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 2016

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2016:

- Revenue was RMB8,684 million, representing an increase of 17.8% as compared to the same period in the prior year; revenue of business segments derived from external customers, including interest income of Qingdao Finance, was RMB8,991 million, representing an increase of 18.1% as compared to the same period in the prior year;

- Net profit attributable to shareholders of the Company was RMB2,186 million, representing an increase of 14.3% and 21.6% if eliminating the impact of the gains from the disposal of the equity interests in Riqing Container as compared to the same period in the prior year;

- Earnings per share was RMB0.46; and

- The Board proposes to pay a final dividend for the year 2016 of approximately RMB787.54 million or RMB 164.82 per thousand shares (tax inclusive) based on the current total issued share capital of the Company. Based on the total issued share capital of the Company upon completion of the Proposed Subscription and the Proposed New H Share Issue, the final dividend was RMB130.46 per thousand shares (tax inclusive).

The Board is pleased to announce the consolidated results of the Company and its subsidiaries for the year ended 31 December 2016. The annual results have been reviewed by the Audit Committee of the Board.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016
(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note	31 December 2016	31 December 2015 (Restated)
Current assets			
Cash at bank and on hand		8,100,294,431	7,558,190,196
Financial assets at fair value through profit or loss		-	200,000,000
Notes receivable		665,419,919	725,738,882
Accounts receivable	3	1,307,610,944	1,256,619,043
Advances to suppliers		59,043,938	48,105,441
Interests receivable		27,600,404	11,528,345
Dividends receivable		100,000,000	-
Other receivables		861,340,269	872,117,750
Inventories		482,195,054	348,118,612
Current portion of non-current assets		313,729,688	60,265,805
Other current assets		1,197,414,942	65,250,902
Total current assets		13,114,649,589	11,145,934,976
Non-current assets			
Available-for-sale financial assets		92,207,877	72,207,877
Long-term receivables		3,484,533,992	1,679,671,476
Long-term equity investments		5,139,039,800	4,698,039,931
Investment properties		117,843,468	119,766,471
Fixed assets		11,684,982,980	8,479,170,853
Construction in progress		2,172,757,318	3,490,375,757
Construction materials		166,211,455	-
Intangible assets		931,416,765	856,189,232
Goodwill		18,836,008	18,836,008
Long-term prepaid expenses		14,874,061	13,862,067
Deferred tax assets		872,096,260	857,289,777
Other non-current assets		473,124,633	250,489,007
Total non-current assets		25,167,924,617	20,535,898,456
TOTAL ASSETS		38,282,574,206	31,681,833,432

CONSOLIDATED BALANCE SHEET (CONT'D)
AS AT 31 DECEMBER 2016
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND EQUITY	Note	31 December 2016	31 December 2015 (Restated)
Current liabilities			
Short-term borrowings		262,947,290	309,384,939
Notes payable		817,619,173	402,427,264
Accounts payable	4	1,125,837,022	1,339,560,176
Advances from customers		334,125,905	307,945,225
Employee benefits payable		227,056,983	212,483,668
Taxes payable		153,220,569	93,181,844
Interests payable		99,129,006	7,466,857
Other payables		9,895,856,196	8,241,743,938
Current portion of non-current liabilities		24,137,717	22,190,000
Total current liabilities		12,939,929,861	10,936,383,911
Non-current liabilities			
Long-term borrowings		137,390,687	160,720,687
Bonds payable	5	3,500,000,000	-
Long-term payables		58,101,909	545,083,235
Provisions		2,283,097	1,957,930
Deferred income		145,259,921	151,541,496
Long-term employee benefits payable		2,731,450,000	2,846,430,000
Other non-current liabilities		3,285,600,108	3,491,821,128
Total non-current liabilities		9,860,085,722	7,197,554,476
Total liabilities		22,800,015,583	18,133,938,387
Equity			
Share capital		4,778,204,000	4,778,204,000
Capital surplus		5,321,635,366	5,510,182,348
Other comprehensive income		(63,024,800)	(301,159,600)
Specific reserve		2,991,631	2,897,083
Surplus reserve		429,859,457	287,004,088
General reserve		134,121,910	77,670,166
Undistributed profits		3,631,936,223	2,309,642,411
Total equity attributable to shareholders of the Company		14,235,723,787	12,664,440,496
Non-controlling interests		1,246,834,836	883,454,549
Total equity		15,482,558,623	13,547,895,045
TOTAL LIABILITIES AND EQUITY		38,282,574,206	31,681,833,432

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Year ended 31 December 2016	Year ended 31 December 2015 (Restated)
Revenue	7、12	8,684,189,666	7,369,237,404
Less: Cost of sales	7、12	(6,052,764,155)	(5,294,290,301)
Taxes and surcharges	8	(110,422,195)	(75,412,668)
Selling and distribution expenses		(16,514,031)	(18,609,797)
General and administrative expenses		(634,600,395)	(428,010,664)
Finance expenses - net		124,994,591	102,040,673
Asset impairment losses		(45,159,962)	(87,277,790)
Add: Investment income		803,944,446	843,128,778
Including: Share of profit of associates and joint ventures		793,115,582	674,589,027
Operating profit		2,753,667,965	2,410,805,635
Add: Non-operating income	9	117,985,017	49,196,046
Including: Gains on disposal of non-current assets		47,853,808	15,923,537
Less: Non-operating expenses	9	(7,038,719)	(9,806,220)
Including: Losses on disposal of non-current assets		(5,712,731)	(9,484,402)
Total profit		2,864,614,263	2,450,195,461
Less: Income tax expenses	10	(565,522,067)	(471,058,757)
Net profit		2,299,092,196	1,979,136,704
Including: Net profit of the acquired entity in a business combination involving enterprises under common control before the combination date		862,154	7,127,691
Attributable to shareholders of the Company		2,186,153,537	1,911,916,281
Attributable to non-controlling interests		112,938,659	67,220,423
Other comprehensive income, net of tax		238,570,000	(129,360,000)
Items that will not be subsequently reclassified to profit or loss			
Changes arising from remeasurement of employee benefit obligations		238,570,000	(129,360,000)
Total comprehensive income		2,537,662,196	1,849,776,704
Attributable to shareholders of the Company		2,424,288,337	1,782,141,881
Attributable to non-controlling interests		113,373,859	67,634,823
Earnings per share	11		
Basic earnings per share		0.46	0.40
Diluted earnings per share		0.46	0.40

NOTES

1 General information

Qingdao Port International Co., Ltd. is a stock limited company incorporated in Qingdao City of Shandong Province of the People's Republic of China on 15 November 2013 (the "Company's Date of Incorporation") by QDP together with other promoters ("Other Promoters") including Shenzhen Malai Storage Co., Ltd., Qingdao Ocean Shipping Co., Ltd., China Shipping Terminal Development Co., Ltd., Everbright (Qingdao) Financial Leasing Co., Ltd. and Qingdao International Investment Co., Ltd., with its registered address at 7 Ganghua Road, Shibei District, Qingdao and legal representative being Zheng Minghui.

The Company issued foreign-listed H-shares overseas at its initial public offering at 6 June 2014. The scope of business of the Company and its subsidiaries (collectively "the Group") includes stevedoring, stacking and storage of containers, metal ores, crude oil and break bulk cargo, logistics and port value-added services, port ancillary services and financial services.

2 Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as "the Accounting Standards for Business Enterprises").

The financial statements are prepared on a going concern basis. All amounts in RMB Yuan, unless otherwise stated.

2 Basis of preparation(Cont'd)

(1) Preparation basis of consolidated financial statements

Prior to the establishment of the Company, QDP was reorganised under the plan approved by Qingdao State-owned Assets Supervision & Administration Commission and transferred certain business into the Company; therefore, the matter was deemed as business combination involving enterprises under common control. Pursuant to the *Accounting Standards for Business Enterprises*, at preparation of the consolidated financial statements of the Group, the assets and liabilities contributed by QDP at the Company's Date of Incorporation remain presented at their original carrying amounts rather than at the appraisal values approved by the competent state-owned assets management authorities in the reorganisation. The difference between the appraisal values and the carrying amounts is charged against the shareholders' equity in the consolidated financial statements.

On the other hand, certain subsidiaries of the Company appraised their assets and liabilities in the process of transformation from state-owned enterprises into limited liability companies. In the light of *Interpretation No.1 to the Accounting Standards for Business Enterprises*, the assets and liabilities of such reorganised companies shall, on the incorporation dates, be consolidated into the consolidated financial statements of the Group based on the appraisal values approved by the competent state-owned assets management authorities.

In March 2016, The Group acquired the tugboat assets group from Qingdao Port Investment Shipping Co., Ltd., a wholly-owned indirect holding subsidiary of QDP. Management treated the tugboat assets group as a business (the "Tugboat Business"). As this business and the Group are both controlled by QDP before and after this acquisition, and the control is not temporary, thus this transaction is regarded as business combination involving enterprises under common control. The Tugboat Business is recorded at their predecessor cost in the consolidated financial statements, and is deemed as a consolidating component of the Group in prior years. The comparable figures as at 31 December 2015 have been restated accordingly to reflect the financial position of the acquired business.

(2) Preparation basis of the Company's financial statements

At preparation of the Company's financial statement, the assets and liabilities of QDP that were contributed into the Company are recognised based on the appraisal values approved by the competent state-owned assets management authorities.

3 Accounts receivable

	31 December 2016	31 December 2015
Accounts receivable	1,394,218,334	1,324,319,048
Less: Provision for bad debts	(86,607,390)	(67,700,005)
	1,307,610,944	1,256,619,043

The Group's sales or services are partially made by cash, advances from customers, bank acceptance notes and trade acceptance notes. The remains are settled by providing credit terms from 30 to 90 days.

The ageing based on their recording dates of accounts receivable and related provision for bad debts are analysed below:

	31 December 2016			31 December 2015		
	Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Within 1 year	1,341,049,189	96.18%	(63,670,000)	1,267,021,499	95.67%	(48,990,814)
1 to 2 years	26,373,584	1.89%	(3,741,964)	43,846,991	3.31%	(8,058,925)
2 to 3 years	17,645,193	1.27%	(10,133,713)	4,060,139	0.31%	(1,734,250)
3 to 4 years	-	-	-	541,707	0.04%	(164,804)
4 to 5 years	526,655	0.04%	(438,000)	175,000	0.01%	(87,500)
Over 5 years	8,623,713	0.62%	(8,623,713)	8,673,712	0.66%	(8,663,712)
	1,394,218,334	100.00%	(86,607,390)	1,324,319,048	100.00%	(67,700,005)

Accounts receivable are mainly recorded based on the date of transaction. The ageing of accounts receivable represented on their recording dates is basically the same as the ageing represented based on the dates of invoice.

4 Accounts payable

The ageing of accounts payable based on their recording dates is analysed as follows:

	31 December 2016	31 December 2015
Within 3 months	469,177,439	461,547,118
3 to 6 months	296,884,626	295,701,396
Over 6 months	359,774,957	582,311,662
	1,125,837,022	1,339,560,176

5 Bonds payable

	31 December 2015	Issued during the current year	31 December 2016
Corporate bonds payable	-	3,500,000,000	3,500,000,000

Under Zheng Jian Xu Ke [2016] No. 153 approved by China Securities Regulatory Commission, the Company issued the first tranche of corporate bonds of RMB1.5 billion and the second tranche of corporate bonds of RMB2 billion respectively on 16 March 2016 and 6 June 2016. Term of the aforesaid bonds is 5 years, interest of the bonds is paid annually and calculated by the simple interest method, and the fixed annual interest rates are 2.90% and 3.09% respectively.

6 Dividends

Pursuant to the resolutions at the board meeting dated on 18 March 2016 and the annual general meeting on 6 June 2016, the Board proposed a dividend of RMB664,552,612 to the shareholders of the Company for 2015, representing RMB139.08 (tax inclusive) per thousand shares. The aforesaid approved total dividends have been paid to the shareholders in July 2016.

Pursuant to the resolution at the board meeting dated on 17 March 2017, the Board proposed a dividend for the year 2016 of RMB787,543,583 to the shareholders of the Company, representing RMB164.82 per thousand shares (tax inclusive), based on the current total issued share capital of the Company. Based on the total issued share capital of the Company upon completion of the Proposed Subscription and the Proposed New H Share Issue, the final dividend was RMB130.46 per thousand shares (tax inclusive) for the year 2016. The above proposal is to be approved by the shareholders at the Company's annual general meeting to be held on 28 June 2017. The financial statements do not reflect this dividend payable.

During the year ended 31 December 2016, certain of the Group's non-wholly owned subsidiaries had paid dividends to non-controlling shareholders of RMB24,313,063.

7 Revenue and cost of sales

	Year ended 31 December 2016	Year ended 31 December 2015
Revenues from main operations	7,753,246,540	6,463,052,927
Revenues from other operations	930,943,126	906,184,477
	8,684,189,666	7,369,237,404

	Year ended 31 December 2016	Year ended 31 December 2015
Cost of main operations	(5,513,491,350)	(4,731,764,592)
Cost of other operations	(539,272,805)	(562,525,709)
	(6,052,764,155)	(5,294,290,301)

8 Taxes and surcharges

	Year ended 31 December 2016	Year ended 31 December 2015
Land use tax	34,819,063	-
Business tax	27,943,788	39,857,482
City maintenance and construction tax	18,755,598	18,252,544
Educational surcharges	13,422,180	12,655,487
Real estate tax	4,591,137	-
Stamp duty	4,137,161	-
Others	6,753,268	4,647,155
	110,422,195	75,412,668

9 Non-operating income and expenses

(a) Non-operating income

	Year ended 31 December 2016	Year ended 31 December 2015
Gains on disposal of non-current assets	47,853,808	15,923,537
Including: Gains on disposal of fixed assets	14,887,850	15,923,537
Gains on disposal of investment properties	32,965,958	-
Government grants	42,282,747	11,525,424
Commission from port construction fees	13,855,421	14,171,747
Unpayable dues	217,894	6,723,675
Others	13,775,147	851,663
	117,985,017	49,196,046

(b) Non-operating expenses

	Year ended 31 December 2016	Year ended 31 December 2015
Losses on disposal of non-current assets	5,712,731	9,484,402
Including: Losses on disposal of fixed assets	5,712,731	9,484,402
Expenditures for donations	-	10,000
Others	1,325,988	311,818
	7,038,719	9,806,220

10 Income tax expenses

	Year ended 31 December 2016	Year ended 31 December 2015
Current income tax calculated based on tax law and related regulations	580,328,550	440,081,555
Deferred income tax	(14,806,483)	30,977,202
	565,522,067	471,058,757

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses is listed below:

	Year ended 31 December 2016	Year ended 31 December 2015
Total profit	2,864,614,263	2,450,195,461
Income tax expenses calculated at applicable tax rates	716,153,566	612,548,866
Investment income not subject to tax	(198,278,896)	(168,647,257)
Extra-deducted salary for disabled employees	(2,140,332)	(2,295,489)
Costs, expenses and losses not deductible for tax purposes	49,787,729	29,452,637
Income tax expenses	565,522,067	471,058,757

11 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	Year ended 31 December 2016	Year ended 31 December 2015
Consolidated net profit attributable to ordinary shareholders of the Company	2,186,153,537	1,911,916,281
Weighted average number of ordinary shares outstanding	4,778,204,000	4,778,204,000
Basic earnings per share	0.46	0.40
Including:		
- Basic earnings per share from continuing operations	0.46	0.40
- Basic earnings per share from discontinued operations	N/A	N/A

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding. As there were no dilutive potential ordinary shares for year ended 31 December 2016 (For year ended 31 December 2015: Nil), diluted earnings per share equal to basic earnings per share.

12 Segment information

The Group's management assesses the Group's performance and determines reportable segments by service category. Different service categories require different technologies and marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions on resources allocation to these segments and to assess their performance.

The Group identified six reportable segments as follows:

- Container handling and ancillary services: loading and discharging of containers, storage and port management;
- Metal ores, coal and other cargo handling and ancillary services: loading and discharging of metal ore, coal, grains, break bulk cargo and other cargo, storage and port management;
- Liquid bulk handling and ancillary services: loading and discharging of liquid bulk, storage, transport and port management;
- Logistics and port value-added services: CFS, provision of cargo logistics, freight forwarding, towing, tallying and other services;
- Port ancillary services: provision of facilities construction services, manufacturing of port related equipment, supplying electricity power, fuel and others; and
- Financial services: provision of financial products and services including provision of deposit taking activities, corporate loans, financial leasing, guarantee, agency insurance and others.

The Group's major operational activities are carried out in Mainland China. The Group's management does not separately manage the production and operation by region. Therefore, segment performance is not separately presented by region.

Inter-segment transfer prices are mutually agreed with reference to the market price. The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment.

12 Segment information (Cont'd)

(a) Segment information for the year ended 31 December 2016 and as at 31 December 2016 is listed as follows:

	Container handling and ancillary services	Metal ores, 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	Unallocated	Elimination	Total
Revenue from external customers	192,631,867	2,838,490,967	127,832,701	3,385,348,533	2,119,961,543	326,347,137	-	-	8,990,612,748
Inter-segment revenue	-	78,957,798	-	162,644,900	727,314,268	27,891,239	-	(996,808,205)	-
Cost of sales	(65,817,305)	(2,158,171,925)	(29,613,781)	(2,183,585,271)	(1,619,547,464)	(49,367,005)	-	-	(6,106,102,751)
Interest income	-	2,689,352	659,783	10,577,703	2,966,218	265,548	120,239,486	(74,813,027)	62,585,063
Interest expenses	-	(18,020,157)	(4,158,695)	(3,327,216)	(4,283,808)	-	(95,325,680)	20,284,705	(104,830,851)
Share of profit of an associate and joint ventures	508,562,834	20,070,775	198,334,059	66,147,914	-	-	-	-	793,115,582
Provision for asset impairment losses	-	(26,009,224)	-	(651,442)	(7,540,726)	(10,958,570)	-	-	(45,159,962)
Depreciation and amortisation	(11,706,355)	(243,320,039)	(22,602,077)	(83,749,120)	(166,028,859)	(2,096,182)	(8,970,860)	-	(538,473,492)
Total profit	626,914,127	365,279,803	287,486,752	1,149,686,057	328,250,299	268,995,257	(107,113,115)	(54,884,917)	2,864,614,263
Income tax expenses	-	(4,034,541)	(128,231)	(206,675,010)	(49,232,449)	(63,668,627)	(251,630,993)	9,847,784	(565,522,067)
Net profit	626,914,127	361,245,262	287,358,521	943,011,047	279,017,850	205,326,630	(358,744,108)	(45,037,133)	2,299,092,196
Total assets	2,655,798,140	9,007,589,448	5,683,007,892	3,783,253,375	5,268,388,794	11,740,323,910	5,974,601,883	(5,830,389,236)	38,282,574,206
Total liabilities	65,930,000	3,372,943,094	2,857,693,074	1,227,202,045	6,865,117,764	10,695,724,344	4,516,521,673	(6,801,116,411)	22,800,015,583
Non-cash expenses other than depreciation and amortisation	-	50,030,000	50,000	1,350,000	26,740,000	20,000	-	-	78,190,000
Long-term equity investments in an associate and joint ventures	2,086,528,844	970,862,239	1,590,261,514	401,387,203	-	90,000,000	-	-	5,139,039,800
Additions of non-current assets (i)	-	815,390,397	1,946,510,807	118,910,462	34,563,207	40,348,511	7,118,058	(47,371,558)	2,915,469,884

(i) Non-current assets do not include financial assets, long-term equity investments and deferred tax assets.

12 Segment information (Cont'd)

(b) Segment information for the year ended 31 December 2015 and as at 31 December 2015 is listed as follows:

	Container handling and ancillary services	Metal ores, 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	Unallocated	Elimination	Total
Revenue from external customers	190,342,740	2,942,473,313	99,149,244	2,417,114,056	1,714,322,910	251,911,572	-	-	7,615,313,835
Inter-segment revenue	-	32,317,789	-	15,113,986	674,295,715	6,429,647	-	(728,157,137)	-
Cost of sales	(60,799,771)	(2,273,653,971)	(17,447,753)	(1,597,700,864)	(1,343,083,168)	(32,936,803)	-	-	(5,325,622,330)
Interest income	-	1,926,594	3,621,118	6,357,221	2,024,877	83,392	21,175,419	(30,836,295)	4,352,326
Interest expenses	-	(5,703,549)	-	(218,076)	-	-	(9,091,448)	3,684,744	(11,328,329)
Share of profit of an associate and joint ventures	428,805,850	17,424,485	169,595,579	58,763,113	-	-	-	-	674,589,027
Provision for asset impairment losses	-	(24,644,518)	-	(31,630,304)	(1,148,611)	(29,854,357)	-	-	(87,277,790)
Depreciation and amortisation	(12,353,274)	(259,130,345)	(8,464,335)	(81,505,689)	(125,608,777)	(1,909,819)	(13,973,063)	-	(502,945,302)
Total profit	697,932,345	453,079,621	250,894,716	758,033,691	251,475,903	158,557,820	(96,174,506)	(23,604,129)	2,450,195,461
Income tax expenses	-	(1,836,026)	(31,268)	(92,777,429)	(70,317,237)	(38,881,013)	(271,175,268)	3,959,484	(471,058,757)
Net profit	697,932,345	451,243,595	250,863,448	665,256,262	181,158,666	119,676,807	(367,349,774)	(19,644,645)	1,979,136,704
Total assets	2,082,933,356	8,672,078,363	3,168,700,375	3,074,274,627	4,885,526,003	9,423,626,626	2,738,518,690	(2,363,824,608)	31,681,833,432
Total liabilities	75,150,000	3,095,173,809	655,526,967	972,937,383	6,574,070,361	8,095,663,634	1,438,235,161	(2,772,818,928)	18,133,938,387
Non-cash expenses other than depreciation and amortisation	-	24,280,000	90,000	7,620,000	34,020,000	30,000	-	-	66,040,000
Long-term equity investments in an associate and joint ventures	1,864,437,549	948,996,083	1,483,305,305	401,300,994	-	-	-	-	4,698,039,931
Additions of non-current assets (i)	-	989,504,068	381,429,441	69,083,785	176,618,748	995,981	3,204,531	(42,839,070)	1,577,997,484

(i) Non-current assets do not include financial assets, long-term equity investments and deferred tax assets.

12 Segment information (Cont'd)

(c) Reconciliation between reportable segment revenue from external customers, reportable segment interest income, reportable segment cost of sales and reportable segment interest expenses and amounts in consolidated financial statements is listed as follows:

	Year ended 31 December 2016	Year ended 31 December 2015
Revenue -		
Reportable segment revenue from external customers	8,990,612,748	7,615,313,835
Reclassification of interest income of Qingdao Finance (i)	(306,423,082)	(246,076,431)
Consolidated revenue	8,684,189,666	7,369,237,404
Interest income -		
Reportable segment interest income	62,585,063	4,352,326
Reclassification of interest income of Qingdao Finance (i)	306,423,082	246,076,431
Consolidated interest income	369,008,145	250,428,757
Cost of sales-		
Reportable segment cost of sales	6,106,102,751	5,325,622,330
Reclassification of interest expenses of Qingdao Finance (ii)	(53,338,596)	(31,332,029)
Consolidated cost of sales	6,052,764,155	5,294,290,301
Interest expenses -		
Reportable segment interest expenses	104,830,851	11,328,329
Reclassification of interest expenses of Qingdao Finance (ii)	53,338,596	31,332,029
Consolidated interest expenses	158,169,447	42,660,358

(i) Reportable segment revenue from external customers includes interest income of Qingdao Finance, which is presented as financial expenses - interest income in the consolidated financial statements.

(ii) Reportable segment interest expenses do not include interest expenses of Qindao Finance, which are presented as cost of sales in segment information.

AUDITOR'S WORKS ON THE PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers Zhong Tian LLP, to the amounts set out in the audited consolidated financial statements of the Group for the year as tabled for approval by the board of directors on 17 March 2017. The work performed by PricewaterhouseCoopers Zhong Tian LLP 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 Zhong Tian LLP on the preliminary results announcement.

According to the *Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong*（《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》） published by the Hong Kong Stock Exchange in December 2010, Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using Mainland accounting standards, and Mainland audit firms approved by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are allowed to serve these issuers using Mainland auditing standards. In order to improve efficiency and to reduce the cost of disclosure and audit expenses, on 18 May 2016, the Board resolved to change the accounting standard of the international financial statements of the Company from the International Financial Reporting Standards to the China Accounting Standards for Business Enterprises. For details, please refer to the announcement of the Company dated 18 May 2016. Starting from the year 2016, the financial statements of the Company have been prepared in accordance with the China Accounting Standards for Business Enterprises and the relevant regulations.

PricewaterhouseCoopers Zhong Tian LLP was appointed as the Company's auditor at the annual general meeting of the Company held on 6 June 2016 to audit the financial statements which are prepared in accordance with the China Accounting Standards for Business Enterprises for the year ended 31 December 2016. PricewaterhouseCoopers has ceased to act as the international auditor of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2016, the macro economy of China confronted more difficulties and harsh challenges. The downward pressure of economy continued to increase. The growth rate of the gross domestic product (**"GDP"**) of China for 2016 decreased by 0.2 percentage point to 6.7% as compared to the same period in the prior year *(Sources: statistics from National Bureau of Statistics of the PRC)*. The growth rate of demand for export and import of goods further slowed down. The total export and import trade value of China for 2016 decreased by 7.7% and 5.5% respectively as compared to the same period in the prior year *(Sources: statistics from General Administration of Customs of the PRC).*

In 2016, the growth of throughput among ports in China remained slow. The total amount of cargo throughput of the above-scale coastal ports increased by 3.1% as compared to the same period in the prior year, and the throughput of foreign trade cargo rose by 3.9% as compared to the same period in the prior year *(Sources: 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 logistics system and port industry chain and diversified profit model will stand out from the competitors.

In 2016, the Group positively coped with the changes of the macro economy and vigorously 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 its logistics, finance, internet and other emerging businesses as the drivers. In the "New Normal" economic environment, the Company achieved sustainable steady growth, and provided satisfactory returns to the shareholders.

In the aspect of terminal business, the Group accurately grasped business opportunities in industry trend, such as the alliance in the container shipping business, large-size vessels, an increase amount of Valemax ore carriers entering into China, an increase in quota of crude oil processing and importing for regional refineries in Shandong Province. Relying on our professional and efficient deep water terminals, developed distribution network system, continuously increasing storage capacity of the storage yard and improving industry chains for ancillary processing and value-added service, the Group designed a comprehensive "door-to-door" logistics services solution which turned its advanced infrastructure into its competitiveness and laid the foundation for a sustainable development.

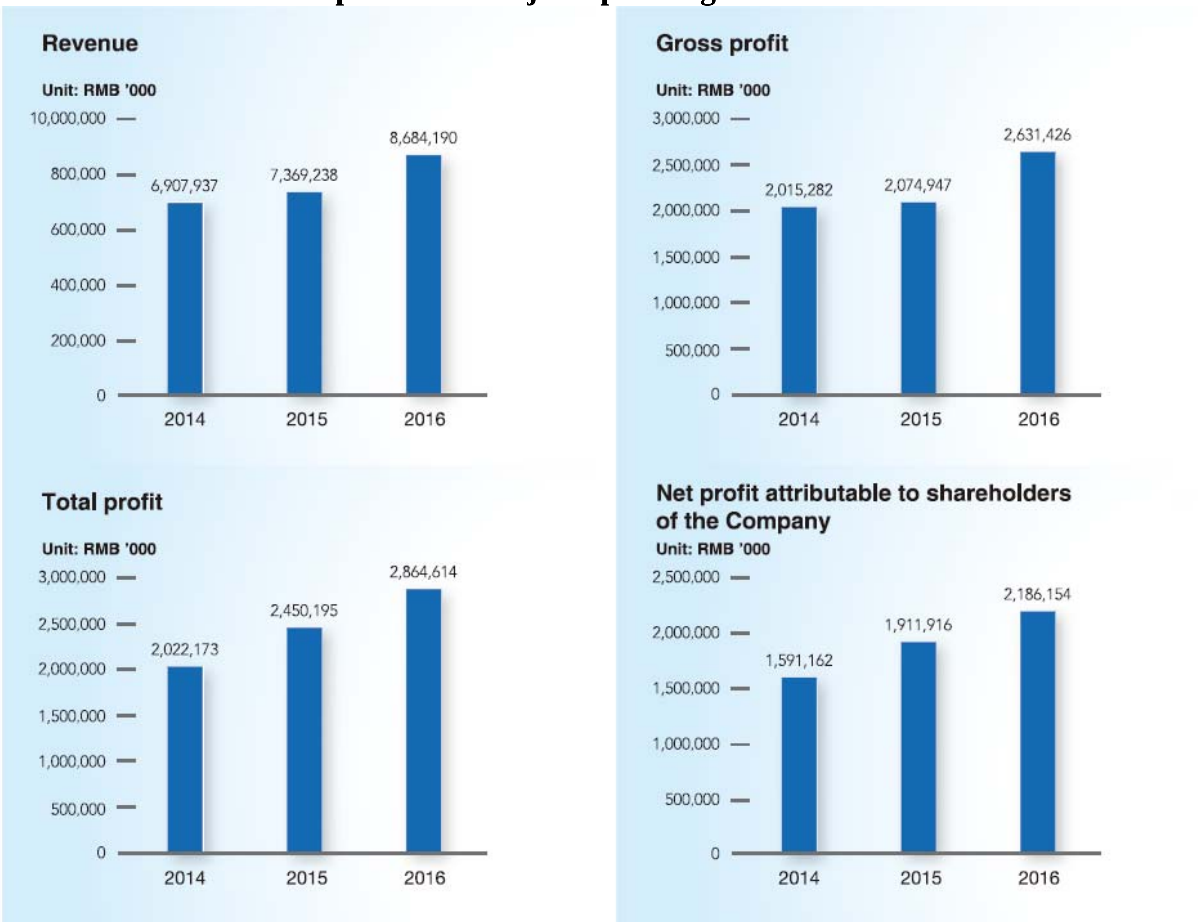
In the aspect of new businesses, the Group scientifically planned its investment portfolio to take full advantage of the port's ability in terms of cargo source control and supply chain resource allocation, integrated various social resources through light-assets joint venture and cooperation model, and improved the operating efficiency of social logistics resources through information technology, to provide the clients a whole industry chain integrated logistics services including agency, stevedoring, CFS storage, transportation and other services. Meanwhile, by efficiently integrating and matching the financial resources and funding needs of port-related entities and providing financial services such as deposits, loan, electronic banking notes and letter of guarantee, the Group has established a diversified profit increasing model.

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.

For the year ended 31 December 2016, the cargo throughput of the Group together with its joint ventures and an associate (without taking into account the respective shareholding percentage the Company has in those joint ventures and an associate) amounted to 443 million tons in total, representing an increase of 3.1% as compared to the same period in the prior year, among which, the foreign trading cargo throughput amounted to 329 million tons, representing an increase of 4.5% as compared to the same period in the prior year.

Comparison of Major Operating Indicators



The total revenue of the Group amounted to RMB8,684 million for the year ended 31 December 2016, representing an increase of RMB1,315 million or 17.8% as compared to the same period in the prior year. Such increase was mainly due to the increases in revenue from logistics and port value-added services and port ancillary services, making up the decrease in revenue from the metal ore, coal and other cargo handling and ancillary services.

The gross profit of the Group was RMB2,631 million for the year ended 31 December 2016, representing an increase of RMB556 million or 26.8% as compared to the same period in the prior year. Such increase was mainly due to the increases in gross profit of logistics and port value-added services and port ancillary services.

The sales and administration expenses of the Group was RMB651 million for the year ended 31 December 2016, representing an increase of RMB204 million or 45.6% as compared to the same period in the prior year. Such increase was mainly due to the provisions of RMB200 million for supplemental retirement benefits and the additional early retirement benefits, which will be dispensed in later years.

The investment income of the Group from joint ventures and associated companies amounted to RMB793 million for the year ended 31 December 2016, representing an increase of RMB118 million or 17.5% as compared to the same period in the prior year. Such increase was mainly due to the increases in profit from the container handling and ancillary services and liquid bulk handling and ancillary services of the joint ventures.

The total profit of the Group amounted to RMB2,865 million for the year ended 31 December 2016, representing an increase of RMB415 million or 16.9% as compared to the same period in the prior year. The total profit of the Group represented an increase of RMB568 million or 24.7% as compared to the same period in the prior year if eliminating the impact of the gains from the disposal of the equity interests in Riqing Container.

The net profit attributable to shareholders of the Company amounted to RMB2,186 million for the year ended 31 December 2016, representing an increase of RMB274 million or 14.3% as compared to the same period in the prior year. The net profit attributable to shareholders of the Company represented an increase of RMB389 million or 21.6% as compared to the same period in the prior year if eliminating the impact of the gains from the disposal of the equity interests in Riqing Container.

2. Segment Review and Business Review

Segment Results

Unit: RMB'000

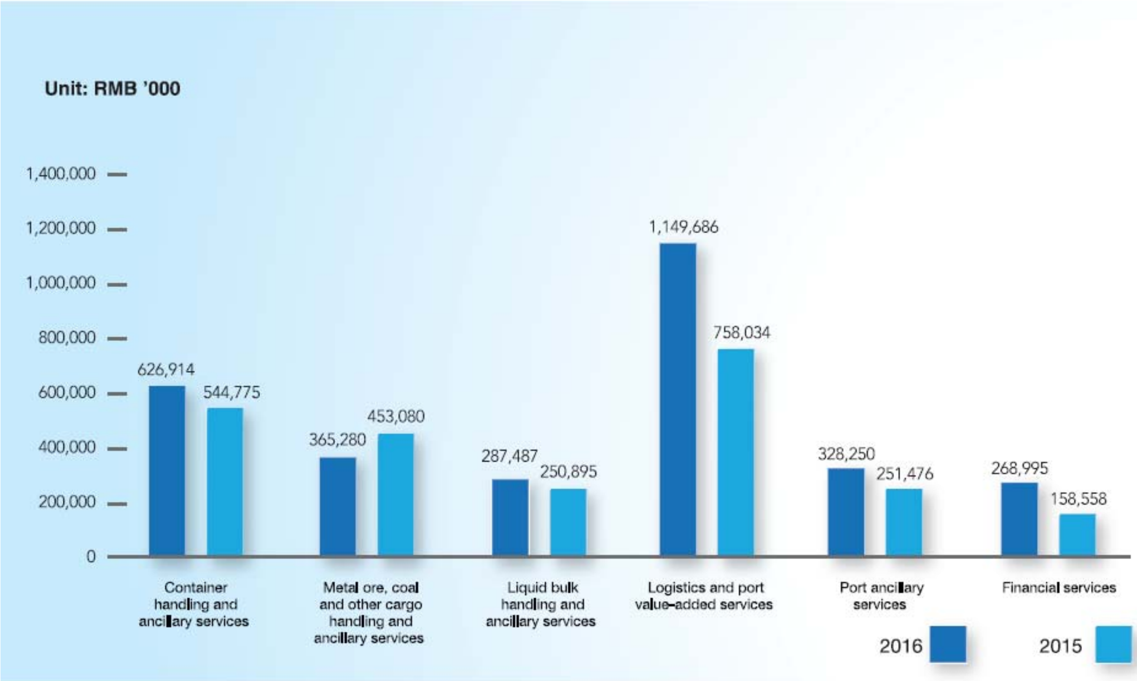
Business Segments	2016 Results	2016 Percentage of the total	2015 Results	2015 Percentage of the total	Change
Container handling and ancillary services	**626,914**	20.7%	**697,932**	27.2%	-10.2%
Metal ore, coal and other cargo handling and ancillary services	**365,280**	12.1%	**453,080**	17.6%	-19.4%
Liquid bulk handling and ancillary services	**287,487**	9.5%	**250,895**	9.8%	14.6%
Logistics and port value-added services	**1,149,686**	38.0%	**758,034**	29.5%	51.7%
Port ancillary services	**328,250**	10.8%	**251,476**	9.8%	30.5%
Financial services	**268,995**	8.9%	**158,558**	6.1%	69.7%
Total results before inter-segment elimination	**3,026,612**	100.0%	**2,569,975**	100.0%	17.8%

Segment Results
(Eliminated the gains from the disposal of the equity interests in Riqing Container)

Unit: RMB'000

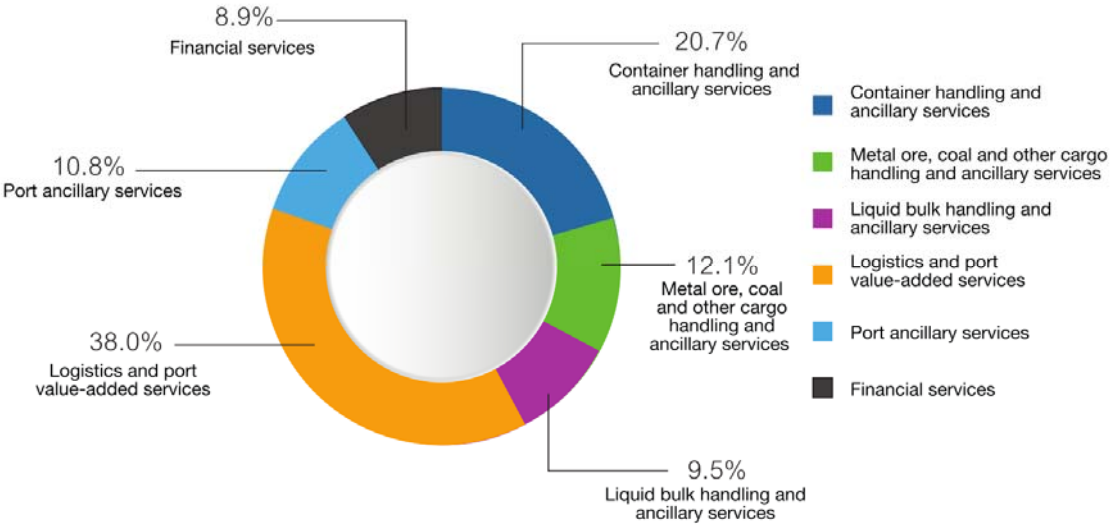
Business Segments	2016 Results	2016 Percentage of the total	2015 Results	2015 Percentage of the total	Change
Container handling and ancillary services	**626,914**	20.7%	**544,775**	22.5%	15.1%
Metal ore, coal and other cargo handling and ancillary services	**365,280**	12.1%	**453,080**	18.7%	-19.4%
Liquid bulk handling and ancillary services	**287,487**	9.5%	**250,895**	10.4%	14.6%
Logistics and port value-added services	**1,149,686**	38.0%	**758,034**	31.4%	51.7%
Port ancillary services	**328,250**	10.8%	**251,476**	10.4%	30.5%
Financial services	**268,995**	8.9%	**158,558**	6.6%	69.7%
Total results before inter-segment elimination	**3,026,612**	100.0%	**2,416,818**	100.0%	25.2%

Comparison of Segment Results



Note: the table above has eliminated the gains from the disposal of the equity interests in Riqing Container in 2015.

Breakdown of segment results for the year ended 31 December 2016



On the basis of further expanding and improving the basic port business of stevedoring by consolidating its advantages, the Group maintained a sustainable and healthy growth of the operation results by taking full advantages of its port resources, further implementing the construction of modern logistics together with "The Three Strategies", namely, the Financial Strategy, the Internationalization Strategy, and the Internet Strategy, and creating a diversified comprehensive port ecosystem.

The details are set out as below:

(1) Container handling and ancillary services

Unit: RMB'000

Item	2016	2015	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**192,632**	190,343	2,289	1.2%
Cost of sales	**65,817**	60,800	5,017	8.3%
Gross profit	**126,815**	129,543	-2,728	-2.1%
Profit of Consolidated Group Companies	**118,351**	115,969	2,382	2.1%
Joint ventures				
Revenue	**3,369,157**	3,035,206	333,951	11.0%
Cost of sales	**1,136,009**	1,120,446	15,563	1.4%
Share of post-tax profit of joint ventures	**508,563**	428,806	79,757	18.6%
Disposal of equity interests in Riqing Container	-	153,157	-153,157	-100.0%
Segment results	**626,914**	697,932	-71,018	-10.2%

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

In 2016, focusing on the goal of constructing the "International Hub Port in Northeastern Asia", the Group innovated its marketing model and developed the international transshipment business, and continued to improve its development advantage of container businesses. The main breakthroughs achieved in 2016 were as follows:

(1) The Group further implemented the headquarter strategy for shipping companies and innovated the grid marketing model, attracting shipping companies opening additional 20 shipping lines, including 16 lines linked to the Middle East, India and Southeast Asia areas covered by the "One Belt and One Road", which further optimized the layout of shipping lines of the Group. By optimizing its commercial policies and prompting the opening of transshipment channels, the international transshipment container volume increased by more than 50% as compared to the same period in the prior year;

(2) The Group seized the opportunities brought by national strategies, expanded the scope of sea-rail intermodal transportation system and established the presence of inland ports. The Group further increased its sea-rail intermodal transport routes to 31 lines and achieved an increase of 60% in the container volume of the sea-rail intermodal transport as compared to the same period in the prior year, further strengthening its radiating capacity over the inland hinterland market; and

(3) The Group established a large customer service system based on key export and

import cargo types and consolidated the port cargo sources. The operation volume of foreign trade loaded containers increased fast.

In the year 2016, the segment results of container handling and ancillary services amounted to RMB627 million, representing a decrease of 10.2% as compared to the same period in the prior year. After eliminating the impact of the gains from the disposal of the equity interests of Riqing Container, the segment results represented an increase of RMB82 million or 15.1% as compared to the same period in the prior year.

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

Unit: RMB'000

Item	2016	2015	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**2,838,491**	2,942,473	-103,982	-3.5%
Cost of sales	**2,158,172**	2,273,654	-115,482	-5.1%
Gross profit	**680,319**	668,819	11,500	1.7%
Profit of Consolidated Group Companies	**345,209**	435,656	-90,447	-20.8%
Joint ventures				
Revenue	**1,289,231**	1,220,429	68,802	5.6%
Cost of sales	**955,486**	906,373	49,113	5.4%
Share of post-tax profit of joint ventures	**20,071**	17,424	2,647	15.2%
Segment results	**365,280**	453,080	-87,800	-19.4%

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

In 2016, the Group seized the market opportunity of "Age of Large-Sized Vessel" led by Valemax and established a new developing model of "integration of stevedoring, whole-process logistics and trading finance" to promote the integration of cargo source. The main breakthroughs achieved in 2016 were as follows:

(1) The Group implemented headquarters strategy to expand multimodel transportation between river and sea. Meanwhile, the size of ancillary value-added services such as mixing ore, matching ore and bonded service realized expansion, among which, mixing ore business ranked the first among the coastal ports in China. Valemax ore vessels berthed 41 times at Dongjiakou Port , and the operational volume of the iron ore contributed by which exceeded 13 million tons, representing an increase of nearly nine percentage points in contribution rate of cargo source; and

(2) The Group scientifically planned the routes of transportation for the clients, and provided them with the solution of whole-process logistics and value-added services to strengthen the client dependency and to improve the market competitiveness.

For the year 2016, the revenue of metal ore, coal and other cargo handling and ancillary services was RMB2,838 million, representing a decrease of 3.5% as compared to the same period in the prior year. Such decrease was mainly due to the adjustment to the mix of the cargo types and business policies, resulting in a decrease in the revenue of subcontract business of the Consolidated Group Companies (the cost of subcontract business of the Consolidated Group Companies decreased correspondingly) together with the provision of "volume and price guarantee" policy to clients in order to respond to the market competition, which resulting in a decrease of average rates. The gross profit amounted to RMB680 million, representing an increase of 1.7% as compared to the same period in the prior year, which was mainly attributed to the enhancing cost control in labor cost, material cost and energy consumption. The segment results of the metal ore, coal and other cargo handling and ancillary services was RMB365 million, representing a decrease by RMB88 million as compared to the same period in the prior year, which was mainly due to the increase in the provision of supplemental retirement benefits and the additional early retirement benefits of RMB105 million, which will be dispensed in later years.

(3) Liquid bulk handling and ancillary services

Unit: RMB'000

Item	**2016**	**2015**	**Changed amount**	**Changed percentage**
Consolidated Group Companies				
Revenue	**127,833**	99,149	28,684	28.9%
Cost of sales	**29,614**	17,448	12,166	69.7%
Gross profit	**98,219**	81,701	16,518	20.2%
Profit of Consolidated Group Companies	**89,153**	81,299	7,854	9.7%
Joint ventures				
Revenue	**1,027,887**	834,365	193,522	23.2%
Cost of sales	**432,187**	326,490	105,697	32.4%
Share of post-tax profit of joint ventures	**198,334**	169,596	28,738	16.9%
Segment results	**287,487**	250,895	36,592	14.6%

Note: Amounts of revenue and cost of sales of the joint ventures represent the total amount of revenue and cost of sales in the financial information of joint ventures of the Company such as Qingdao Shihua and Haiwan Liquid Chemical without taking into account of the shareholding percentage held by the Company in those joint ventures. See "Summarised Financial Information of Joint Ventures" for more details on Qingdao Shihua's financial information.

In 2016, the Group seized the opportunity of the increase in import and process of crude oil quota of local refineries in Shandong province, maximizing the terminal capacity through improving the efficiency of railway, pipeline, highway and waterway. The main breakthroughs achieved in 2016 were as follows:

(1) The Group enhanced its cooperation with local refineries and trading companies and provided them with customized service plans, achieving a fast growth in the import amount of crude oil. The Group also innovated production organization to upgrade the technology of loading for trains, to improve the capacity of delivery for pipeline, to develop and operate the platform of highway transport for oil. As a result, the transportation volume and berth utilization ratio increased significantly

by 17% and 21%, respectively, as compared to the same period of the prior year; and

(2) The oil tank with a capacity of 2.46 million cubic meters in Dongjiakou Port Area was put into operation, which further released the terminal throughput capacity of the port and drove the increase of crude oil storage business.

In 2016, the segment result of liquid bulk handling and ancillary services was RMB287 million, representing an increase of 14.6% as compared to the same period of last year. Such increase was mainly due to an increase of throughput and storage for the liquid bulk and the optimization and adjustment of business policy.

(4) Logistics and port value-added services

Unit: RMB'000

Item	2016	2015	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**3,385,348**	2,417,114	968,234	40.1%
Cost of sales	**2,183,585**	1,597,701	585,884	36.7%
Gross profit	**1,201,763**	819,413	382,350	46.7%
Profit of Consolidated Group Companies	**1,083,538**	699,270	384,268	55.0%
Joint ventures and an associate				
Revenue	**829,619**	674,409	155,210	23.0%
Cost of sales	**589,393**	457,779	131,614	28.8%
Share of post-tax profit of joint ventures and an associate	**66,148**	58,764	7,384	12.6%
Segment results	**1,149,686**	758,034	391,652	51.7%

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

The Group leveraged the port as the hub and center for the whole process of the port logistics, integrated the resources from upstream and downstream industry and developed a new mode of whole-process logistics consisting of port, CFS, agency, transport fleets and shipping. A developing mode of comprehensive whole-process logistics vendor has been preliminarily established. The main breakthroughs achieved in 2016 were as follows:

(1) The strong alliance in CFS and storage business created synergic effect. We have formed a CFS bunch covering northern and southern shore of Qianwan Port Area and stretching to Dongjiakou Port Area. The handling container volume represented a growth rate of 112% as compared to the same period of last year, ranking the first among CFSs in the Port of Qingdao;

(2) Agency service reinforced the whole-process marketing and brand marketing. There was an increase of 11 shipping companies and 20 shipping lines in shipping

agency business of the Consolidated Group Companies with an increase of 57% in the amount of ship shifts as compared to the same period of last year, and the volume of freight forwarding of the Consolidated Group Companies increased by 405% as compared to the same period of last year;

(3) The logistics business constructed an e-commerce port logistics services system. The main function of the e-commerce logistics services system commenced operation with registered companies and trucks amounted over 100 and 20,000, respectively, effectively drove the integration of logistics resources in the Port of Qingdao; and

(4) While maintaining the traditional increment, the tugging and tallying business actively sought cooperation opportunities to explore new businesses, such as shipping, inspection and supervision of loading.

In 2016, the revenue of logistics and port value-added services was RMB3,385 million, representing an increase of 40.1% as compared to the same period of last year. Such increase was mainly due to a sustainable increase of business volume. The segment results accounted to RMB1,150 million, representing an increase of 51.7% as compared to the same period of last year. Such increase was mainly due to the increase in profit of CFS and agency businesses.

(5) Port ancillary services

Unit: RMB'000

Item	2016	2015	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**2,119,962**	1,714,323	405,639	23.7%
Cost of sales	**1,619,547**	1,343,083	276,464	20.6%
Gross profit	**500,415**	371,240	129,175	34.8%
Profit of Consolidated Group Companies	**328,250**	251,476	76,774	30.5%
Segment results	**328,250**	251,476	76,774	30.5%

In 2016, the segment results of port ancillary services amounted to RMB328 million, representing an increase of 30.5% as compared to the same period in the prior year, mainly due to the enhancement of increasing profit in engineer construction and supplying electricity power in the port.

(6) Financial services

Unit: RMB'000

Item	2016	2015	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**326,347**	251,911	74,436	29.5%
Cost of sales	**49,367**	32,937	16,430	49.9%
Gross profit	**276,980**	218,974	58,006	26.5%
Profit of Consolidated Group Companies	**268,995**	158,558	110,437	69.7%

Segment results	**268,995**	158,558	110,437	69.7%

The Group thoroughly implemented finance strategy with the integrative development of "Industry with Finance" as the main line, focusing on innovating business model by diversifying financial businesses and establishing an integrated and clustered financial ecosystem of the port. The main breakthroughs achieved in 2016 were as follows:

(1) Qingdao Finance enhanced the delicacy management of funds to not only meet the financing demand of its members but also create benefits from funds. Qingdao Finance successfully got the approval to operate these businesses, including the spot foreign exchange business, the securities investment, the equity investment by financial institution, the buyer's credit and other business, basically achieved the operation with full licenses;

(2) The Group further diversified and fostered new financial business, making equity investment in Qingdao Qingyin Financial Leasing Company Limited as to 9% of its equity interests, making the layout of financial business more extensive; and

(3) The Group accelerated to promote the integration of industry and finance, creating a sharing platform of industry and finance. The Group also innovated a new model of pledging supervision, promoted the application of bulk commodities trade financing system "Bank-Port Connect", and entered into cooperation agreements with 21 banks to achieve cooperation on pledging supervision, which not only provided support to the clients' financing activities but also effectively promoted the development of terminal business. The Group promoted the establishment of an online payment platform and explored the development of internet finance.

In 2016, the segment result of financial services amounted to RMB269 million, representing an increase of 69.7% as compared to the same period of last year. Such increase was mainly attributed to an increase of profit in loan and financial leasing business.

3. Financial Position Analysis

Unit: RMB'000

Item	As at 31 December 2016	As at 31 December 2015	Changed Amount	Changed Percentage
Cash at bank and on hand	**8,100,294**	7,558,190	542,104	7.2%
Long-term receivables	**3,484,534**	1,679,671	1,804,863	107.5%
Long-term equity investments	**5,139,040**	4,698,040	441,000	9.4%
Fixed assets	**11,684,983**	8,479,171	3,205,812	37.8%
Construction in progress	**2,172,757**	3,490,376	-1,317,619	-37.8%
Other payables	**9,895,856**	8,241,744	1,654,112	20.1%
Bonds payable	**3,500,000**	-	3,500,000	N/A

As at 31 December 2016, the Group's cash at bank and on hand increased by RMB542 million or 7.2% as compared to the previous year, mainly due to the increase of cash from operating activities amounted to RMB959 million, the decrease of cash from investing activities amounted to RMB7,069 million, the increase of cash from financing activities amounted to RMB4,084 million, and the increase of cash in restricted funds including term deposits with initial term of over three months amounted to RMB2,557 million as compared to the previous year.

As at 31 December 2016, the Group's long-term receivables increased by RMB1,805 million or 107.5% as compared to the previous year, the increase consisting of the loans offered by the Group to its joint ventures.

As at 31 December 2016, the Group's long-term equity investments increased by RMB441 million or 9.4% as compared to the previous year, mainly due to the investment income as recognized by the Group under the equity method exceeded the dividends as declared by joint ventures and an associate.

As at 31 December 2016, the Group's fixed assets increased by RMB3,206 million as compared to the previous year, mainly due to an increase of RMB3,465 million converted from construction in progress projects, including the crude oil tank project in Dongjiakou Port Area, the break-bulk cargo berth project in Dongjiakou Port Area and the deepening and dredging harbor basin in Qianwan Port Area, and an decrease of RMB484 million in the provision for depreciation of fixed assets.

As at 31 December 2016, the Group's construction in progress decreased by RMB1,318 million as compared to the previous year, consisting of an increase of RMB2,220 million from the break-bulk cargo berth project and the crude oil tank project in Dongjiakou Port Area and the Dongjiakou Port-Weifang-Central and Northern Shandong oil pipeline construction project; and a decrease of RMB3,465 million transferred to fixed assets from the projects reaching prescribed utilizable status.

As at 31 December 2016, the Group's other payables increased by RMB1,654 million or 20.1% as compared to the previous year, mainly due to an increase of RMB691 million in deposits of members of the Group from Qingdao Finance and an increase of RMB779 million payables for facilities of construction.

As at 31 December 2016, the Group's bonds payable increased by RMB3,500 million as compared to the previous year, due to the corporate bonds of RMB3,500 million issued by the Group.

4. Cash Flow Analysis

For the year ended 31 December 2016, the Group's net cash outflow amounted to RMB2,015 million. Among which:

(1) net cash inflow from operating activities amounted to RMB959 million, mainly derived from the operating profit of Consolidated Group Companies;

(2) net cash outflow from investing activities amounted to RMB7,069 million, mainly comprising cash inflow of RMB334 million through the receipt of dividends from joint

ventures and an associate, cash inflow of RMB357 million arising from receipt of loans and interest of fixed term deposit with an initial term over three months, net cash outflow of RMB1,867 million for loans advanced to members, net cash outflow of RMB3,010 million for purchasing wealth management products and fixed term deposits with an initial term over three months, cash outflow of RMB2,500 million for purchasing and construction of port assets, cash outflow of RMB351 million arising from the increase of mandatory reserve deposit by Qingdao Finance; and

(3) net cash inflow from financing activities amounted to RMB4,084 million, mainly due to cash inflow of RMB3,500 million from issuing the corporate bonds, and cash inflow of RMB469 million from discounts of traded acceptance notes before their maturity, cash inflow of RMB691 million in absorbing deposits for Qingdao Finance, cash inflow of RMB274 million from equity investment by the minority shareholders of Consolidated Group Companies, cash outflow of RMB689 million for paying the dividends to the shareholders of the Company and minority shareholders of the holding companies, cash outflow of RMB100 million for paying the debt principals and interests.

In order to facilitate the understanding of shareholders and investors, after eliminating the impact of Qingdao Finance's and the Group's purchasing of the wealth management products and fixed term deposits over three months on the cash flow, the net cash inflow of the Group amounted to RMB2,844 million.

5. Liquidity and Financial Resources

As at 31 December 2016, the Group's cash at bank and on hand amounted to RMB8,100 million and wealth management products amounted to RMB890 million, mainly denominated in RMB. After eliminating the impact of Qingdao Finance, the self-owned fund and the wealth management products of the Group amounted to RMB3,567 million, among which, the cash of the Company amounted to RMB2,475 million. After eliminating impact of Qingdao Finance, the Group's total interest-bearing bank indebtedness amounted to RMB3,924 million, among which indebtedness at fixed rates amounted to RMB3,763 million and indebtedness at floating rates amounted to RMB161 million.

As at 31 December 2016, after eliminating the impact of Qingdao Finance, the gearing ratio of the Company was 8.82%.

6. Capital Structure

As at 31 December 2016, the total equity of the Group amounted to RMB15,483 million, representing an increase of RMB1,935 million as compared the previous year, due to an increase of RMB2,186 million in the total equity attributable to shareholders of the Company as a result of the increase in operating profit, a decrease of RMB665 million in the total equity attributable to shareholders of the Company due to the declaration of final dividend of the year 2015 by the Company, a decrease of RMB198 million in the total equity attributable to shareholders of the Company due to a payment for acquisition of assets among companies under common control, an increase of RMB238 million in the total equity attributable to shareholders of the Company due to supplemental retirement benefits through actuarial gains and an increase of RMB363 million in the interest of minority shareholders.

As at 31 December 2016, the Company issued 4,778,204,000 shares, among which 856,025,000 shares are H shares. The total market capitalization and H share market capitalization of the Company was approximately HK$17,632 million and HK$3,159 million, respectively (calculated based on the closing price of HK$3.69 of the Company on 30 December 2016).

7. Interest Rate and Exchange Rate Risks

As at 31 December 2016, cash at bank and on hand, receivables, payables and external bank borrowings subject to floating rate amounted to RMB5,901 million, RMB2,380 million, RMB5,982 million and RMB161 million, respectively. The Group has assessed the interest rate risk and anticipated that interest rate risk would have no material impact on the Group.

The Group's business activities are mainly conducted in the PRC and settled in RMB. As a result, changes in exchange rates do not have material effect on the Group.

The Group will continue to closely monitor risks in interest rate and exchange rates. The Group did not enter into any hedging arrangements with respect risks in interest rate and exchange rate risks for the year.

8. Financial indicators

Financial indicators	**2016**	**2015**	**Change**
Return on total assets	**6.57%**	6.57%	-
Return on net assets	**15.84%**	15.10%	0.74 percentage point
Interest coverage ratio	**18.35**	45.33	decrease 26.98 times
Dividend yield ratio	**4.99%**	4.80%	0.19 percentage point

In 2016, return on total assets of the Group was 6.57%, remaining unchanged as compared to the same period of last year, and return on net assets of the Group was 15.84%, representing an increase of 0.74 percentage point over the same period in the prior year. Such increase was mainly due to that the growth rate of net profit was higher than that of average net assets.

Summarized Financial Information of Joint Ventures

Set out below are the summarized financial information of joint ventures which are accounted under equity method. In the view of the directors of the Company, such financial information are material to the Group.

RMB'000

	QQCT		Qingdao Shihua	
	2016	**2015**	**2016**	**2015**
Revenue	**3,227,270**	2,896,493	**1,021,996**	834,365
Cost of sales	**(1,056,042)**	(1,040,786)	**(422,187)**	(326,487)
Profit before income tax	**2,111,582**	1,756,483	**546,251**	460,560
Income tax expenses	**(526,949)**	(442,490)	**(136,062)**	(115,136)
Net profit for the period	**1,584,633**	1,313,993	**410,189**	345,424
Attributable to non-controlling interests	**7,157**	(2,046)	**–**	—
Net profit attributable to the owners of joint ventures	**1,577,476**	1,316,039	**410,189**	345,424
Other distribution	**(957)**	(1,246)	**–**	—
Equity interest in joint ventures held by the Group	**31%**	31%	**50%**	50%
Share of profit by the Group before elimination	**488,721**	407,586	**205,095**	172,712
Unrealised profit	**-**	-	**(2,156)**	(2,848)
Share of post-tax profit by the Group accounted for using the equity method	**488,721**	407,586	**202,939**	169,864

The Influence of Qingdao Finance to the Consolidated Financial Statements of the Group

To facilitate the understanding of shareholders and investors, set out below is a brief summary of the influence on the consolidated balance sheet and consolidated income statement of the Group caused by the deposit and credit granting business of Qingdao Finance.

		RMB'000
Balance sheet	**31 December 2016**	**31 December 2015**
Cash at bank and on hand	**4,623,578**	4,986,899
Interests receivable	**23,852**	11,389
Other receivables	**239,398**	241,127
Other current assets	**800,000**	-
Current portion of non-current assets	**264,586**	26,972
Long-term receivables	**1,568,400**	1,481,175
Other payables	**6,981,474**	6,274,574
Interests payable	**30,626**	6,430
General reserve	**134,122**	77,670

		RMB'000
Income statement	**2016**	**2015**
Finance expenses – interest income	**306,423**	246,076
Finance expenses – interest expenses	**(53,339)**	(31,332)

9. Significant Capital Investment

In 2016, the Group had significant capital investment of RMB2,659 million, mainly consisting of the investment in the dry-bulk berth projects in the Dongjiakou Port Area, crude oil tank projects in the Dongjiakou Port Area, project of the Dongjiakou Port-Weifang-Central and Northern Shandong Oil Pipeline and other projects investment and payment for purchasing tug boats asset.

10. Significant Acquisition and Disposal of Subsidiaries, Joint Ventures and Associates

On 19 December 2016, the Company and Qingdao Port International Development (Hong Kong) Co., Ltd, one of the subsidiaries of the Company, contributed RMB13.12 million and RMB12.13 million, respectively, and acquired 77% equity interests in Qingdao QWG Port Logistics Co., Ltd. Upon the completion of the transaction, Qingdao QWG Port Logistics Co., Ltd., the previous joint venture of the Company, has become a wholly-owned subsidiary of the Company.

11. Pledge of Assets

As at 31 December 2016, bank acceptance bills of the Group with a value of approximately RMB66.2443 million have been pledged as the security for new issuance of bank acceptance notes.

12. Contingent Liabilities

As at 31 December 2016, there were not significant contingent liabilities in the Group.

13. Out Look For 2017

In 2017, the new normal characteristics of China's domestic economy will be more obvious and the "supply-side structural reforms" will be further deepened, but the keynote will still remain stable. The net increase of port throughput and average growth of the year will keep slowing down with a momentum of slow progress. Generally speaking, the port industry will face both opportunities and challenges.

The Company will pay close attention to the updated economic situation and the latest development of port and shipping industry, seize opportunities, take positive actions, focus on internal management, develop external market, innovate engine as well as grow steadily, in order to step up to develop into a organizing leader in comprehensive modern logistic service and to build up an international shipping center in Northeast Asia. As such, the Group will concentrate on the following six aspects:

Firstly, the Group will continue to steadily develop the stevedoring business as its core business. With respect to the container business, the Group will expand the international transshipment business and create a transshipment center influencing Northern China, facing Japan and South Korea, and extend to Middle Asia areas with the goal to build up an "international hub port in the Northeast Asia". With respect to the dry bulk business, the Group will make full use of its 400,000-ton terminal resources, expand such businesses as ore mixing and matching and futures settlement to build up a "ore supermarket" in China. With respect to the liquid bulk business, the Group will take advantage of the newly-built oil storage tanks and transportation network of oil pipelines in Dongjiakou Port Area to further increase its market share and maintain its leading position as the foreign trade oil port in China.

Secondly, the Group will scale up and speed up the modern logistics business. Centered on the three service systems of terminal process service, agency service and extended logistics service, the Group will set up platforms, build brands, and make its modern logistics bigger and stronger. Supported by the logistics e-commerce platform, the Group will accelerate the integrative development of stevedoring, transportation logistics, whole-process agency, terminal storage and container freight station businesses, continuously integrate the upstream and downstream industry chain, and create new mode of upgraded whole-process logistic service, in order to provide more customers with one-stop comprehensive logistic service, and improve its market control.

Thirdly, the Group will deeply implement the financial strategy. The Group will focus on the target of deepening the financial strategy and facilitating the integration of the industry and finance, rely on the port logistic industry, consolidate the internal and external financial resources, give play to the platform of "bank-port connection", accelerate the penetration in the upstream and downstream of the industry chain and integrated development of "modern logistics, stevedoring business, trading services and industry finance". The Group will establish one-stop comprehensive and integrated industry chain finance service platform and improve the Company's integrated financial service ability to achieve multi-win development of the business, finance and clients.

Fourthly, the Group will deeply implement internationalization strategy. The Group will rely on the national strategy of "One Belt and One Road" to extend cooperation fields and scope and expand development space. The Group will actively make preparation for the terminal operation of the Vado Ligure Port in Italy, accelerate the cooperation of terminal project in Abu Dhabi, the United Arab Emirates. The Group will proactively seek multi-field cooperation in overseas terminal and logistics businesses and advance the completion of key projects. The Group will effectively advance international talent training and reserve and enhance the human resource support for internationalized development.

Fifthly, the Group will deeply implement internet strategy. The automated container terminal located in the Qianwan port area will be formally put into operation. The platform of logistic e-commerce will accelerate to provide whole-process online logistic service. The intelligent platform for dry bulk and liquid bulk, oil transportation road and container collection and distribution will collect and distribute resources and expand businesses. The interconnected mobile intelligent office platform will realize business synergy among OA system and other specialized management platforms. As a result, the Group will achieve comprehensive improvement in the efficiency of production, service and management.

Sixthly, the Group will speed up the construction of comprehensive trade service center. Relying on the policy advantages in core cargo types and bonded warehousing, the Group will enlarge new businesses in ore mixing and matching and oil draining and mixing, and build a distribution center for ore and oil trade. The Group will accelerate development of the cross-border e-commerce business, further improve service functions and supporting policies, attract e-commerce enterprises to gather and form a distribution center for import and export trade. The Group will take advantage of finance, carry out deep-level trade financing service, lay a solid foundation for business cooperation, and foster new support to lead port development.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering was approximately RMB2,198 million.

Considering the actual business development and operation of the Group, the Company has changed the investment projects which the rest net proceeds were originally proposed to fund. Please refer to the announcement of the Company dated 28 December 2016 for detailed information.

As at 31 December 2016, RMB1,514 million had been utilized towards the investment projects and RMB270 million had been used to supplement our general working capital as disclosed in the Prospectus and the announcement of the Company dated 28 December 2016.

The Company used the net proceeds in the way exactly as disclosed in the Prospectus and the announcement dated 28 December 2016.

PROPOSED FINAL DIVIDEND FOR THE YEAR AND CLOSURE OF REGISTER

The Board has proposed the distribution of a final dividend of approximately RMB787.54 million on 10 August 2017 for the year ended 31 December 2016 to the shareholders whose names appear on the register of members of the Company on 10 July 2017. Based on the total issued share capital of the Company as at the date of this announcement, the final dividend was RMB164.82 per thousand shares (tax inclusive). Based on the total issued share capital of the Company upon completion of the Proposed Subscription and the Proposed New H Share Issue, the final dividend was RMB130.46 per thousand shares (tax inclusive). 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 Wednesday, 5 July 2017 to Monday, 10 July 2017 (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, 10 July 2017 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 Tuesday, 4 July 2017 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 PRC State Administration of Taxation 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 2016.

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 2016.

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 2016.

AUDIT COMMITTEE

The Audit Committee has reviewed, with management, the accounting principles and policies adopted by the Group and the financial statements for the year ended 31 December 2016.

AMENDMENTS TO CONSTITUTIONAL DOCUMENT

The Company made amendments to the Articles of Association at the annual general meeting held on 6 June 2016. 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 Monday, 29 May 2017 to Wednesday, 28 June 2017 (both days inclusive), during which no share transfer will be registered. The shareholders whose names appear on the register of members of the Company on Wednesday, 28 June 2017 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, 26 May 2017 for registration.

MATERIAL LITIGATIONS

Other than the No.794 case which the Company was involved in as disclosed in the announcements of the Company published on 28 July 2014, 15 August 2014, 5 September 2014 and 27 October 2016, the Group was not involved in any material litigation or arbitration for the year ended 31 December 2016.

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

SUBSEQUENT EVENTS

1. Proposed Subscription and Proposed New H Share Issue

The Company and Shanghai China Shipping Terminal entered into the Transaction Agreement on 20 January 2017, pursuant to which the Company has conditionally agreed to issue and allot, and Shanghai China Shipping Terminal has conditionally agreed to subscribe for, an aggregate of 1,015,520,000 domestic shares of the Company at the subscription price of RMB5.71 (equivalent to approximately HK$6.46 according to the middle foreign exchange rate published by the State Administration of Foreign Exchange on 18 January 2017) per share. The total consideration is RMB5,798,619,200, among which, RMB2,599,968,360 will be paid by cash and RMB3,198,650,840 will be paid by the 20% equity interests of QQCT currently held by Shanghai China Shipping Terminal. The Company also resolved to seek approval from the shareholders of the Company to grant a specific mandate to the Board to issue 243,000,000 new H shares.

Resolutions in relation to the above Proposed Subscription and the Proposed New H Share Issue have been passed at the 2017 first extraordinary general meeting, the

2017 first domestic shareholders' class meeting and the 2017 first H shareholders' class meeting held on 10 March 2017. Please refer to the announcement of the Company dated 20 January 2017, the circular dated 14 February 2017 and the announcement dated 10 March 2017 for detailed information.

The completion of the Proposed Subscription and the Proposed New H Share Issue are expected to take place on or before 30 June 2017.

2. Acquisition of Equity Interests in Vopak Logistics

On 18 January 2017, the Company signed an equity transfer agreement with Vopak Terminal DJK B.V., pursuant to which Vopak Terminal DJK B.V. transferred the 50% equity interests of Vopak Logistics held by it to the Company at a consideration of RMB152,027,521. After the equity transfer, Vopak Logistics, a previous joint venture of the Company, will become a wholly-owned subsidiary of the Company. As at the date of this announcement, the equity transfer has not been completed.

PUBLICATION OF THE COMPANY'S 2016 ANNUAL RESULTS ANNOUNCEMENT AND THE 2016 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 2016 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, 17 March 2017

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. MA Baoliang and Mr. ZHANG Qingcai; and the Independent Non-executive Directors are Mr. WANG Yaping, Mr. CHAU Kwok Keung and Mr. YANG Qiulin.

"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board"	the board of directors of Qingdao Port International Co., Ltd. (青島港國際股份有限公司)
"CFS"	container freight station, of which, container freight station at loading ports refers to the location designated by carriers for the receiving of cargo to be loaded into containers by the carrier, while container freight station at discharge or destination ports refer to the location designated by carriers for de-vanning of containerized cargo
"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
"Global Offering"	the offer for subscription 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 associates of the Company
"Haiwan Liquid Chemical"	Qingdao Haiwan Liquid Chemical Port Operation Co., Ltd. (青島海灣液體化工港務有限公司), 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
"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
"PRC" or "China"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
"Proposed New H Share Issue"	subject to fulfilment of certain conditions stated in the circular of the Company dated 14 February 2017, the issue of the 243,000,000 new H shares of the Company by way of placing pursuant to the specific mandate granted by the shareholders on the 2017 first extraordinary general meeting, 2017 first domestic shareholders' class meeting and 2017 first H shareholders' class meeting of the Company dated 10 March 2017
"Proposed Subscription"	the proposed subscription of the 1,015,520,000 domestic shares of the Company by Shanghai China Shipping Terminal pursuant to the Transaction Agreement
"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 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 approximately 73.8% 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 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 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
"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 a 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
"Shanghai China Shipping Terminal"	Shanghai China Shipping Terminal Development Co., Ltd. (上海中海碼頭發展有限公司), a company established in China and a wholly-owned subsidiary of COSCO SHIPPING Ports Limited (中遠海運港口有限公司)
"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
"Transaction Agreement"	the agreement entered into between the Company and Shanghai China Shipping Terminal dated 20 January 2017
"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 Logistics"	Vopak Logistics (Qingdao) Co., Ltd. (孚寶港務(青島)有限公司), one of our joint ventures 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