114,896
Sales of electricity, oil and others	405,636	359,738
	3,563,928	3,548,719

5. Gain from disposal of a joint venture

The Group's interest in Rizhao Riqing Container Terminal Co., Ltd. ("Riqing Container"), a joint venture with 50% of its equity interests being held by the Group and Rizhao Port Co., Ltd. ("Rizhao Port"), respectively, was classified as an asset classified as held for sale as of 31 December 2014.

In February 2015, Rizhao Port has acquired the Group's entire 50% equity interests in Riqing Container at the consideration of approximately RMB639,086,000. As of 30 June 2015, Rizhao Port has settled approximately RMB320,000,000 to the Group and the remaining consideration is expected to be settled by Feburary 2016.

Resulting from the disposal of the equity interest in Riqing Container, the Group has recognised a net gain on disposal of approximately RMB153,157,000 during the six months ended 30 June 2015.

6. Expenses by nature

	Six months ended 30 June	
	2015	**2014**
	RMB'000	*RMB'000*
		(Restated)
Employee benefit expenses	826,564	824,029
Subcontract costs	610,757	570,074
Transportation costs	309,326	350,193
Materials used in contract work	154,886	222,820
Depreciation of property, plant and equipment	212,548	214,713
Cost of sales for oil and electricity	143,155	134,771
Fuel and heating expenditures	122,151	196,979
Raw materials and consumables used	121,956	84,197
Business taxes and others	82,986	53,363
Operating lease rental	74,165	51,366
Repair and maintenance expenses	52,871	34,175
Amortisation of land use rights and intangible assets	9,256	9,069
Depreciation of investment properties	4,600	4,600
Amortisation of other non-current assets	4,230	8,451
Provision for impairment of trade and other receivables	13,746	—
Other expenses	72,973	77,749
Total cost of sales and selling and administrative expenses	2,816,170	2,836,549

7. Income tax expenses

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits arising in or derived from Hong Kong during the six months ended 30 June 2015 (2014: Nil).

The Group is subject to PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% (2014: 25%) on the estimated assessable profit of the Company and its subsidiaries for the six months ended 30 June 2015.

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

	Six months ended 30 June	
	2015	**2014**
	RMB'000	*RMB'000*
Current income tax		
- PRC enterprise income tax	251,726	177,482
Deferred income tax	23,354	22,968
	275,080	200,450

8. Earnings per share

(a) ***Basic***

Basic earnings per share for the six months ended 30 June 2015 and 2014 is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	**2014**
		(Restated)
Profit attributable to owners of the Company (RMB'000)	1,083,891	854,074
Weighted average number of ordinary shares in issue (thousands)	4,778,204	4,094,107
Basic earnings per share (RMB per share)	0.23	0.21

(b) ***Diluted***

Diluted earnings per share is the same as basic earnings per share as there were no potential diluted ordinary shares outstanding during the six months ended 30 June 2015 and 2014.

9. Dividends

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 has 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.

The Special Dividend has been approved by the Company's shareholders in the annual general meeting on 6 June 2015. In the same annual general meeting, the Company's shareholders have also approved the dividend in respect of the period from 1 June 2014 to 31 December 2014 of approximately RMB61.91 per thousand ordinary shares, amounting to a total dividend of approximately RMB295,819,000.

The aforesaid approved dividends totally RMB946,203,000 remained unsettled as of 30 June 2015.

No interim dividend for the six months ended 30 June 2015 has been proposed by the Board (2014: Nil).

During the six months ended 30 June 2015, certain of the Group's non-wholly owned subsidiaries had paid dividends to minority shareholders of approximately RMB19,181,000 (2014: RMB13,872,000).

10. Trade and other receivables

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000* *(Restated)*
Trade receivables (Note)		
- third parties	1,060,682	1,037,005
- related parties	367,768	366,911
	1,428,450	1,403,916
Less: Provision for impairment	(19,870)	(12,167)
Trade receivables - net	1,408,580	1,391,749
Other receivables		
- third parties	567,115	261,075
- related parties	192,050	196,150
	759,165	457,225
Less: Provision for impairment	(7,604)	(1,561)
Other receivables - net	751,561	455,664
Bill receivables	973,181	722,929
Loans advanced to related parties	432,000	155,080
Taxes due on port facilities rentals and others	208,826	214,375
VAT recoverable	35,651	33,659
Prepayments	100,357	96,352
Trade and other receivables - net	3,910,156	3,069,808
Less: non-current portion:		
- Taxes due on port facilities rentals and others	(197,532)	(203,081)
- Prepayments	(54,944)	(41,208)
- Loans advanced to related parties	(193,380)	(88,980)
- Other receivables	(2,403)	(2,403)
Non-current portion	(448,259)	(335,672)
Current portion	3,461,897	2,734,136

Note:

In general, the Group grants a credit period of 30 to 90 days to its trade customers. As at 30 June 2015, ageing analysis of trade receivables based on the recognition date of transactions is as follows:

	As at 30 June 2015	**As at 31 December 2014**
	RMB'000	*RMB'000*
		(Restated)
Less than 3 months	928,380	991,255
3 to 6 months	249,771	233,216
6 to 12 months	170,325	117,054
1 to 2 years	64,784	49,595
2 to 3 years	3,871	3,947
Over 3 years	11,319	8,849
	1,428,450	1,403,916

11. Trade and other payables

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000* *(Restated)*
Trade payables (Note)		
- third parties	783,512	554,523
- related parties	256,818	319,585
	1,040,330	874,108
Advance from customers		
- third parties	47,429	67,381
- related parties	12,740	5,049
	60,169	72,430
Bills payable	1,106,954	1,241,052
Warranties	2,069	2,638
Payables for purchases of property, plant and equipment	1,307,416	1,317,675
Other taxes payables	48,604	41,261
Salary, bonus and staff welfare benefits payable	57,739	75,075
Amounts due to related parties	2,574,417	3,883,889
Other payables and accruals		
- third parties	259,412	330,658
- related parties	877,045	892,154
	1,136,457	1,222,812
Trade and other payables	7,334,155	8,730,940
Less: non-current portion	(55,002)	(55,618)
Current portion	7,279,153	8,675,322

Note:

As at 30 June 2015, the ageing analysis of the trade payable based on the recognition date of transactions is as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000* *(Restated)*
Less than 1 year	930,988	821,679
1 to 2 years	74,350	52,427
2 to 3 years	34,992	2
	1,040,330	874,108

MANAGEMENT DISCUSSION AND ANALYSIS

I. INTERNATIONAL AND DOMESTIC SITUATION

1. General Situation

In the first half of 2015, the global economy continued to recover with slow growth. The PRC economy faced increased downward pressure but remained within a reasonable range. The gross domestic product (GDP) of the PRC increased 7.0% on a year-on-year (YOY) basis. Positive changes occurred in the PRC economy during the second quarter of 2015, resulting in a slow and positive momentum toward stabilisation. The total export trade value of the PRC for the first half of 2015 increased 1.0% on a YOY basis, while the total import trade value decreased 15.5% on a YOY basis. *(Sources: Statistics from National Bureau of Statistics of the PRC and the General Administration of Customs of the PRC)*

2. Operation of the Port Industry

With a slowdown in the growth rate of the import and export trade in the PRC, the growth rate of national port throughput has also entered into a "new normal" phase characterised by moderate, single-digit growth. In the first half of 2015, the national coastal port throughput increased 1.6% on a YOY basis, the foreign trade throughput decreased 1.2% on a YOY basis and the container throughput increased 5.6% on a YOY basis. *(Source: Statistics from the Ministry of Transport of the PRC)*

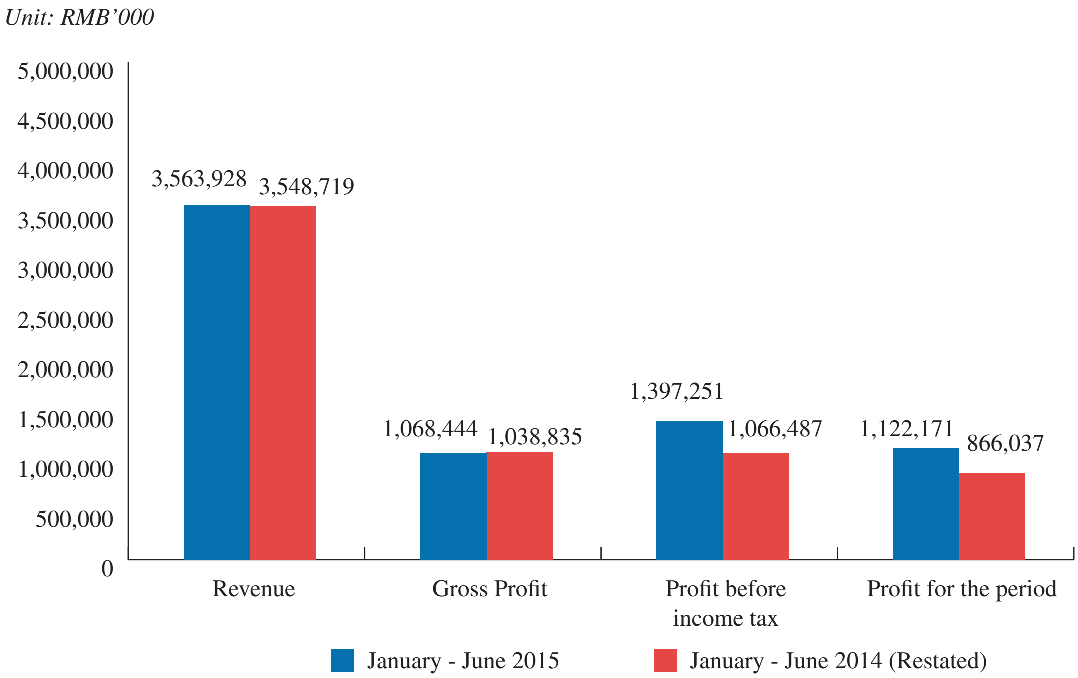
II. REVIEW OF BUSINESS AND FINANCIAL CONDITION

1. Overall Review of Business and Results

Faced with the new normal of the PRC economy, and continuing to build on the basis of consolidating and expanding its port stevedoring business, the Group has accelerated the expansion of its logistics and port value-added services, further enhanced the profit structure and made efforts to create the edge for a new round of development and create a diversified and sustainable profit model.

For the six months ended 30 June 2015, the Group's cargo throughput was 208.84 million tons, representing an increase of 2.5% over the same period of last year. During the same period, the Group realised a container throughput of 8.55 million TEUs, representing an increase of 2.6% over the same period of last year.

Major Operating Indicators



For the six months ended 30 June 2015, the Group recorded revenue of RMB3,564 million, representing an increase of RMB15 million or 0.4% over the same period of last year. During the same period, the total reportable segment revenue (including interest income generated from Qingdao Finance) amounted to RMB3,703 million, representing an increase of RMB154 million, or 4.3%, over the same period of last year, mainly due to the increase in revenue from the financial services, logistics and port value-added services and port ancillary services segments.

For the six months ended 30 June 2015, the Group recorded a gross profit of RMB1,068 million, representing an increase of RMB29 million, or 2.8%, over the same period of last year, mainly due to the increase in gross profit from the logistics and port value-added services and port ancillary services segments.

For the six months ended 30 June 2015, the selling and administrative expenses of the Group decreased by RMB6 million or 1.8% over the same period of last year, among which the urban land use tax increased by RMB23 million for the change in tax policies and was offset by the decrease in other selling and administrative expenses by RMB29 million. This was primarily attributable to the Group's enhancement in cost control measures, optimisation of human resources structure, strengthening of the centralised control of outflow costs including labour outsourcing and unified disbursement, all with an aim to improve management efficiency.

For the six months ended 30 June 2015, the share of post-tax profit of joint ventures and an assoicate of the Group amounted to RMB351 million, representing an increase of RMB16 million or 4.8% over the same period of last year, which was mainly due to the increase in the results from the container handling and ancillary services segment.

For the six months ended 30 June 2015, the Group realised profit before income tax of RMB1,397 million, representing an increase of RMB331 million or 31.1% over the same period of last year. The Consolidated Group Company achieved a profit of RMB893 million, which accounted for 71.8% of total profit before income tax (after deducting the gain from disposal of equity interest in Riqing Container), representing an increase of 3.2 percentage points over the same period of last year.

For the six months ended 30 June 2015, net profit attributable to the Company's owners amounted to RMB1,084 million, representing an increase of RMB230 million or 26.9% over the same period of last year. After deducting the gain from disposal of equity interests in Riqing Container, net profit attributable to the Company's owners amounted to RMB969 million, representing an increase of RMB115 million or 13.5% over the same period of last year.

2. Review of Business and Results by Segment

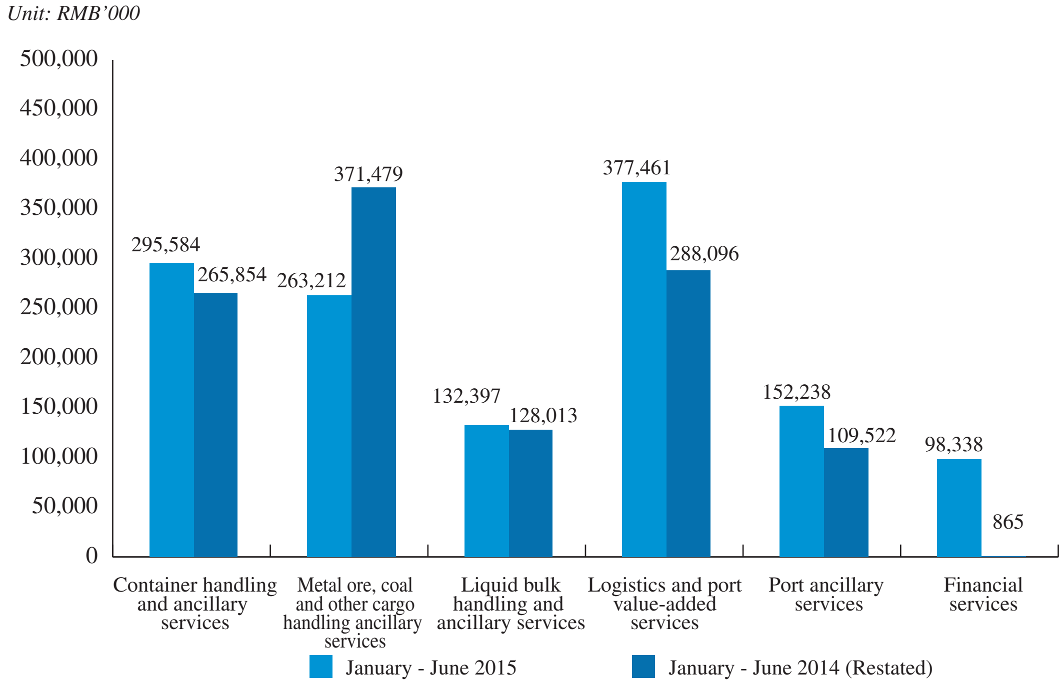
Segment Results

Unit: RMB'000

	Six months ended 30 June				
Segment	**2015 Results**	**Percentage of total**	**2014 Results** *(Restated)*	**Percentage of total**	**Increase of Results**
Container handling and ancillary services	295,584	22.4%	265,854	22.8%	11.2%
Metal ore, coal and other cargo handling and ancillary services	263,212	20.0%	371,479	31.9%	-29.1%
Liquid bulk handling and ancillary services	132,397	10.0%	128,013	11.0%	3.4%
Logistics and port value-added services	377,461	28.6%	288,096	24.8%	31.0%
Port ancillary services	152,238	11.5%	109,522	9.4%	39.0%
Financial services	98,338	7.5%	865	0.1%	11,268.6%
Total results before inter-segment elimination	1,319,230	100.0%	1,163,829	100.0%	13.4%

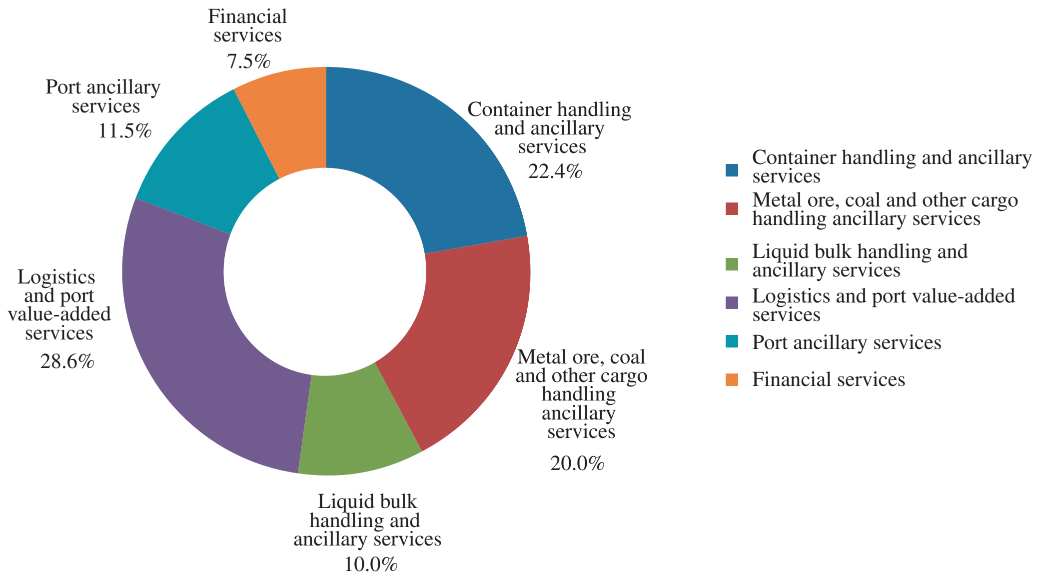
Note: Segment results for the six months ended 30 June 2015 are net of gain from disposal of equity interests in Riqing Container.

Comparison of Segment Results



Note: Segment results for the six months ended 30 June 2015 are net of gain from disposal of equity interests in Riqing Container.

Breakdown of segment results for the six months ended 30 June 2015



Note: Segment results for the six months ended 30 June 2015 are net of gain from disposal of equity interests in Riqing Container.

Faced with the macroeconomic downturn, in order to achieve long-term, sustainable, healthy and steady development, the Group has vigorously implemented its financial strategy, internet strategy and international strategy to transform the Group from a single throughput driven model into a complex and multi-faceted driven model. After deducting the one-off gain from the disposal of equity interests in Riqing Container, stevedoring operations (including container handling and ancillary services, metal ore, coal and other cargo handling and ancillary services, liquid bulk handling and ancillary services) segment contributed 52.4% of total results, representing a decrease of 13.3 percentage points over the same period of last year; logistics and port value-added services segment contributed 28.6% of total results, representing an increase of 3.8 percentage points over the same period of last year; financial services segment contributed 7.5% of total results, representing an increase of 7.4 percentage points over the same period of last year.

In light of the performance decline in the stevedoring businesses (which are highlighted as "sweat-intensive labour economy"), the new industries such as logistics and finance (which are highlighted as "intelligence economy"), have contributed up to 47.6% of total results, representing almost half of the total, which further enhanced our market competitiveness. On the basis of relying on the development of the stevedoring businesses, the Group gradually explored a sustainable and diversified development path with a focus on quantity, quality and cost-effectiveness which ensures the steady improvement of the Group's benefits, achieves initial success in its upgrade strategy and builds a new development ecology. The particulars are as follows:

(1) Container handling and ancillary services

Business Review

Leveraging on our competitive advantages including deep-water berths, world-leading stevedoring efficiency and central position among Northeast Asia ports, the Group strengthened connections with headquarters of shipping companies, improved the layout of shipping lines and have added 21 international lines including US east coast, Middle East, India-Pakistan, Southeast Asia lines, among others. Since container vessels with a loading capacity over 18,000 TEUs officially began anchoring at Qingdao Port during the second half of 2014, shipping lines with such vessel type have been increasing. For the six months ended 30 June 2015, Qingdao Port has loaded and unloaded 31 vessels of such types from shipping companies including Maersk, MSC, China Shipping, and Qingdao Port has become a regular anchor port for such vessel types.

The Group seized the "One Belt and One Road" strategic opportunity of the PRC, expanded the scope of the sea-railway intermodal container transportation system and established presence in inland ports to further increase the coverage over the inland market. The Group has completed a total volume of 140,000 TEUs through the sea-railway intermodal container transportation system, representing an increase of 35% over the same period of last year and allowing the Group to become the second largest port of the PRC in terms of the traffic volume of the sea-railway intermodal container transportation system.

Results Review

Unit: RMB'000

Item	Six months ended 30 June 2015	2014 *(Restated)*	Increased amount	Change percentage
Consolidated Group Companies				
Revenue	97,188	96,025	1,163	1.2%
Cost	32,819	32,200	619	1.9%
Gross profit	64,369	63,825	544	0.9%
Profit of Consolidated Group Companies	212,088	54,604	157,484	288.4%
Joint ventures				
Revenue	1,602,633	1,524,387	78,246	5.1%
Cost	543,349	595,116	-51,767	-8.7%
Share of post-tax profit of joint ventures	236,653	211,250	25,403	12.0%
Segment results	448,741	265,854	182,887	68.8%

Note: Amounts of revenue and cost of joint ventures represent the total amount of revenue and cost in the financial information of joint ventures of the Company such as QQCT, Qingwei Container and others, without taking into account the respective shareholding percentages the Company has in those joint ventures. See "Summarised Financial Information of Joint Ventures" for more details on QQCT's financial information.

For the six months ended 30 June 2015, the Group achieved container throughput of 8.55 million TEUs, representing an increase of 2.6% over the same period of last year, and segment results of RMB449 million, representing an increase of RMB183 million or 68.8% over the same period of last year. Excluding the gain of RMB153 million from disposal of the equity interests in Riqing Container, the Group achieved segment results of RMB296 million, representing a YOY growth of 11.2% over the same period of last year.

The results of such segment were mainly attributable to the results of relevant joint ventures of the Company, and are mainly due to the following reasons:

(1) The Group has stronger bargaining power with shipping companies and hence adjusted its commercial preferential policies as appropriate, which resulted in an increase in QQCT's revenue by RMB87 million.

(2) QQCT increased its fund management efforts and reduced its finance costs by RMB19 million.

(2) Metal ore, coal and other cargo handling and ancillary services

Business Review

For the six months ended 30 June 2015, the macroeconomic situation remained in the doldrums and the demand for dry bulk was generally low. The hinterland customers such as steel mills focused on consuming stock stored in the ports and temporarily reduced imports of ores and coals.

Faced with the new circumstances, the Group fully capitalised on its diversified mix of cargo and further expanded the hinterland markets of certain cargo type with market space and the growth potential. For the six months ended 30 June 2015, grains, steel, fertiliser and paper pulp achieved an increase in throughput of 75%, 131%, 95% and 39%, respectively, over the same period of last year. The Group handled a total break bulk cargo throughput of 15.42 million tons for the six months ended 30 June 2015, representing a YOY increase of 62.7% over the same period of last year.

Meanwhile, the Group strengthened its value-added service capabilities in dry bulk distribution. The commodity futures physical settlement services introduced two new commodity types: coke and corn starch, thus expanding the commodity futures types the Group covers to five and effectively expanding the capabilities of the port.

Results Review

Unit: RMB'000

Item	Six months ended 30 June 2015	2014 (Restated)	Increased amount	Change percentage
Consolidated Group Companies				
Revenue	1,462,244	1,595,189	-132,945	-8.3%
Cost	1,079,786	1,113,491	-33,705	-3.0%
Gross profit	382,458	481,698	-99,240	-20.6%
Profit of Consolidated Group Companies	265,595	367,311	-101,716	-27.7%
Joint ventures				
Revenue	593,738	400,102	193,636	48.4%
Cost	475,455	333,415	142,040	42.6%
Share of post-tax profit of joint ventures	-2,383	4,168	-6,551	-157.2%
Segment results	263,212	371,479	-108,267	-29.1%

Note: Amounts of revenue and cost of joint ventures represent the total amount of revenue and cost in the financial information of joint ventures of the Company such as QDOT, West United and Huaneng Qingdao without taking into account the respective shareholding percentages the Company has in those joint ventures.

For the six months ended 30 June 2015, the Group achieved metal ore, coal and other cargo throughput of 83.12 million tons, representing a decrease of 5.1% over the same period of last year. Results derived from the Group's metal ore, coal and other cargo handling and ancillary services was RMB263 million, representing a decrease of RMB108 million or 29.1% over the same period of last year.

The change in the results was mainly due to:

(1) a decrease in profit from the handling of main cargo types such as metal ore and coal. For the six months ended 30 June 2015, the throughput of imported metal ore and coal declined compared to the same period of last year, which reduced the segment's results before income tax by RMB92 million. With the regular anchoring of Valemax type vessels at the Dongjiakou Port Area in the future, it is expected that additional port capacity will be utilised and the ore business will also achieve further growth.

(2) a rapid growth in the break bulk cargo business. The throughput of grains, steel, fertilizer, and paper pulp recorded rapid growth, which contributed a growth in the profit before income tax of this segment by RMB12 million.

(3) Liquid bulk handling and ancillary services

Business Review

For the six months ended 30 June 2015, the decrease in international crude oil prices exceeded the decrease in domestic refined oil prices, resulting in improved profits and increased processing volume at hinterland refineries. The Group capitalised on such a favourable opportunity to strengthen its communication with customers and focus on optimising the railway, pipeline, road and transshipment delivery system, resulting in increased turnover of tank capacity and the gradual recovery of the liquid bulk business.

Results Review

Unit: RMB'000

Item	Six months ended 30 June 2015	Six months ended 30 June 2014 *(Restated)*	Increased amount	Change percentage
Consolidated Group Companies				
Revenue	52,774	45,488	7,286	16.0%
Cost	8,942	8,471	471	5.6%
Gross profit	43,832	37,017	6,815	18.4%
Profit of Consolidated Group Companies	43,576	35,685	7,891	22.1%
A joint venture				
Revenue	414,533	414,732	-199	0.0%
Cost	155,637	146,003	9,634	6.6%
Share of post-tax profit of a joint venture	88,821	92,328	-3,507	-3.8%
Segment results	132,397	128,013	4,384	3.4%

Note: Amounts of revenue and cost of a joint venture were extracted from the financial information of Qingdao Shihua, without taking into account the shareholding percentage of the Company in it. See "Summarised Financial Information of Joint Ventures" for more details on Qingdao Shihua's financial information.

For the six months ended 30 June 2015, the Group handled a liquid bulk throughput of 30.02 million tons, representing an increase of 5.1% over the same period of last year. Segment results increased by RMB4 million or 3.4% to RMB132 million over the same period of last year.

The results of such segment were mainly contributable to the results of relevant joint ventures of the Company, and are mainly due to the following reasons:

(1) Generally flat revenue for the six months ended 30 June 2015 as compared with the same period of last year due to a slight increase in crude oil imported by traders and local oil refining enterprises resulting from increased profit of the hinterland oil refining industry; and a decrease in the export volume of refined oil products and chemicals resulting from the structural adjustment of products of the refining industry in Qingdao.

(2) Increase in fixed costs due to the fact that the production capacity of Dongjiakou 300,000 tons-crude oil terminal was not fully utilised as it was in the period of trial operation.

(4) Logistics and port value-added services

Business Review

On top of strengthening the Group's position as a traditional terminal operator, the Group adopted vertically-integrated development policy, further expanded its upstream and downstream logistics business, vigorously developed "door-to-door" comprehensive logistics services by focusing on its traditional stevedoring businesses, aiming to transform from a modern logistics services provider to an organiser and leader of logistics supply chain operations in order to establish a healthy and sustainable profit structure.

The logistics and port value-added services of the Group mainly include five segments, namely towing business, tallying business, container management hub business, transportation business and agency business.

The towing and tallying segments achieved steady growth. The increase in stevedoring throughput of the Group drove the steady increase in the towing and tallying business volume.

The container management hub business improved. The Group strengthened connections with shipping companies, solidifying the advantage provided by the "volume and price guarantee" policy, thereby resulting in an increase in import and export container handling volume of 22% in the hubs. Inland ports in Linyi, Dongying and Zhengzhou had a strong startup performance with business volume increasing to more than 5 times of that for the same period of last year.

Both the volume and revenue of the transportation business increased. The Group accelerated the promotion and application of an intelligent dispatching platform for container collection and distribution at the port and achieved the centralised dispatching management of 1,400 external trucks and 14 container management hubs in the port areas. The proportion of trucks operating in the port areas with full load for each round trip in relation to all available trucks in the port areas increased to 65% this year from 40% for the same period of last year, driving the significant increase in the dispatched volume of the distribution platform.

The agency business has developed quickly. Leveraging on its advantages as a terminal operator, the Group provides its customers with "one-stop" comprehensive agency services including cargo booking, transportation, warehousing and online payment and settlement.

Results Review

Unit: RMB'000

Item	Six months ended 30 June 2015	2014 *(Restated)*	Increased amount	Change percentage
Consolidated Group Companies				
Revenue	1,120,120	1,022,099	98,021	9.6%
Cost	733,088	721,245	11,843	1.6%
Gross profit	387,032	300,854	86,178	28.6%
Profit of Consolidated Group Companies	349,918	261,330	88,588	33.9%
Joint ventures and an associate				
Revenue	329,808	289,551	40,257	13.9%
Cost	226,691	191,722	34,969	18.2%
Share of post-tax profit of joint ventures and an associate	27,543	26,766	777	2.9%
Segment results	377,461	288,096	89,365	31.0%

Note: Amounts of revenue and cost of joint ventures and an associate represent the total amount of revenue and cost in the financial information of joint ventures and the associate of the Company providing logistics and port value-added services, without taking into account the respective shareholding percentages the Company has in those joint ventures and the associate.

For the six months ended 30 June 2015, the Group recorded segment results of RMB377 million, representing an increase of RMB89 million or 31.0% over the same period of last year.

The change in results was mainly attributable to increases in profits before income tax from:

(1) the towing business of RMB22 million;

(2) the tallying business of RMB13 million;

(3) the agency business of RMB24 million; and

(4) the transportation business of RMB24 million.

(5) Port ancillary services

Business Review

Port ancillary services mainly include traditional businesses such as port construction and development, port machinery manufacturing, power and oil supply as well as innovative businesses such as intelligent information services, property management services, culture and media services. The Group accelerated business upgrades, identified new growth points and sped up the commercialisation, industrialisation and capitalisation of above-mentioned business on the basis of the resoures of the port and with the aim of providing quality port ancillary services.

Results Review

Unit: RMB'000

Item	Six months ended 30 June 2015	2014 *(Restated)*	Increased amount	Change percentage
Consolidated Group Companies				
Revenue	829,069	788,690	40,379	5.1%
Cost	639,761	634,160	5,601	0.9%
Gross profit	189,308	154,530	34,778	22.5%
Profit of Consolidated Group Companies	152,238	109,522	42,716	39.0%
Segment results	152,238	109,522	42,716	39.0%

The segment results of the Group from port ancillary services amounted to RMB152 million for the six months ended 30 June 2015, representing an increase of RMB43 million or 39.0% over the same period of last year. The increase in segment results was mainly due to the increase in profit before income tax from oil supply and port construction services.

(6) Financial services

Business Review

For the six months ended 30 June 2015, the Group prepared and implemented its development plan for the port finance sector for expansion of its financial services offerings and to build an integrated financial services system equipped with port and shipping features. Qingdao Finance made efforts to expand and enhance traditional businesses including interbank deposits and credit lines, while simultaneously steadily progressing with full license operations and developing new off-balance sheet businesses such as acceptance of electronic banker's bills and letter of guarantee, which effectively reduced the capital cost of its members. The Group seized on the opportunities brought by preferential government policies and set up Qingdao Financial Leasing to enrich its financial services offerings. Leveraging on its port resources, the Group strengthened the cooperation with banks and cargo owners, developed new models and cargo types for the pledge supervision business. With the implementation of "Financial Strategy" of the Group, it is expected that the profit contribution from this segment to the Group will be further enhanced.

Results Review

Unit: RMB'000

	Six months ended 30 June			
Item	**2015**	**2014**	**Increased amount**	**Change percentage**
		(Restated)		
Consolidated Group Companies				
Revenue	141,958	1,228	140,730	11460.1%
Cost	15,890	317	15,573	4912.6%
Gross profit	126,068	911	125,157	13738.4%
Profit of Consolidated Group Companies	98,338	865	97,473	11268.6%
Segment results	98,338	865	97,473	11268.6%

The segment results of the Group from financial services amounted to RMB98 million for the six months ended 30 June 2015, representing an increase of RMB97 million over the same period of last year. The increase in segment results was mainly due to the increase in profit before income tax of Qingdao Finance by RMB96 million as result of the strategic fund allocation, which enhanced the appreciation in Group's capital return.

3. Financial Position Analysis

Unit: RMB'000

Item	As at 30 June 2015	As at 31 December 2014 *(Restated)*	Increased amount	Change percentage
Investments in joint ventures and an associate	4,423,376	4,453,664	-30,288	-0.7%
Property, plant and equipment	11,059,146	10,686,994	372,152	3.5%
Trade and other payables (current)	7,279,153	8,675,322	-1,396,169	-16.1%

Investments in joint ventures and an associate of the Group decreased by RMB30 million or 0.7% from 31 December 2014 to 30 June 2015, mainly due to the dividends as declared by joint ventures and an associate for the six months ended 30 June 2015 have exceeded the investment income as recognised by the Group under the equity method and the increase in the Group's investment costs.

Property, plant and equipment increased by RMB372 million or 3.5% from 31 December 2014 to 30 June 2015, mainly due to an increase of RMB358 million in the construction works of No. 1 and No. 2 multi-purpose berths of the No. 3 north jetty at Dongjiakou Port Area.

Trade and other payables (current) decreased by RMB1,396 million or 16.1% from 31 December 2014 to 30 June 2015, mainly due to a decrease of RMB1,309 million in deposits from members that were absorbed by Qingdao Finance.

4. Cash Flow Analysis

The Group's net cash outflow amounted to RMB162 million for the six months ended 30 June 2015. Net cash inflow from operating activities amounted to RMB620 million, mainly derived from the operating profit of Consolidated

Group Companies. Net cash inflow from investing activities amounted to RMB253 million, mainly comprising cash inflow of RMB1,302 million generated from the maturity of the term deposits with initial term of over three months and cash inflow of RMB451 million through the receipt of dividends from joint ventures and an associate, which was partially offset by cash outflow of RMB948 million for the purchases of principal-guaranteed wealth management products and cash outflow of RMB679 million for expenditures on the acquisition of property, plant and equipment, intangible assets and other long-term investments. Net cash outflow from financing activities amounted to RMB1,036 million, mainly due to cash inflow of RMB511 million from the decrease in restricted bank deposits (as a result of the decrease in the mandatory reserve deposit released by Qingdao Finance) and offset by cash outflow of RMB1,309 million from the decrease in net deposits as absorbed by Qingdao Finance.

In order to facilitate the understanding of shareholders and investors, after eliminating the impact of Qingdao Finance's and the Group's purchases of the principal-guaranteed wealth management products on cash flow, the net cash inflow of the Group amounted to RMB1,278 million.

5. Liquidity and Financial Resources

As at 30 June 2015, the balance of the Group's cash and cash equivalents, term deposits with initial term of over three months and restricted bank deposits amounted to RMB6,256 million. After eliminating Qingdao Finance's effect, the Group's self-owned funds amounted to RMB3,966 million which was mainly RMB-denominated deposits. The Group's total interest-bearing bank borrowings amounted to RMB280 million, which include RMB-denominated borrowings at floating rates of RMB190 million (such borrowings were absorbed by the Group after its acquisition of a subsidiary, Datang Port).

As at 30 June 2015, the amount of the Group's cash and bank deposits balances exceeded its total interest-bearing bank and other borrowings.

6. Capital Structure

As at 30 June 2015, total equity of the Group amounted to RMB12,533 million, representing an increase of RMB100 million as compared with that of 31 December 2014, among which, retained earnings increased by RMB1,084 million as a result of the increase in operating profit for the six months ended 30 June 2015 and retained earnings decreased by RMB946 million due to the declaration of a special dividend and year-end dividend by the Company for 2014. Non-controlling interests also increased by RMB38 million during the same period.

As at 30 June 2015, 4,778,204,000 shares of the Company have been issued, of which 856,025,000 shares are H shares. The total market capitalisation and H share market capitalisation of the Company were HK$21,836 million and HK$3,912 million, respectively (calculated based on the closing price as at 30 June 2015).

7. Interest Rate and Exchange Rates Risks

As at 30 June 2015, restricted bank deposits, certain portions of cash and cash equivalents, loans advanced to related parties, amounts due to related parties and bank borrowings of RMB1,173 million, RMB1,676 million, RMB429 million, RMB1,667 million and RMB190 million, respectively are subjected to floating interest rates. The Group has assessed the interest rate risk and anticipated that interest rate risk will have no material impact on the results and financial position of the Group.

The Group's business activities are mainly conducted in the PRC and settled in RMB. Changes in exchange rates do not have a material effect on the Group. The Group will continue to closely monitor interest rate and exchange rates risks. The Group did not enter into any hedging arrangements to hedge against exposures to interest rate and exchange rates risks for the six months ended 30 June 2015.

8. Financial indicators

	Six months ended 30 June		
Financial indicators	**2015**	**2014**	**Change**
Return on total assets	4.0%	3.9%	0.1%
Return on net assets	9.0%	8.8%	0.2%
Current ratio	1.16	1.03	0.13
Quick ratio	1.13	0.96	0.17

For six months ended 30 June 2015, return on total assets of the Group was 4.0%, representing an increase of 0.1 percentage point over the same period of last year. Return on net assets of the Group was 9.0%, representing an increase of 0.2 percentage points over the same period of last year. The Group recorded an increase in the rate of return over the same period of last year and remained at an advanced level in the industry, which reflected the Group's business ideas and focus on economic efficiency. This was mainly due to (i) clear business sectors that are both comprehensive and highly-complementary, each of which has achieved strong profitability and (ii) the Group's scientific management approach, highly-efficient asset operation, faster turnaround rates, and strong asset profitability.

Summarised Financial Information of Joint Ventures

Set out below are the summarised financial information of joint ventures which are accounted for using the equity method, and are material to the Group in the view of the Directors.

Summarised Income Statement — For the six months ended 30 June 2015

	QQCT	Qingdao Shihua
	RMB'000	*RMB'000*
Revenue	1,534,829	414,533
Cost of sales	(504,716)	(155,637)
Interest income	65,330	1,321
Interest expense	(126,793)	—
Profit before income tax	968,288	240,290
Income tax expenses	(245,557)	(59,608)
Profit for the period	722,731	180,682
Attributable to non-controlling interests	3,925	—
Attributable to other reserves	(1,246)	—
Profit attributable to the owners of joint ventures	725,410	180,682
Equity interest held by the Group	31%	50%
Share of profit by the Group before elimination	224,877	90,341
Unrealised profit	—	(1,424)
Share of post-tax profit by the Group	224,877	88,917

Summarised Income Statement — For the six months ended 30 June 2014

	QQCT *RMB'000*	Qingdao Shihua *RMB'000*
Revenue	1,400,874	414,732
Cost of sales	(511,796)	(146,003)
Interest income	94,365	1,074
Interest expense	(128,936)	—
Profit before income tax	863,575	250,140
Income tax expenses	(222,730)	(62,540)
Profit for the period	640,845	187,600
Attributable to non-controlling interests	998	—
Profit attributable to the owners of joint ventures	641,843	187,600
Equity interest held by the Group	31%	50%
Share of profit by the Group before elimination	198,971	93,800
Unrealised profit	—	(1,424)
Share of post-tax profit by the Group	198,971	92,376

Significant Capital Expenditures

For the six months ended 30 June 2015, the Group had significant capital expenditures of RMB681 million. Among the significant capital expenditures, equity investment amounted to RMB59 million which was mainly attributable to the capital contribution to the newly-established Binzhou QDPI, the increase in investment in Vopak Port and the acquisition of equity interests in QDP CTC. Capital expenditures for long-term assets such as terminals, oil tanks and equipment amounted to RMB622 million. The long-term assets mainly included No. 1 and No. 2 multi-purpose berths of the No. 3 north jetty and No. 1 and No. 2 berths of the No. 2 north jetty at Dongjiakou Port Area, oil storage tanks area of Mercuria, the phase 1 and 2 construction works of Datang and other projects and equipment investments.

Significant Acquisition and Disposal of Subsidiaries, Joint Ventures and an Associate

On 10 February 2015, a share transfer agreement was entered into between the Group and Rizhao Port Group Co., Ltd. (日照港集團有限公司) in relation to the disposal of equity interests in Riqing Container held by the Group to Rizhao Port Group Co., Ltd. at a consideration of RMB639 million. As at 30 June 2015, such share disposal was completed.

Pledge of Assets

As at 30 June 2015, none of the Group's assets were pledged.

Contingent Liabilities

As at 30 June 2015, the Group did not have any significant contingent liabilities.

Employees

As at 30 June 2015, the Company had 7,601 employees and its subsidiaries and principal joint ventures had 5,046 employees. The Group implements a "two match" policy to match the growth of employees' income with the growth of the Company's results and match the increase in labour remuneration with the increase in production rate so as to link the remunerations of employees with the results of the Company. Employees' remunerations are adjusted annually in accordance with working performance of the employees, human resources market condition and economic enviroment. We implement basic salary and an annual salary system for our senior management of the Company. In addition, the Company offers internal trainings on safety and security, business operations and other skills to the employees for their self-improvement of skills related to their positions.

Description of Other Matters

Dagang Port Area is planned to be transformed and upgraded into a mother port for cruise liners, thus the operations at Dagang Port Area will gradually be relocated to Dongjiakou Port Area and Qianwan Port Area. As at 30 June 2015, the construction of the mother port for cruise liners had no effect on the operation of Dagang Port area.

The government of Qingdao Economic and Technological Development Zone is in the process of adopting a new urban planning scheme that may relocate the port operations in Huangdao Oil Port Area and operations of certain customers around Huangdao Oil Port Area to Dongjiakou Port Area. As at 30 June 2015, the Group has not yet received any relocation plan or related notice and hence the operation of Huangdao Oil Port area was not affected.

Subsequent Events

There is no material subsequent event undertaken by the Group after 30 June 2015.

OUTLOOK FOR THE SECOND HALF OF 2015

In the second half of 2015, the Group will actively respond to the slowdown of the traditional stevedoring business by transforming from a terminal operator to a comprehensive logistics service provider and an organiser and leader of the logistics supply chain. The Group will also continue to develop a vertically-integrated industry chain of comprehensive logistics services integrating a variety of industrial resources such as trading, finance and internet to accelerate the port function upgrade, build a new diversified profit model, establish a "profit portfolio" with improved benefits and enhance the driving force for sustainable development:

To further enlarge stevedoring operations

We will promote our container shipping company headquarters' strategy, focusing on cultivating "a group of superior shipping routes" which connects Korea, Japan, ASEAN and the Middle East, and actively build a container liner service brand of timely "48-hour notice berthing" to attract shipping companies to continue adding shipping lines in Qingdao port.

To leverage on our position as the first domestic port where Valemax ore vessels docked at, we will cooperate with international mining companies with a view to build an ore bonding, mixing, processing, transshipment and distribution base and to develop an "ore supermarket". We will further develop and expand grains, steel, pulp, fertilizer, wood and other key types of break bulk cargo to achieve rapid growth.

The Group will speed up the construction of a new imported oil unloading base in Dongjiakou, accelerate the construction progress of oil tanks, and further release the capacities of crude oil terminal at the Dongjiakou Port Area to expand new hinterland of the oil business.

To expand "door-to-door" comprehensive logistics services

With comprehensive marketing and integrated services as our aim, the Group will coordinate the operation of internal and external logistics resources at the ports, accelerate the development of ship agency and freight forwarding and expand our business scale.

The Group will continue to consolidate container cargo collection and distribution resources, further expand the coverage of the intelligent platform for cargo collection and distribution and increase the volume of the Group's dispatch operation.

The Group will strengthen communications with shipping companies to stimulate business cooperation and equity cooperation and increase the handling volume of the container management hubs and the usage of warehouses to enhance revenue levels and benefits.

The Group will establish a comprehensive cross-border e-commerce service center at Qingdao Port, actively promote the implementation of preferential policies for customs inspection, attract e-commerce operators to enter into cooperative arrangements and build a comprehensive service platform integrating the functions of customs supervision, warehousing, clearance, among others, for cross-border e-commerce goods.

To expand the financial sector

The Group will accelerate the development of Qingdao Finance for it to become a full license operator, obtain qualification to conduct the investment business and make early preparations to accumulate resources and apply for qualification to conduct the buyer's credit business to improve financial gains.

The Group will speed up in building the operating capacity of Qingdao Financial Leasing to provide leasing service for the Group's large equipment purchase and customers' transportation vehicles and vessels upgrades and improve asset utilisation efficiency.

In order to fully capitalise on its advantages in cargo supervision and control, the Group will build an intelligent monitoring pledge platform in effective information sharing, comprehensive online control and standardised management criteria to achieve new developments in its pledge management business.

To accelerate the construction of "Internet + Port".

We will accelerate the construction of automated container terminals and aim to complete the construction works of these two berths and start trial operation by the end of 2016.

We will seek to optimise and improve the "Hi-Dao website (海道網)", our online booking platform, which is expected to be online officially launch online in October 2015.

We will continue to promote and expand more offline businesses into the online sector, in order to create a port-oriented logistics e-commerce environment. We will identify specific customer needs and continue to develop new value-added services based on such needs, thus increasing income and generating profits for us.

To actively build an international structure

The Group will accelerate business development in both land and sea sectors by leveraging on the geographic advantage of Qingdao under the "One Belt and One Road" national strategy.

With respect to the land sector, we will continue to enhance the sea-rail intermodal transportation network through joint efforts with China Railway for marketing purposes. In addition, we will accelerate the construction of cold-chain inspection platform and the cross-border transportation of frozen goods to Central Asia and Central Europe.

With respect to the sea sector, we will promote the progress of jointly-developed overseas port projects and the construction of friendly ports through cooperative arrangements. Also, we will strategically expand overseas projects with growth potential and develop such projects as appropriate by cooperating closely with partners with complementary advantages, so as to build a transnational port group which links the world and serves the global community.

In summary, in the second half of 2015, the Company will seize opportunities in a new wave of competition in the port business, take the initiative to maintain the healthy development of port performance, and ultimately, to maximise return for the shareholders of the Company.

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 for the six months ended 30 June 2015.

Compliance with Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code of Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by directors and supervisors of the Company. Specific enquiry has been made to all the directors and supervisors of the Company and each of the directors and supervisors of the Company has confirmed that he/she has complied with the Model Code for the six months ended 30 June 2015.

Review of Unaudited Interim Results by the Audit Committee

The Audit Committee has reviewed the unaudited interim results and the interim report of the Company for the six months ended 30 June 2015.

Purchase, Sale or Redemption of Listed Securities by the Company

No purchase, sale and redemption of any listed securities of the Company was made by the Company or any of its subsidiaries for the six months ended 30 June 2015.

Use of Proceeds from The Listing

The net proceeds of the capital raised by the Company through the issue of H shares amounted to approximately RMB2,198 million. As at 30 June 2015, we invested RMB851 million of the proceeds from the Global Offering in the projects as disclosed in the Prospectus and used RMB268 million to fund our working capital in the way as disclosed in the Prospectus.

Dividends

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015.

Publication of Interim Report

The interim report for the six months ended 30 June 2015 will be published on the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.qingdao-port.com), and dispatched to shareholders of the Company in due course.

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

Qingdao, the PRC, 21 August 2015

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

Definitions

"Binzhou QDPI"	Binzhou Port QDP International Terminal Co., Ltd. (濱州港青港國際碼頭有限公司) a joint venture established by the Company with Binzhou Port Group Co., Ltd. (濱州港務集團有限責任公司) in January 2015, in which each party holds 50% equity interests. It is mainly engaged in containers and dry bulk cargo handling business and ancillary services
"Board"	the board of directors of the Company
"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
"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 interests, 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
"Director"	the director(s) of the Company
"Global Offering"	the offer for suscription of the Company's H shares in 2014
"Group"	the Company and its branches and subsidiaries; when references are made to operational data such as throughput, including joint ventures and an associate of the Company
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"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 interests, which is mainly engaged in the business of providing dry bulk cargo and break bulk cargo handling and ancillary services
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"One Belt and One Road"	the Silk Road Economic Belt and 21st Century Maritime Silk Road
"Prospectus"	the listing document of the Company in relation to the Global Offering dated 26 May 2014
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
"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 interests, 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 proximately 73.72% equity interests in the Company as of the date of this announcement
"QDP CTC"	Qingdao City Qingdao Port Commodity Trading Center Co., Ltd. (青島市青島港大宗商品交易中心有限公司), former wholly-owned subsidiary of Qingdao Port Investment And Construction (Group) Co., Limited (青島港口投資建設(集團)有限責任公司), a wholly-owned subsidiary of QDP. In April 2015, 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, acquired 100% equity interests in QDP CTC.

"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 interests) and QDP (holding 30% equity interests), 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 Financial Leasing"	Qingdao Port International Financial Leasing Co., Ltd. (青島港國際融資租賃有限公司), a wholly-owned subsidiary established by the Company in June 2015
"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 interests, which is mainly engaged in the business of providing liquid bulk handling and ancillary services
"Qingwei Container"	Weihai Qingwei Container Terminal Co., Ltd. (威海青威集裝箱碼頭有限公司), a joint venture in which the Company holds 49% equity interests, which is mainly engaged in the business of providing container 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 31% equity interests, which is mainly engaged in the business of providing container handling and ancillary services
"Riqing Container"	Rizhao Riqing Container Terminal Co., Ltd. (日照日青集裝箱碼頭有限公司) former joint venture of the Company in which the Company held 50% equity interests, whose 50% equity interests held by the Company was disposed of and transferred by the Company to Rizhao Port Group Co., Ltd. (日照港集團有限公司) in February 2015

"TEU"	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
"Valemax"	the largest dry bulk carrier in the world with a capacity of up to 400,000 DWTs, which is mainly used to transport, among other things, ore and ore sand exploited from mines in Brazil
"Vopak Port"	Vopak Port (Qingdao) Co., Ltd. (孚寶港務(青島)有限公司), a joint venture in which the Company holds 50% equity interests, which is mainly engaged in the business of providing liquid bulk handling and ancillary services
"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 interests (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