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 2015

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2015:

- Revenue was RMB7,369 million, representing an increase of 6.7% as compared to the prior year. Revenue and income from all services (including interest income of Qingdao Finance) was RMB7,615 million, representing an increase of 8.9% compared to the prior year;

- Profit attributable to owners of the Company was RMB1,905 million, representing an increase of 20.2% compared to the prior year. After excluding the gain from disposal of equity interests in Riqing Container, profit attributable to owners of the Company was RMB1,790 million, representing an increase of 12.9% compared to the prior year;

- Earnings per share amounted to RMB0.40, representing an increase of 11.1% compared to the prior year; and

- The Board proposes to pay a final dividend of approximately RMB664.55 million or RMB139.08 per thousand shares (tax inclusive) for the year 2015.

The Board is pleased to announce the consolidated results of the Company and its subsidiaries for the year ended 31 December 2015. The annual results have been reviewed by the Audit Committee of the Board.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	**2015** *RMB'000*	**2014** *RMB'000* *(Restated)*
Revenue	3	7,369,238	6,907,937
Cost of sales		(5,376,235)	(4,964,463)
Gross profit		1,993,003	1,943,474
Other income		298,487	127,536
Selling and administrative expenses		(646,389)	(679,983)
Other gains - net	4	12,880	25,092
Operating profit		1,657,981	1,416,119
Finance costs		(42,661)	(11,700)
Gain from disposal of a joint venture	5	153,157	—
Share of post-tax profit of joint ventures		673,442	611,033
Share of post-tax profit of an associate		1,148	895
Profit before income tax		2,443,067	2,016,347
Income tax expenses	6	(471,059)	(395,502)
Profit for the year		1,972,008	1,620,845
Attributable to:			
— Owners of the Company		1,904,788	1,585,336
— Non-controlling interests		67,220	35,509
		1,972,008	1,620,845
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)			
— basic and diluted	7	0.40	0.36

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Profit for the year	1,972,008	1,620,845
Other comprehensive expenses:		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of employee benefit obligations	(129,360)	(171,490)
Total comprehensive income for the year	1,842,648	1,449,355
Attributable to:		
— Owners of the Company	1,775,014	1,414,251
— Non-controlling interests	67,634	35,104
	1,842,648	1,449,355

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	**2015** *RMB'000*	**2014** *RMB'000 (Restated)*
ASSETS			
Non-current assets			
Land use rights		778,194	751,859
Property, plant and equipment		11,767,904	10,686,994
Investment properties		119,190	220,994
Goodwill		18,837	18,837
Intangible assets		78,572	74,412
Investments in joint ventures		4,692,199	4,448,192
Investment in an associate		5,841	5,472
Available-for-sale financial assets		72,208	72,208
Deferred income tax assets		857,290	888,267
Trade and other receivables	9	1,944,023	335,672
		20,334,258	17,502,907
Current assets			
Inventories		91,083	159,157
Trade and other receivables	9	3,032,766	2,734,136
Amounts due from customers for contract work		257,037	41,088
Financial assets at fair value through profit or loss		200,000	—
Restricted bank deposits		434,144	874,552
Term deposits with initial term of over three months		2,361,578	2,013,248
Cash and cash equivalents		4,760,409	4,534,822
		11,137,017	10,357,003
Asset classified as held for sale		—	486,127
		11,137,017	10,843,130
Total assets		31,471,275	28,346,037

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	**2015** *RMB'000*	**2014** *RMB'000* *(Restated)*
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		(3,899,319)	(3,949,357)
Retained earnings		2,299,431	1,533,486
		12,448,067	11,632,084
Non-controlling interests		883,455	801,405
Total equity		13,331,522	12,433,489
LIABILITIES			
Non-current liabilities			
Trade and other payables	10	547,041	55,618
Borrowings		160,721	82,011
Deferred income		3,643,363	3,848,290
Early retirement and supplemental benefit obligations		2,846,430	2,757,150
		7,197,555	6,743,069
Current liabilities			
Trade and other payables	10	10,219,099	8,675,322
Current income tax liabilities		57,553	45,561
Borrowings		331,575	106,250
Deferred income		207,171	211,086
Early retirement and supplemental benefit obligations		126,800	131,260
		10,942,198	9,169,479
Total liabilities		18,139,753	15,912,548
Total equity and liabilities		31,471,275	28,346,037

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. ("QDP") and its subsidiaries (the "Reorganisation") in preparation for listing the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of the Company's registered office is 7 Gang Hua Road, City North District, Qingdao City, Shandong Province, the PRC.

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

The consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

The consolidated financial statements have been approved for issue by the Board of Directors on 18 March 2016.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

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 Port 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 in accordance with the principles of predecessor accounting. Accordingly, certain comparative figures as presented in the consolidated financial statements have been restated as a result of adoption of predecessor accounting for the above business combination under common control. In applying predecessor accounting, the Group's total assets and total liabilities as of 31 December 2014 increased by approximately RMB18,730,000 and RMB3,540,000 respectively, and the Group's profit for the year ended 31 December 2014 decrease by approximately RMB1,035,000.

In July 2015, the Group has also completed the acquisition of 100% equity interest in Qingdao Port International Development (Hong Kong) Co., Ltd. ("Qingdao Port International Development") from QDP at the cash consideration of approximately RMB31,180,000. Qingdao Port International Development was established in October 2013 and remains dormant since its establishment. The share capital was contributed by its then shareholder in 2015 prior to the acquisition. The acquisition was regarded as a business combination under common control in a manner similar to a uniting of interests and was accounted for in accordance with the principles of predecessor accounting. The acquisition of Qingdao Port International Development did not result in any restatement in the comparative figures as presented in the consolidated financial statements.

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: employee contributions
- Annual improvements 2012, which includes changes to IFRSs 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 consolidated financial statements or result in any significant changes in the Group's significant accounting policies.

New Hong Kong Companies Ordinance

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and amended standards and annual improvements that are issued and not yet effective which may be applicable to the Group

A number of new standards, amendments to existing standards and annual improvements which may be applicable to the Group and are effective for annual periods beginning after 1 January 2015 are summarised as below:

	Effective for accounting periods beginning on or after
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	1 January 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"	1 January 2016
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Not yet determined
Amendments to IAS 27 "Equity Method in Separate Financial Statements"	1 January 2016
Amendments to IFRSs 10, 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	1 January 2016
Amendments to IAS 1 "Disclosure Initiative"	1 January 2016
Annual improvements 2014, which includes changes to: IFRSs 5 and 7, IASs 19 and 34	1 January 2016
Amendments to IAS 12 "Income Taxes"	1 January 2017
Amendments to IAS 7 "Statement of Cash Flows"	1 January 2017
IFRS 15 "Revenue from Contracts with Customers"	1 January 2018
IFRS 9 "Financial Instruments"	1 January 2018
IFRS 16 "Leases"	1 January 2019

The Group has not early adopted the abovementioned new standards, amendments and annual improvements in the consolidated financial statements and will apply these 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 statements will be resulted.

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 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 (including provision of deposit-taking activities, corporate loans, guarantee, insurance services and others) to the Company, its subsidiaries and related parties.

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 financial services reportable segment is mainly operated by Qingdao Port Finance Co., Ltd. ("Qingdao Finance").

Qingdao Finance was incorporated by the Company and QDP on 22 July 2014. Qingdao Finance has obtained the financial business operation license as approved by the China Banking Regulatory Commission in the Qingdao city. Starting from 1 August 2014, any surplus cash as held by the Group's joint ventures, associate, QDP and its subsidiaries over the amounts as required for their daily operations are deposited with Qingdao Finance. Qingdao Finance invests surplus cash in time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity so that the above related parties can withdraw the deposited amounts at any time by serving an one-day advance notice to Qingdao Finance.

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 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 and income from wealth-management products.

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, investment 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, financial assets at fair value through profit or loss, corporate assets of property, plant and equipment, intangible assets, available-for-sale financial assets, deferred income tax assets, 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 liabilities, borrowings, 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 property, plant and equipment, intangible assets and other non-current assets.

During the year ended 31 December 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 year ended 31 December 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	190,343	2,974,791	99,149	2,432,228	2,388,620	258,341	(728,158)	7,615,314
Inter-segment revenue	—	(32,318)	—	(15,114)	(674,296)	(6,430)	728,158	—
Reportable segment revenue from external customers	190,343	2,942,473	99,149	2,417,114	1,714,324	251,911	—	7,615,314
Total reportable segment costs	(61,091)	(2,335,345)	(17,512)	(1,636,460)	(2,023,184)	(66,449)	732,474	(5,407,567)
Inter-segment costs	—	53,165	—	23,213	625,260	30,836	(732,474)	—
Reportable segment costs associated with services provided to external customers	(61,091)	(2,282,180)	(17,512)	(1,613,247)	(1,397,924)	(35,613)	—	(5,407,567)
Gain from disposal of a joint venture	153,157	—	—	—	—	—	—	153,157
Share of post-tax profit of joint ventures	428,806	17,424	169,596	57,616	—	—	—	673,442
Share of post-tax profit of an associate	—	—	—	1,148	—	—	—	1,148
Segment results	697,932	453,080	250,895	750,906	251,477	158,558	(23,604)	2,539,244
Unallocated costs								(117,352)
Unallocated other income								21,175
Profit before income tax								2,443,067
Income tax expenses								(471,059)
Profit for the year								1,972,008

	For the year ended 31 December 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*
Other information:								
Depreciation and amortisation	12,353	259,130	8,464	69,950	125,609	1,910	—	477,416
Unallocated depreciation and amortisation								13,973
Impairment provision	—	24,645	—	31,630	1,149	29,854	—	87,278
Non-cash items other than depreciation and amortisation*	—	24,280	90	7,620	34,020	30	—	66,040
	As at 31 December 2015							
Segment assets	2,082,933	8,672,078	3,168,700	2,863,714	4,885,528	9,423,628	(2,363,825)	28,732,756
Unallocated assets								2,738,519
Total assets								31,471,275
Total assets include:								
— Interests in joint ventures	1,864,438	948,996	1,483,305	395,460	—	—	—	4,692,199
— Interest in an associate	—	—	—	5,841	—	—	—	5,841
Additions to non-current assets (other than financial instruments and deferred income tax assets)	—	989,503	381,429	69,084	176,619	996	(42,839)	1,574,792
Unallocated additions to non-current assets (other than financial instruments and deferred income tax assets)								3,205
Segment liabilities	75,150	3,095,174	655,527	978,751	6,574,070	8,095,664	(2,772,818)	16,701,518
Unallocated liabilities								1,438,235
Total liabilities								18,139,753

	For the year ended 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*
Total reportable segment revenue	196,825	2,977,561	89,749	2,131,602	2,218,588	86,312	(709,612)	6,991,025
Inter-segment revenue	—	(15,181)	—	(47,780)	(646,651)	—	709,612	—
Reportable segment revenue from external customers	196,825	2,962,380	89,749	2,083,822	1,571,937	86,312	—	6,991,025
Total reportable segment costs	(60,794)	(2,152,210)	(15,423)	(1,524,347)	(1,884,925)	(19,701)	684,650	(4,972,750)
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)	(1,476,443)	(1,287,056)	(9,241)	—	(4,972,750)
Share of post-tax profit of joint ventures	398,147	5,629	161,537	45,720	—	—	—	611,033
Share of post-tax profit of an associate	—	—	—	895	—	—	—	895
Segment results	515,120	576,271	235,106	560,539	201,316	60,815	(24,962)	2,124,205
Unallocated costs								(133,597)
Unallocated other income								25,739
Profit before income tax								2,016,347
Income tax expenses								(395,502)
Profit for the year								1,620,845

	For the year ended 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*
Other information:								
Depreciation and amortisation	20,966	217,487	12,848	68,494	128,783	346	(2,620)	446,304
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 (Restated)							
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:								
— Interests in joint ventures	1,835,768	925,586	1,362,820	324,018	—	—	—	4,448,192
— Interests in an associate	—	—	—	5,472	—	—	—	5,472
Additions to non-current assets (other than financial instruments and deferred income tax assets)	—	1,590,878	348,640	141,914	94,346	7,260	(33,720)	2,149,318
Unallocated additions to non-current assets (other than financial instruments and deferred income tax assets)								10,473
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 consolidated financial statements as follows:

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Reportable segment revenue from external customers	7,615,314	6,991,025
Less: interest income of Qingdao Finance (i)	(246,076)	(83,088)
Consolidated revenue	7,369,238	6,907,937

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Cost of sales		
Reportable segment costs associated with services provided to external customers	5,407,567	4,972,750
Less: interest expense of Qingdao Finance (ii)	(31,332)	(8,287)
Consolidated cost of sales	5,376,235	4,964,463

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 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 consolidated income statement.

Reportable segment's assets and liabilities are reconciled to total assets and liabilities as reported in the consolidated financial statements as follows:

	2015 *RMB'000*	2014 *RMB'000* *(Restated)*
Segment assets	28,732,756	25,037,679
Unallocated assets and corporate assets:		
- Financial assets at fair value through profit or loss	200,000	—
- Deferred income tax assets	845,948	884,392
- Property, plant and equipment	103,382	106,816
- Intangible assets	32,793	34,801
- Available-for-sale financial assets	483	483
- Other receivables	668,384	526,889
- Cash and cash equivalents	887,529	1,754,977
	31,471,275	28,346,037

	2015 *RMB'000*	2014 *RMB'000* *(Restated)*
Segment liabilities	16,701,518	14,052,772
Unallocated corporate liabilities:		
- Bank borrowings	309,385	—
- Bill and other payables	1,089,458	1,822,701
- Current income tax liabilities	39,392	37,075
	18,139,753	15,912,548

Unallocated other payables are mainly payables to QDP.

The Group's revenue for the year ended 31 December 2015 are analysed as below:

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Revenue from handling, ancillary and other related services	3,231,965	3,248,954
Revenue from logistics and port value-added services	2,417,114	2,083,822
Revenue from port construction and equipment manufacturing	787,752	723,436
Rental income	241,594	232,370
Sales of electricity, oil and others	690,813	619,355
	7,369,238	6,907,937

4. Other gains - net

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Gains on disposals of property, plant and equipment	6,439	32,128
Others	6,441	(7,036)
	12,880	25,092

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. Rizhao Port has settled all of the aforesaid consideration to the Group prior to November 2015.

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 year ended 31 December 2015.

6. Taxation

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

	2015	2014
	RMB'000	*RMB'000*
Current income tax		
- PRC enterprise income tax	440,082	344,600
Deferred income tax charge	30,977	50,902
	471,059	395,502

The Group is subject to PRC enterprise income tax which has been provided for based on the statutory income tax rate of 25% on the assessable profit of the Company and its subsidiaries for the current and the prior year.

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profit arising in or derived from Hong Kong for the current and the prior year.

7. Earnings per share

(a) *Basic*

Basic earnings per share 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.

	2015	2014
		(Restated)
Profit attributable to owners of the Company (RMB'000)	1,904,788	1,585,336
Weighted average number of ordinary shares in issue (thousands)	4,778,204	4,440,444
Basic earnings per share (RMB per share)	0.40	0.36

(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 2015 and 2014.

8. 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 People's Republic of China Generally Accepted Accounting Principles ("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 shares, amounting to a total dividend of approximately RMB295,819,000.

The aforesaid approved dividends totally RMB946,203,000 have been paid to the shareholders in 2015.

During the year ended 31 December 2015, certain of the Group's non-wholly owned subsidiaries had paid dividends to minority shareholders of approximately RMB24,080,000 (2014: RMB13,872,000).

A dividend in respect of the year ended 31 December 2015 of RMB139.08 per thousand shares, amounting to a total dividend of approximately RMB664,553,000, is to be proposed at the annual general meeting on 6 June 2016. The consolidated financial statements do not reflect this dividend payable.

9. Trade and other receivables

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Trade receivables		
- third parties	1,048,375	1,037,005
- related parties	275,944	366,911
	1,324,319	1,403,916
Less: Provision for impairment	(67,700)	(12,167)
Trade receivables — net	1,256,619	1,391,749
Other receivables		
- third parties	274,702	261,075
- related parties	152,109	196,150
	426,811	457,225
Less: Provision for impairment	(1,892)	(1)
Other receivables — net	424,919	457,224
Loans advanced to related parties	2,218,785	155,080
Less: Provision for impairment	(31,414)	(1,560)
Loans advanced to related parties - net	2,187,371	153,520
Bill receivables	725,739	722,929
Taxes prepaid on port facilities rentals	203,277	214,375
Value-added tax recoverable	58,391	33,659
Prepayments	120,473	96,352
Trade and other receivables - net	4,976,789	3,069,808
Less: non-current portion		
- Taxes prepaid on port facilities rentals and others	(191,983)	(203,081)
- Prepayments	(72,368)	(41,208)
- Loans advanced to related parties	(1,677,272)	(88,980)
- Other receivables	(2,400)	(2,403)
Non-current portion	(1,944,023)	(335,672)
Current portion	3,032,766	2,734,136

In general, the Group grant a credit period of 30 to 90 days to its trade customers. At 31 December 2015 and 2014, ageing analysis of trade receivables based on the date of transactions is as follows:

	2015	**2014**
	RMB'000	*RMB'000*
		(Restated)
Less than 3 months	1,005,839	991,255
3 to 6 months	197,111	233,216
6 to 12 months	64,072	117,054
1 to 2 years	43,847	49,595
2 to 3 years	4,060	3,947
Over 3 years	9,390	8,849
	1,324,319	1,403,916

10. Trade and other payables

	2015 *RMB'000*	2014 *RMB'000* *(Restated)*
Trade payables		
- third parties	1,014,862	554,523
- related parties	324,698	319,585
	1,339,560	874,108
Advances from customers		
- third parties	96,452	67,381
- related parties	4,323	5,049
	100,775	72,430
Bills payable	402,427	1,241,052
Warranties	1,958	2,638
Payables for purchases of property, plant and equipment	1,206,169	1,317,675
Other taxes payables	35,629	41,261
Salary, bonus and staff welfare benefits payable	85,684	75,075
Amounts due to related parties	6,280,642	3,883,889
Other payables and accruals		
- third parties	281,046	330,658
- related parties	1,032,250	892,154
	1,313,296	1,222,812
Trade and other payables	10,766,140	8,730,940
Less: non-current portion	(547,041)	(55,618)
Current portion	10,219,099	8,675,322

Ageing analysis of the trade payables based on the date of transactions as at 31 December 2015 and 2014 is as follows:

	2015 *RMB'000*	2014 *RMB'000* *(Restated)*
Less than 1 year	1,268,139	821,679
1 to 2 years	63,526	52,427
2 to 3 years	7,895	2
	1,339,560	874,108

11. Significant subsequent events

On 21 January 2016, the China Securities Regulatory Commission has approved the application of the Company for the proposed issue of domestic corporate bonds of up to RMB5,000,000,000 by the Approval Document Zheng Jian Xu Ke No. [2016] 153.

The proceeds from the issue of the bonds is for the complement of the liquidity of the Company.

The Company issued the first tranche of domestic corporate bonds on 16 March 2016 of RMB1,500,000,000.

AUDITOR'S WORKS ON THE PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the preliminary results announcement of the Group for the year ended 31 December 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the corresponding figures set out in the Group's audited consolidated financial statements for the year ended 31 December 2015. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on the preliminary results announcement.

Management Discussion and Analysis

In 2015, the macro economy of China confronted numerous difficulties and significant challenges. The economic downward pressure continued to increase, and the growth rate of Gross Domestic Product (GDP) for the year 2015 declined by 0.4 percentage points to 6.9% as compared to the prior year (statistics from the National Bureau of Statistics of the PRC). The growth rate of demand for export-import goods further slowed down. In particular, the growth rate of total amount of export trade and import trade for the year 2015 decreased by 8.8 percentage points to -2.8% and 14.7 percentage points to -14.2%, respectively, as compared to the prior year (statistics from General Administration of Customs of the PRC).

The growth of throughput among ports in China remained slow. From January to November in 2015, the total amount of cargo throughput of the above-scale coastal ports increased by 1.1% as compared to the prior year, among which, the throughput of containers and crude oil rose by 3.8% and 10.3%, respectively, and the throughput of metal ore decreased by 0.2%, as compared to the prior year (statistics from Ministry of Transport of the PRC). The increasingly intensive competition among port operators prompted the port industry to develop in depth. Those operators who are equipped with superior docking capacity, integrated port industry chain and diversified profit model will stand out from the competitors.

In 2015, the Group positively coped with the changes in the macro economy, and actively transformed and upgraded its business model. The Company remained as a leading first-class domestic port operator by relying on its terminal business as the foundation, and logistics, finance and other new businesses as the driver. In the New Normal, the Company achieved fast growth and provided satisfactory returns to its shareholders.

In the aspect of terminal business, the Group accurately grasped business opportunities, such as the permission of berth of Valemax in China and the regional refineries' obtaining of crude oil processing and import quota. Relying on its deep water terminals, vast storage yards and comprehensive cargo distribution and transportation networks, the Group designed "door-to-door" comprehensive logistics services, turned its advanced infrastructure to its competitive advantage and layed the foundation for a sustainable development.

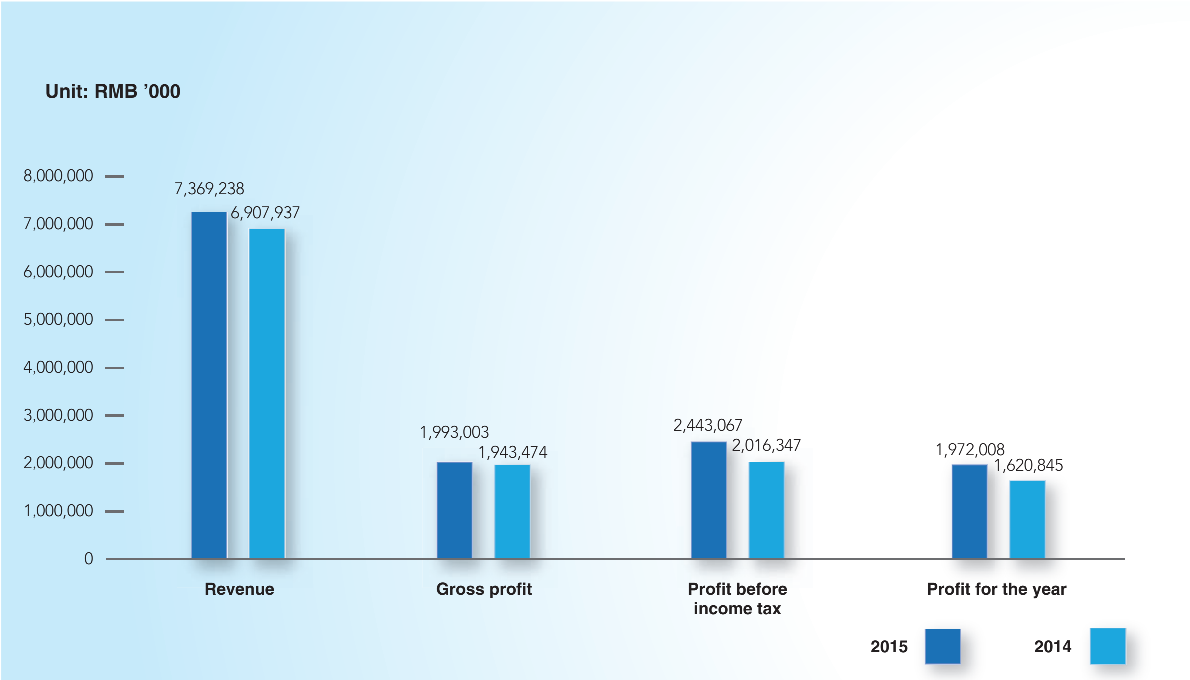
In the aspect of new businesses, the Group reasonably planned its investment portifolio to take full advantage of its ability in terms of cargo sources control and supply chains resources allocation; integrated various social resources through light-assets cooperation model to provide customers an industry-wide comprehensive port service covering agency, container management hubs, transportation and other service areas. Meanwhile, by efficiently integrating, matching the financial resources and funding needs of port-related entities and providing financial services such as deposit, loan, electronic banking papers and letter of guarantee, the Group managed to diversify its source of income and further stimulate its growth.

1. Review of Overall Business and Results

The Group is the primary operator of the port of Qingdao, one of the world's largest comprehensive ports, and is mainly engaged in six segments, including 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 and financial services.

Unless otherwise specified, references to the operational data or information such as throughput, berthing and storage capacity of the Group shall include the aggregation of such operational data or information of the Group, the joint ventures and an associate of the Company, without taking into account the proportion of interest held by the Company in such joint ventures and associate.

Comparison of Major Operating Indicators



The Group’s total revenue for the year ended 31 December 2015 was RMB7,369 million, representing an increase of RMB461 million or 6.7% compared to the prior year. Revenue and income from all services (including interest income of Qingdao Finance) was RMB7,615 million, representing an increase of RMB624 million or 8.9% compared to the prior year. Such increase was primarily due to an increase in revenue from logistics and port value-added services, financial services and port ancillary services.

The Group’s gross profit for the year ended 31 December 2015 was RMB1,993 million, representing an increase of RMB50 million or 2.6% compared to the prior year. Such increase was primarily due to an increase in gross profit from logistics and port value-added services and port ancillary services.

The Group’s selling and administrative expenses for the year ended 31 December 2015 decreased by RMB34 million or 5% compared to the prior year. Such decrease was primarily due to an decrease of RMB98 million in early retirement and other supplemental retirement benefit expenses, offset by the increase of RMB84 million in provision for asset impairment.

The Group’s share of after-tax profit of joint ventures and an associate for the year ended 31 December 2015 was RMB674 million, representing an increase of RMB62 million or 10.1% compared to the prior year. Such increase was primarily due to a stronger performance of the container handling and ancillary services.

The Group's profit before income tax for the year ended 31 December 2015 was RMB2,443 million, representing an increase of RMB427 million or 21.2% compared to the prior year. In particular, the profit before income tax attributable to Consolidated Group Companies was RMB1,616 million, accounting for 70.6% of the total amount of the profit before income tax (excluding the gain from disposal of equity interests in Riqing Container), and representing an increase of 15.1% compared to the prior year.

The profit attributable to the owners of the Company for the year ended 31 December 2015 was RMB1,905 million, representing an increase of RMB320 million or 20.2% compared to the prior year; after excluding the gain from disposal of equity interests in Riqing Container, the profit attributed to owners of the Company was RMB1,790 million, representing an increase of RMB205 million or 12.9% compared to the prior year.

Review of Segment Businesses and Results

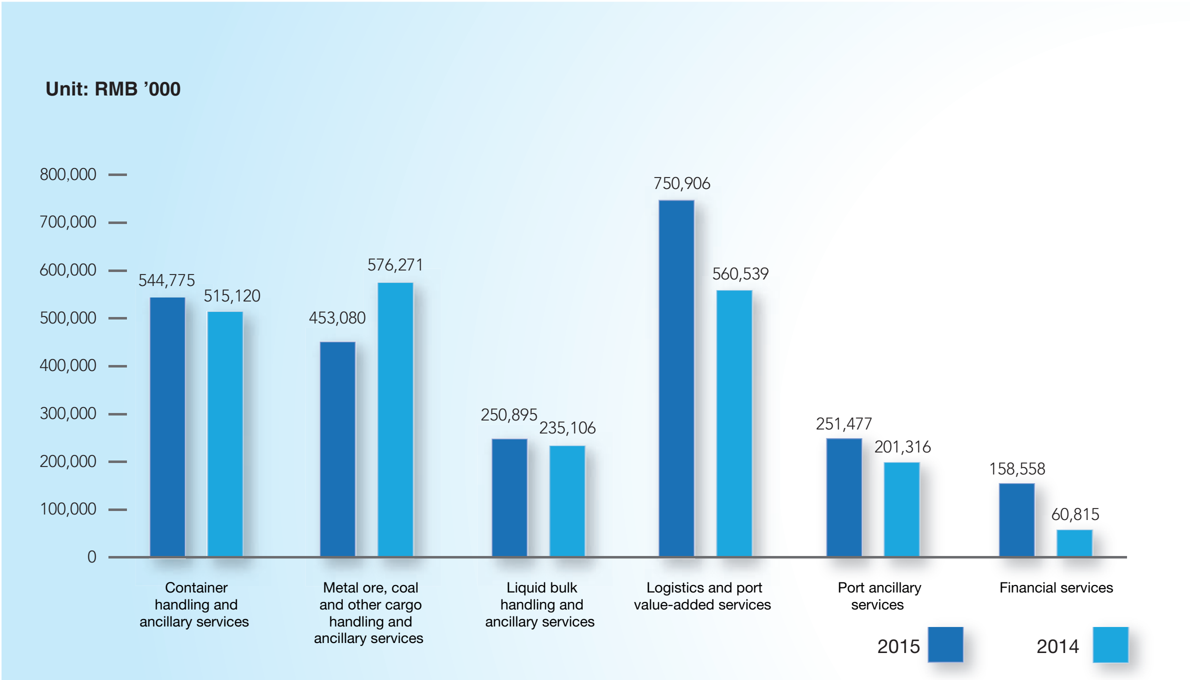
Proportion of Segment Results

Unit: RMB '000

	2015		2014		
Business Segment	**Amount**	**Proportion**	**Amount**	**Proportion**	**Changes**
Container handling and ancillary services	544,775	22.6%	515,120	24.0%	5.8%
Metal ore, coal and others handling and ancillary services	453,080	18.8%	576,271	26.8%	-21.4%
Liquid bulk handling and ancillary services	250,895	10.4%	235,106	10.9%	6.7%
Logistics and port value-added services	750,906	31.2%	560,539	26.1%	34.0%
Port ancillary services	251,477	10.4%	201,316	9.4%	24.9%
Financial services	158,558	6.6%	60,815	2.8%	160.7%
Total results before inter-segment elimination	2,409,691	100.0%	2,149,167	100.0%	12.1%

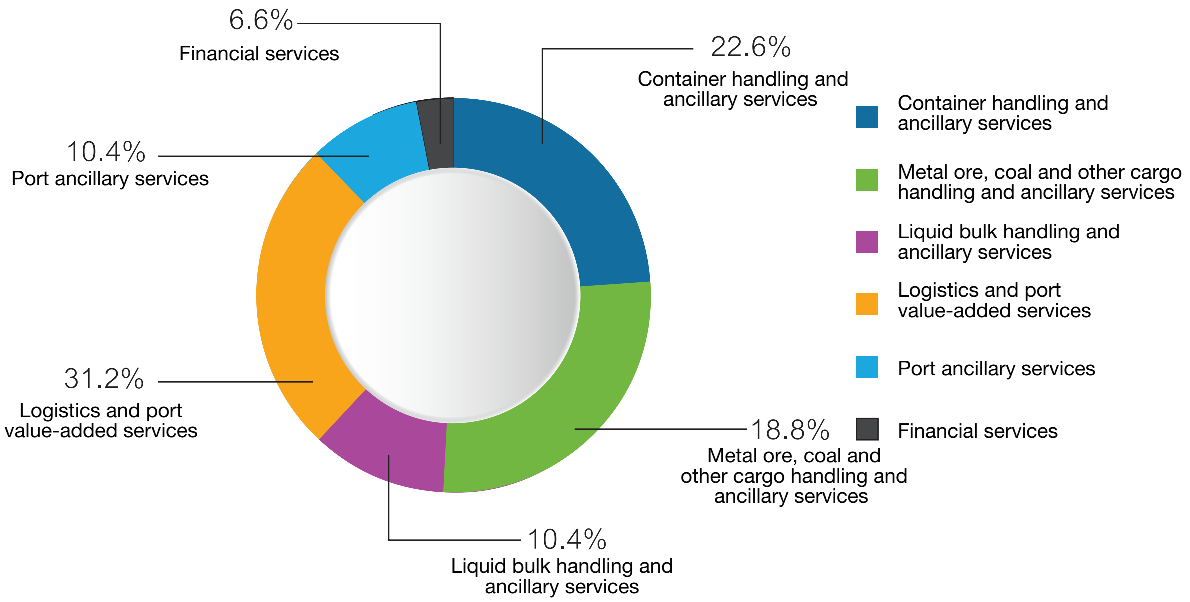
Note: Segment results for the year ended 31 December 2015 have excluded the gain from disposal of equity interests in Riqing Container.

Comparison of Segment Results



Note: Segment results for the year ended 31 December 2015 have excluded the gain from disposal of equity interests in Riqing Container.

Breakdown of Segment Results for 2015



Note: Segment results for the year ended 31 December 2015 have excluded the gain from disposal of equity interests in Riqing Container

The Group took full advantages of its port resources, reasonably planned its investment portfolio, and established a diversified enterprise group covering terminal business, logistics business and financial business. In particlar, after excluding the gain from disposal of equity interests in Riqing Container, the terminal business segment (including container handling and ancillary services, metal ore, coal and other cargo handling and ancillary services, and liquid bulk handling and ancillary services) contributed 51.8% of the total results, representing a decrease of 9.9 percentage points compared to the prior year. The logistics and port value-added services segment contributed 31.2% of the total results, representing an increase of 5.1 percentage points compared to the prior year. The financial services segment contributed 6.6% of the total results, representing an increase of 3.8 percentage points compared to the prior year. The Group relied on its terminal business and gradually established a diversified business model.

The details are set out below:

(1) Container handling and ancillary services

Unit: RMB '000

Item	**2015**	**2014**	**Year-on-year comparison**	**Changes**
Consolidated Group Companies				
Revenue	**190,343**	196,825	-6,482	-3.3%
Cost	**61,091**	60,794	297	0.5%
Gross profit	**129,252**	136,031	-6,779	-5.0%
Profit of Consolidated Group Companies	**115,969**	116,973	-1,004	-0.9%
Joint ventures				
Revenue	**3,035,206**	2,962,738	72,468	2.4%
Cost	**1,121,722**	1,192,188	-70,466	-5.9%
Share of profit of joint ventures	**428,806**	398,147	30,659	7.7%
Gain from disposal of a joint venture	**153,157**	—	153,157	—
Segment results	**697,932**	515,120	182,812	35.5%

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

The Group's container throughput was 17.34 million TEUs for the year ended 31 December 2015, representing an increase of 5.2% compared to the prior year. The Group also recorded a segment result of RMB698 million, representing an increase of RMB183 million or 35.5% compared to the prior year. After excluding the RMB153 million gain from the disposal of the equity interests in Riqing Container, the segment result was RMB545 million, representing an increase of 5.8% compared to the prior year.

The container handling and ancillary services segment was operated primarily through relevant joint ventures of the Company. Such change in results was mainly attributable to the following reasons:

(1) the Group strengthened its bargaining power and adjusted commercial preferential policies where appropriate with shipping companies, which increased stevedoring charges of main routes by 5%; and

(2) the Group enhanced financial management and decreased the financial costs of the joint ventures by RMB28 million.

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

Unit: RMB '000

Item	2015	2014	Year-on-year comparison	Changes
Consolidated Group Companies				
Revenue	**2,942,473**	2,962,380	-19,907	-0.7%
Cost	**2,282,180**	2,123,793	158,387	7.5%
Gross profit	**660,293**	838,587	-178,294	-21.3%
Profit of Consolidated Group Companies	**435,656**	570,642	-134,986	-23.7%
Joint ventures				
Revenue	**1,220,429**	954,285	266,144	27.9%
Cost	**908,223**	790,304	117,919	14.9%
Share of profit of joint ventures	**17,424**	5,629	11,795	209.5%
Segment results	**453,080**	576,271	-123,191	-21.4%

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

The Group's throughput of metal ore, coal and other cargo for the year ended 31 December 2015 was 194 million tons, representing an increase of 8.2% compared to the prior year. The segment result was RMB453 million, representing a decrease of RMB123 million or 21.4% compared to the prior year.

Such change in results was attributable to the following reasons:

(1) the throughput of the newly launched "door to door" ore transshipment services with relatively lower charge increased while the throughput of the coal business with higher charge decreased, and the adjustment in domestic port charges decreased the average charges of ore, coal and other dry bulk by 6.2%;

(2) the increase in handling of break bulk cargo of the Group, the independent operation of the Dongjiakou Branch, and the newly launched "door to door" ore transshipment services caused the increase of operating costs, such as labor, material consuming and transshipment freight expenses; and

(3) the Group's share of post-tax profit from QDOT, a joint venture of the Company, increased by RMB12 million due to an increase in QDOT's revenue resulted from the expansion of the stevedoring business for Valemax as well as ancillary businesses including ore mixing, ore distribution and duty-free business.

(3) Liquid bulk handling and ancillary services

Unit: RMB '000

Item	**2015**	**2014**	**Year-on-year compansion**	**Changes**
Consolidated Group Companies				
Revenue	**99,149**	89,749	9,400	10.5%
Cost	**17,512**	15,423	2,089	13.5%
Gross profit	**81,637**	74,326	7,311	9.8%
Profit of Consolidated Group Companies	**81,299**	73,569	7,730	10.5%
Joint Ventures				
Revenue	**834,365**	765,026	69,339	9.1%
Cost	**330,759**	282,017	48,742	17.3%
Share of profit of joint ventures	**169,596**	161,537	8,059	5.0%
Segment results	**250,895**	235,106	15,789	6.7%

Note: Amount of revenue and cost of joint ventures represents the total amount of revenue and cost in the financial statements of the joint ventures such as Qingdao Shihua, without taking into account the respective shareholding percentage the Company has in those joint ventures. See "Summarised Financial Information of Joint Ventures" for more details on Qingdao Shihua's financial information.

The Group's throughput of liquid bulk for the year ended 31 December 2015 was 57.71 million tons, representing an increase of 10.2% compared to the prior year. The segment result was RMB251 million, representing an increase of RMB16 million or 6.7% compared to the prior year.

The liquid bulk handling and ancillary services segment was operated primarily through Qingdao Shihua, a joint venture of the Company. Such change in the result was mainly attributable to the following reasons:

(1) benefiting from adjustment in national crude oil import policy, the regional refineries in Shandong Province obtained the crude oil import and processing quota, and thus imported more crude oil to substitute fuel oil, with the transportation shifting from small tonnage ships to large tonnage ships, which drived the increase of business amount and revenue of Qingdao Shihua; and

(2) Qingdao Shihua commenced the operation of a new crude oil terminal in Dongjiakou Port Area and the operation capacity has not been fully released due to inadequate infrastructure, however, the depreciation expense and other fixed costs still increased. Following the completion of ancillary oil tanks and pipelines and other infrastructures, revenue from such crude oil terminal should increase accordingly.

(4) Logistics and port value-added services

Unit: RMB '000

Item	2015	2014	Year-on-year compansion	Changes
Consolidated Group Companies				
Revenue	**2,417,114**	2,083,822	333,292	16.0%
Cost	**1,613,247**	1,476,443	136,804	9.3%
Gross profit	**803,867**	607,379	196,488	32.4%
Profit of Consolidated Group Companies	**692,142**	513,924	178,218	34.7%
Joint ventures and an associate				
Revenue	**674,409**	614,023	60,386	9.8%
Cost	**460,634**	422,486	38,148	9.0%
Share profit of joint ventures and an associate	**58,764**	46,615	12,149	26.1%
Segment results	**750,906**	560,539	190,367	34.0%

Note: Amount of revenue and cost of the joint ventures and associate represents the total amount of revenue and cost in the financial statements of the joint ventures and associate which provided logistics and port value-added services, without taking into account the respective shareholding percentage the Company has in those joint ventures and associate.

The segment result for the year ended 31 December 2015 was RMB751 million, representing an increase of RMB190 million or 34.0% compared to the prior year.

The change in the result was mainly attributable to an increase in profits before income tax in terms of the following aspects:

(1) RMB31 million, due to the steady growth of towing and tallying businesses as a result of the growth in terminal business;

(2) RMB46 million, due to the increase of hub and storage business by an effective cooperation among the Group's and other container management hubs and shipping companies, which brought out scale effect;

(3) RMB74 million, due to the increase in agency business as a result of the synergies with terminal business: the container shipping agency already covers 15 shipping companies and 16 shipping lines; furthermore, the freight agency established leading positions in seven types of cargo which include fertilizers and frozen fish; and

(4) RMB41 million, due to the strong performance of the transport discharging business, which relied on its information advantages to optimize the pairing between cargos and trucks, thereby covering 50% of users inside the port areas and improving the loading rate by 14 percentage points.

(5) Port ancillary services

Unit: RMB '000

Item	**2015**	**2014**	**Year-on-year comparison**	**Changes**
Consolidated Group Companies				
Revenue	**1,714,324**	1,571,937	142,387	9.1%
Cost	**1,397,924**	1,287,056	110,868	8.6%
Gross profit	**316,400**	284,881	31,519	11.1%
Profit of Consolidated Group Companies	**251,477**	201,316	50,161	24.9%
Segment results	**251,477**	201,316	50,161	24.9%

While making full use of port resources and providing satisfactory port ancillary services, the port ancillary services business segment facilitated the expansion of business scope and sought out new opportunities so as to optimize a market-oriented, industrialised and capitalised business model.

The segment result was RMB251 million for the year ended 31 December 2015, representing an increase of RMB50 million or 24.9% compared to the prior year. Such increase was mainly attributable to an increase in profit before income tax from oil supply, power supply and port project construction businesses.

(6) Financial services

Unit: RMB '000

Item	**2015**	**2014**	**Year-on-year increase**	**Changes**
Consolidated Group Companies				
Revenue	**251,911**	86,312	165,599	191.9%
Cost	**35,613**	9,241	26,372	285.4%
Gross profit	**216,298**	77,071	139,227	180.6%
Profit of Consolidated Group Companies	**158,558**	60,815	97,743	160.7%
Segment results	**158,558**	60,815	97,743	160.7%

The Group formulated implemented the port financial industry development plan to expand the function of financial services and established a port-oriented financial service system. The segment result was RMB159 million for the year ended 31 December 2015, representing an increase of RMB98 million or 160.7% compared to the prior year.

The increase in financial services segment result was mainly attributable to Qingdao Finance as it operated seven more months compared to the prior year and its business lines and profitability expanded and improved accordingly.

Financial Status Analysis

Unit: RMB '000

Item	31 December 2015	31 December 2014	Increase in amount	Change
Cash and cash equivalents	**4,760,409**	4,534,822	225,587	5.0%
Investments in joint ventures and an associate	**4,698,040**	4,453,664	244,376	5.5%
Property, plant and equipment	**11,767,904**	10,686,994	1,080,910	10.1%
Trade and other payables (current)	**10,219,099**	8,675,322	1,543,777	17.8%

As at 31 December 2015, the Group's cash and cash equivalents increased by RMB226 million compared to the prior year, mainly due to the net cash inflow of RMB1,429 million from operating activities, net cash outflow of RMB3,158 million from investing activities and net cash inflow of RMB1,950 million from financing activities.

As at 31 December 2015, the Group's investments in the joint ventures and an associate increased by RMB244 million or 5.5% compared to the prior year, mainly due to the Group's investment income as recognised under equity method, and the increase in the Group's investment costs exceeded the dividends as declared by the joint ventures and an associate during the year ended 31 December 2015.

As at 31 December 2015, the Group's properties, plant and equipment increased by RMB1,081 million or 10.1% compared to the prior year, mainly due to the increased investment in construction of multi-purpose berths, crude oil tanks and other infrastructures in Dongjiakou Port Area.

As at 31 December 2015, the Group's trade and other payables (current) increased by RMB1,544 million or 17.8% compared to the prior year, mainly due to the increase in the deposit of members with Qingdao Finance.

Cash flow analysis

For the year ended 31 December 2015, the Group's net cash inflow amounted to RMB226 million (including the exchange gain). The detailed analysis is set out below:

Net cash inflow from operating activities amounted to RMB1,429 million, mainly derived from the operating profit of Consolidated Group Companies. Net cash outflow from investing activities amounted to RMB3,158 million, mainly comprising cash inflow of RMB556 million through dividends from joint ventures; cash inflow of RMB486 million from decrease in mandatory reserve deposit of Qingdao Finance; cash inflow of RMB320 million from the disposal of equity interests in Riqing Container; cash inflow of RMB291 million from receipt of interests; cash outflow of RMB2,081 million from acquisition of properties, plants and equipment; cash outflow of RMB2,261 million from loans advanced to members of the Group; and cash outflow of RMB348 million from increase of term deposits with initial term of over three months. Net cash inflow from financing activities amounted to RMB1,950 million, mainly due to cash inflow of RMB2,397 million from an increase in net deposits absorbed by Qingdao Finance, offset by cash outflow of RMB469 million from the Company's distributions of dividends.

Liquidity and Financial Resources

As at 31 December 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 RMB7,556 million, which mainly comprised RMB-denominated deposits. The Group's total interest-bearing bank borrowings amounted to RMB492 million, which were all RMB-denominated borrowings and included RMB183 million of borrowings at floating rates. As at 31 December 2015, the amount of the Group's cash balance exceeded the total interest-bearing bank and other borrowings.

Capital Structure

As at 31 December 2015, total equity of the Group amounted to RMB13,332 million, increased by RMB898 million as compared with that of 31 December 2014. Such net increase mainly comprised an increase of RMB1,905 million in retained earnings as a result of higher operating profit for the year ended 31 December 2015; a decrease of RMB946 million in retained earnings due to the declaration of a special dividend and a final dividend of year 2014 by the Company; and a decrease of RMB130 million in capital reserves due to the remeasurement of supplemental benefit obligations.

As at 31 December 2015, the total issued share capital of the Company was 4,778,204,000 shares, of which 856,024,000 shares were H shares. The total market capitalisation and H share market capitalisation of the Company were HK$16,533 million and HK$2,962 million, respectively.

Interest rates and exchange rates risks

As at 31 December 2015, restricted bank deposits, certain portion of cash and cash equivalents, amounts due to related parties, certain portion of amounts due from related parties and certain portion of bank borrowings of the Group were RMB434 million, RMB1,310 million, RMB2,219 million, RMB5,843 million and RMB183 million respectively, and are subjected to floating interest rates. The Company has assessed the interest rates risk and anticipates that interest rates risk will not have 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 rates and exchange rates risks, and did not enter into any hedging arrangements to hedge against exposure in interest rates and exchange rates risks during the year ended 31 December 2015.

Financial indicators

Indicators	**2015 January to December**	**2014 January to December**	**Change over 2014**
Return on total assets	6.6%	6.8%	-0.2 percentage points
Return on net assets	15.3%	15.4%	-0.1 percentage points

For the year ended 31 December 2015, return on total assets of the Group was 6.6%, representing a decrease of 0.2 percentage points; and return on net assets was 15.3%, representing a decrease of 0.1 percentage points compared to the prior year. The Company's rate of return on total assets and net assets remained at the top level in the industry, which reflects the company's business philosophy that focusing on economic efficiency. Such rate of return was mainly due to (i) allocation of terminal investments based on market demand, which increased the utilization rate of designing capacity to 150%; (ii) high return on investments from improved operating efficiency and profitability of major joint ventures, such as QQCT and Qingdao Shihua; and (iii) fast growth of modern logistics, financial and other light-assets businesses, which generated 37.8% of the total profits with use of 27.6% of the net assets.

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 year ended 31 December 2015

	QQCT	Qingdao Shihua
	RMB'000	*RMB'000*
Revenue	2,896,493	834,365
Cost of sales	(1,041,699)	(330,759)
Including: Depreciation and amortisation	(321,914)	(103,666)
Interest income	94,552	2,771
Interest expense	(189,528)	—
Profit before income tax	1,755,237	460,560
Income tax expenses	(442,490)	(115,136)
Profit and total comprehensive income for the year	1,312,747	345,424
Profit and total comprehensive income attributable:		
- Owners of the joint ventures	1,314,793	345,424
- Non-controlling interests of the joint ventures	(2,046)	—
Equity interest in the joint ventures held by the Group	31%	50%
Share of post-tax profit in the joint ventures before elimination	407,586	172,712
Unrealised profit	—	(2,848)
Share of post-tax profit in the joint ventures	407,586	169,864

Summarised Income Statement — For the year ended 31 December 2014

	QQCT *RMB'000*	Qingdao Shihua *RMB'000*
Revenue	2,705,313	765,026
Cost of sales	(1,020,315)	(282,017)
Including: Depreciation and amortisation	(320,968)	(105,860)
Interest income	171,785	2,237
Interest expense	(261,729)	—
Profit before income tax	1,604,662	442,057
Income tax expenses	(409,539)	(111,441)
Profit and total comprehensive income for the year	1,195,123	330,616
Profit and total comprehensive income attributable:		
- Owners of the joint ventures	1,198,719	330,616
- Non-controlling interests of the joint ventures	(3,596)	—
Equity interest in joint ventures held by the Group	31%	50%
Share of post-tax profit in joint ventures before elimination	371,603	165,308
Unrealised profit	—	(3,740)
Share of post-tax profit in the joint ventures	371,603	161,568

Significant Capital Expenditures

During the year of 2015, the Group's significant capital expenditures amounted to RMB1,543 million. Among those, equity investment was RMB112 million, mainly comprising investments in Binzhou Port-Qingdao Port International Terminal Company, Qingdao Port Dongjiakou Sinotrans Logistics Co., Ltd. and Vopak Logistics (Qingdao) Co., Ltd., and acquisition of Qingdao City Qingdao Port Commodity Trading Center Co., Ltd. and Evergreen (Qingdao) Container Storage & Transportation Co., Ltd.;

capital expenditures for long-term assets such as terminals, oil tanks and equipment was RMB1,431 million, mainly comprising investment in construction terminals, tanks and other equipment at Dongjiakou Port Area.

Significant Acquisition and Disposal of Subsidiaries, Joint Ventures and Associates

On 10 February 2015, the Group entered into a share transfer agreement with Rizhao Port Group Co., Ltd. The Group transferred its 50% equity interests in Riqing Container to Rizhao Port Group Co., Ltd. at a consideration of RMB639 million. The Board has resolved and approved such transaction. As at 31 December 2015, such transaction has been completed.

On 20 March 2015, the Company acquired from Qingdao Port Investment and Construction (Group) Co., Ltd., a subsidiary of QDP, its 100% equity interests in Qingdao City Qingdao Port Commodity Trading Center Co., Ltd. at a cash consideration of RMB15.312 million. The Board has resolved and approved such transaction. Please refer to the announcement of the Company dated 20 March 2015 for detailed information of the transaction. As at 31 December 2015, such transaction has been completed.

On 27 July 2015, the Company acquired 100% equity interests in Qingdao Port International Development (Hong Kong) Co., Ltd. from QDP at a cash consideration of RMB31.18 million. The Board has resolved and approved such transaction. Please refer to the announcement of the Company dated 27 July 2015 for detailed information of the transaction. As at 31 December 2015, such transaction has been completed.

Pledge of Assets

As at 31 December 2015, bank acceptance bills of thte Group with a value of approximately RMB62.732 million have been pledged as the security for issuance of bank acceptance notes.

Contingent Liabilities

As at 31 December 2015, there were not significant contingent liabilities in the Group.

OUTLOOK FOR 2016

The global economy will continue to recover at a slow pace, with a great deal of uncertainty and instability in 2016. The International Monetary Fund, the World Bank and the Organization for Economic Co-operation and Development had lowered the expected global economic growth rate for 2016, but still anticipated a growth rate between 2.9% and 3.4%. Meanwhile, the domestic economy will confront greater downward pressures. However, the long-term trend of economic growth remains unchanged, with the expected growth rate to be between 6.5% and 7%.

The Group will closely monitor changes in the economy. The Group will also take advantage of Qingdao Port's various strengths, such as cargo diversity and services comprehensiveness, to effectively respond to changes in different aspects of domestic or global economy. Meanwhile, the Group will continue to transform and upgrade its businesses. While improving its traditional businesses and for the purpose of maintenance of a sustainable growth, the Group will expand new businesses, establish a modern logistics industrial chain, diversify the financial services, integrate its businesses into "One Belt and One Road" initiative and explore its oversea business opportunities to maintain a stable development. As such, the Group will concentrate its efforts on the following six aspects:

Firstly, the Group will continue to strengthen the terminal stevedoring business. The Group will leverage on its advantages in owning the world's first-class specialized deep berths for containers, crude oil, ore, coal and grains, being the world's top rating operation efficiency and alliance with internationally renowned strategic partners and maintain high-level communications with key clients, implement headquarter marketing strategy, so as to expand and improve businesses involving its core cargo types. In particular, as to the container business, the Group will add new international routes, enhance its waterway network, develop international transshipment business provide accurate forecast of berthing time to shipping companies and the comprehensive logistics services so that the Group will maintain its leading position as the top container hub port in Northern China with a steady and increasing cargo services; as to the dry bulk business, the Group will take advantage of its 400,000 ton-class and 200,000 ton-class terminals, large stock yards, large bonded zones, comprehensive logistics services and enhance cooperation with major miners, major traders and major steel mills, to operate bonded ore, mixed processing, logistics transportation, futures settlement and other businesses, in order to form an "ore supermarket", and increase grain import through the use of new grain berths and ancillary grain tanks at the Dongjiakou Port Area; as to the liquid bulk business, the Group will accelerate the construction of 2.46 million cubic meter oil storage tanks and inland oil pipelines, so as to increase its storage and transportation capacity, and strive to increase its market share by relying on its bonded storage tanks and strategic alliance with major traders. Besides, by making full use of its vast stock yards in Dongjiakou Port Area, the Group will achieve higher volume and revenue from steel, wood, constructive materials and other cargos.

Secondly, the Group will continue to expand the "door-to-door" comprehensive logistics service. By utilizing the strengths of ports as a hub in the logistics chain and the port resources, the Group will integrate relevant logistics resources to provide "door-to-door" comprehensive logistics service for its customers. In particular, firstly the Group will expand the agency business and cooperate with world-class shipping companies to gradually gain competitive edges in large containers, ore, and cruiser agency businesses. Secondly, by developing public transportation business, the Group will integrate and appropriate transportation resources and capacity through the use of the Qingdao Port Road Transport E-commerce Platform, thereby decreasing costs for the customers and benefiting the Group. Thirdly, the Group will accelerate the construction of inland ports and establish regional marketing center and logistics service center, to enhance its control over the flow of goods on inland area. Forthly, the Group will improve its sea-railway network and enhance cooperation with the railway departments, to add new routes and transportation capacity. Finally, the Group will improve the international logistics channel that connects to Middle Asia and Europe, increase the number of direct lines from Qingdao to Middle Asia and Europe, and construct an "Oriental Bridgehead."

Thirdly, the Group will further implement its financial strategy. The Group will take advantage of the port as a logistics center, cash flow center and information flow center, to deepen integration between finance and industry, and improve the Group's financial services and profitability. Specifically, through strengthening the treasury management of Qingdao Finance, the Group will further improve the service businesses, expand the business scope and strengthen the function of financial services. Secondly, the Group will make full use of Qingdao Financial Leasing, to continue operating movable leasing business, such as large equipment, thereby reducing the Group's financial cost. Meanwhile, the Group will use its port resources to explore external markets and cooperate with other financial institutions to operate united lease, sublease and business factoring, to increase the Group's revenue. Thirdly, the Group will use "Yin Gang Tong", a system designed by the Group and Qingdao Banking Regulatory Bureau, to share information among banks, ports and cargo owners, to operate cargo collaterals supervising business, and provide an efficient monitoring platform for banks and a convenient financing channel for cargo owners, thereby increasing the Group's cargo volume and revenue.

Forthly, the Group will vigorously implement the Internet strategy. The Group will integrate in depth internet technology with stevedoring, port logistics and internal control, to construct the intelligent port. In particular, the Group will develop a terminal intelligent operation system, establish two world-class automatic container berths and be able to conduct a trial run of the terminals by the end of this year. At the same time, the Group will upgrade the operation management system of other terminals to improve efficiency and reduce cost. Additionally, the Group will design logistics e-commerce network service system and to drive the transfer of logistics services from offline to online for the benefit of the clients and create value for the Group. Finally, the Group will improve administrative efficiency and facilitate intelligent administration by coordinating the construction of administrative and internal management system.

Fifthly, the Group will steadily implement globalization strategy. The Group will grasp the opportunity of the "One Belt and One Road" initiative by forming a strategic alliance with major domestic and foreign shipping companies, international terminal operators and other partners, to complement their respective strengths and explore oversea opportunities. In particular, the Group will explore sister ports around the world and share information, technologies, management and other know-hows. Moreover, by the steadily output of its management and capital, the Group will look for opportunities to invest in and operate oversea projects such as terminals and logistics parks.

Finally, the Group will continue to improve corporate governance. The Group will strictly abide by the relevant laws and regulations, the listing rules and corporate governance rules. The Group will continue to adjust and improve its corporate governance rules to ensure regulatory measures and control activities for every operation activity, every position and every potential risk. Furthermore, the Group will establish a comprehensive risk management system that entails risk prevention, financial supervision, legal compliance and internal audit. The Group will continue to improve and standardize its operation to increase efficiency and reduce overall costs. The Group will enhance incentive mechanisms, optimize allocation of human resource, control the scale of workforce, enhance employee training, and form a committed, loyal, innovative and efficient team.

Use of net proceeds from the Global Offering

The Company raised a total net proceeds of approximately RMB2,198 million from offering of H Shares. As at 31 December 2015, the Group invested RMB1,452 million of the proceeds from the global offering in the projects as disclosed in Prospectus and used RMB268 million to fund its working capital. The Company used the net proceeds in the way as disclosed in the Prospectus.

Proposed final dividend for the year and closure of register

The Board has proposed the distribution of a final dividend of approximately RMB664.55 million or RMB139.08 per thousand shares (tax inclusive) for the year ended 31 December 2015 to the shareholders whose names appear on the register of members of the Company on 17 June 2016, before 5 August 2016. The payment of the 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 Sunday, 12 June 2016 to Friday, 17 June 2016 (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 Friday, 17 June 2016 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 Friday, 10 June 2016 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 Code

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 year ended 31 December 2015.

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 for the year ended 31 December 2015.

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 for the year ended 31 December 2015.

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 ended 31 December 2015.

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 2015. The Company has retained the services of PricewaterhouseCoopers since the date of preparation of itself going public on the Hong Kong Stock Exchange.

Amendments of Constitutional Document

The Company made amendments to the Articles of Association at the annual general meeting held on 6 June 2015. The revised version came into effect upon approval by the shareholders at the aforesaid annual general meeting. 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 Saturday, 7 May 2016 to Monday, 6 June 2016 (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 Monday, 6 June 2016 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 Friday, 6 May 2016 for registration.

Material litigations

Other than the litigations to which the Company was involved as disclosed in the announcements of the Company published on 28 July 2014, 15 August 2014 and 5 September 2014, respectively, the Group was not involved in any material litigation or arbitration from the Listing Date to 31 December 2015.

The Company does not expect the aforesaid litigations and relevant judgments and orders to have a material adverse impact on the Group's business and operations.

Subsequent Events

On 16 March 2016, the Company issued the first tranche of the corporate bonds of 2016 of the Company (the "**First Tranche Domestic Corporate Bonds**"). The First Tranche Domestic Corporate Bonds has an aggregate amount of RMB1,500,000,000. Details of the issue of the bonds were published on the website of the Shanghai Stock Exchange (www.sse.com.cn). The Company intends to apply the proceeds from the issue of the First Tranche Domestic Corporate Bonds to the complement the liquidity of the Company.

Publication of the Company's 2015 consolidated annual results and the 2015 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), respectively, and the 2015 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, 18 March 2016

As at the date of this announcement, the Executive Directors of the Company are Mr. ZHENG Minghui, Mr. JIAO Guangjun and Ms. JIANG Chunfeng; the Non-executive Directors are Mr. CHENG Xinnong, Mr. SUN Yafei and Mr. MA Baoliang; and the Independent Non-executive Directors are Mr. WANG Yaping, Mr. CHAU Kwok Keung and Mr. 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 Companies"	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
"Dongjiakou Branch"	Dongjiakou Branch of Qingdao Port International Co., Ltd. (青島港國際股份有限公司董家口分公司), a branch of the Company, which was established in July 2015 and mainly engaged in the business of break bulk cargo handling and ancillary services
"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
"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 interest, 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
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
"Prospectus"	the listing document of the Company in relation tothe 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
"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 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 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
"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
"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
"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
"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
"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