秦皇島港股份有限公司
QINHUANGDAO PORT CO., LTD.*

(a joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3369)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

– For the Year, our revenue amounted to RMB7,033,249 thousand, representing an increase of 43.21% as compared with the last year.

– For the Year, our net profit amounted to RMB901,214 thousand, representing an increase of 142.55% as compared with the last year.

– For the Year, our net profit attributable to owners of the parent company amounted to RMB962,971 thousand, representing an increase of 163.81% as compared with the last year.

– The Board recommended a final dividend of RMB0.062 per Share (before tax) to Shareholders for the Year.

The Board is pleased to announce the audited financial statements of the Group for the year ended 31 December 2017 prepared in accordance with the China Accounting Standards for Business Enterprises, together with the comparative figures for the corresponding period of 2016.

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET
31 December 2017
RMB

	Note IV	**31 December 2017**	31 December 2016
Assets			
Current assets			
Cash and bank balances		**1,983,285,014.18**	1,857,032,961.56
Bills receivable	*1*	**330,915,367.80**	90,586,781.68
Accounts receivable	*2*	**82,993,153.85**	150,073,233.50
Prepayments		**4,638,406.01**	11,598,283.84
Interest receivable		**2,508,123.00**	–
Other receivables		**7,865,809.26**	34,203,954.23
Inventories	*3*	**200,222,526.56**	215,326,590.41
Other current assets		**239,668,328.72**	209,777,381.25
Total current assets		**2,852,096,729.38**	2,568,599,186.47
Non-Current assets			
Available-for-sale financial assets		**709,674,267.95**	710,376,014.95
Long-term equity investments		**2,682,297,961.17**	1,543,221,888.47
Investment properties		**–**	6,137,950.00
Fixed assets	*4*	**16,153,724,611.99**	13,402,745,892.92
Construction in progress	*5*	**1,151,479,563.41**	5,830,993,955.38
Intangible assets		**1,888,306,218.94**	2,009,739,741.54
Long-term prepaid expenses		**1,858,660.41**	2,563,538.59
Deferred tax assets		**202,160,180.82**	164,567,852.82
Other non-current assets		**133,236,678.09**	51,740,649.66
Total non-current assets		**22,922,738,142.78**	23,722,087,484.33
Total assets		**25,774,834,872.16**	26,290,686,670.80

	Note IV	31 December 2017	31 December 2016
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings	*6*	**1,300,000,000.00**	1,545,000,000.00
Accounts payable	*7*	**218,205,613.84**	102,726,569.27
Deposits received	*8*	**522,476,557.70**	472,335,724.01
Employee benefits payable		**343,059,198.72**	85,000,711.31
Taxes payable	*9*	**101,926,736.87**	34,730,467.55
Interest payable		**11,080,299.21**	15,296,378.10
Dividends payable		**279,371,035.49**	608.34
Other payables		**970,848,422.55**	1,244,623,623.17
Non-current liabilities due within one year		**333,924,000.00**	1,056,586,108.28
Total non-current liabilities		**4,080,891,864.38**	4,556,300,190.03
Non-current liabilities			
Long-term borrowings	*10*	**6,490,490,492.98**	8,664,816,348.70
Long-term payable		**239,200,000.00**	–
Long-term employee benefits payable		**48,654,080.25**	71,807,543.84
Provisions		**33,860,000.00**	–
Deferred income		**311,182,677.12**	332,110,009.53
Total non-current liabilities		**7,123,387,250.35**	9,068,733,902.07
Total liabilities		**11,204,279,114.73**	13,625,034,092.10
Shareholders' equity			
Share capital		**5,587,412,000.00**	5,029,412,000.00
Capital reserve		**5,203,519,979.32**	4,506,377,828.61
Other comprehensive income		**1,702,929.18**	4,623,646.56
Special reserve		**51,433,165.56**	18,615,022.77
Surplus reserve		**1,140,530,908.83**	1,044,974,250.76
Retained profit		**1,420,731,065.74**	832,687,475.08
Total equity attributable to shareholders of the parent		**13,405,330,048.63**	11,436,690,223.78
Minority interests		**1,165,225,708.80**	1,228,962,354.92
Total shareholders' equity		**14,570,555,757.43**	12,665,652,578.70
Total liabilities and shareholders' equity		**25,774,834,872.16**	26,290,686,670.80

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2017
RMB

	Note IV	**2017**	2016
Revenue	*11*	**7,033,248,749.11**	4,911,006,419.74
Less: Operating costs	*11*	**4,527,385,217.66**	3,573,437,467.42
Tax and surcharges		**97,546,412.67**	67,178,488.18
Selling expenses		**77,043.14**	114,270.81
Administrative expenses		**949,451,054.76**	799,715,940.01
Financial costs	*12*	**356,734,890.29**	258,567,697.13
Asset impairment loss		**29,331,904.81**	(15,903,389.84)
Add: Investment income	*13*	**118,805,287.90**	120,749,116.36
Including: investment income from associates and joint ventures		**101,250,625.55**	111,809,735.32
Gains from disposal of assets		**(4,187,213.00)**	–
Other income		**74,346,469.71**	–
Operating profits		**1,261,686,770.39**	348,645,062.39
Add: Non-operating income	*14*	**9,266,472.00**	141,203,894.42
Less: Non-operating expenses		**41,172,237.79**	4,568,160.64
Total profit		**1,229,781,004.60**	485,280,796.17
Less: Income tax expenses	*15*	**328,566,667.37**	113,715,781.36
Net profit		**901,214,337.23**	371,565,014.81
Classification according to the continuity of operation			
Net profit attributable to continuing operations		**901,214,337.23**	371,565,014.81
Net profit attributable to discontinued operations		**–**	–
Classification according to ownership			
Net profit attributable to shareholders of the parent		**962,970,848.73**	365,029,064.52
Minority interests		**(61,756,511.50)**	6,535,950.29

CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2017
RMB

	Note IV	**2017**	2016
Other comprehensive income, net of tax			
Other comprehensive income attributable to the shareholders of the parent, net of tax			
Other comprehensive income that may be reclassified subsequently to profit or loss			
Share in the other comprehensive income that can be reclassified into the profit or loss by the invested entity under the equity method		**15,001.80**	–
Exchange differences arising from translation of foreign currency denominated financial statements		**(2,935,719.18)**	2,835,208.80
Other comprehensive income attributable to minority shareholders of the parent, net of tax		**–**	–
Total comprehensive income		**898,293,619.85**	374,400,223.61
Including:			
Total comprehensive income attributable to the shareholders of the parent		**960,050,131.35**	367,864,273.32
Total comprehensive income attributable to minority shareholders		**(61,756,511.50)**	6,535,950.29
Earnings per share	*16*		
Basic and diluted earnings per share		**0.18**	0.07

NOTES TO FINANCIAL STATEMENTS

31 December 2017

I. GENERAL INFORMATION

Qinhuangdao Port Co., Ltd. (the "Company") is a joint stock company with limited liability incorporated in Hebei province, the People's Republic of China on 31 March 2008. The A shares and H shares of the Company were listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and the Shanghai Stock Exchange ("SSE") on 12 December 2013 and 16 August 2017, respectively. The office address and headquarters of the Company is located at 35 Haibin Road, Qinhuangdao, Hebei Province.

The main operating activities of the Company and its subsidiaries (collectively referred to as the "Group") are: provision of terminal facilities for vessels and provision of port services such as loading and discharging, stacking, warehousing, transportation, container stacking and less than container load services; other port related services such as tugboat service, lease and repair of harbour facilities, equipment and machinery, cargo weighing, freight forwarding, port tallying and provision of power and electrical engineering services; and import and export services of goods. The Group's port services mainly handle coal and metal ores as well as other types of cargo including oil and liquefied chemicals and general cargo and containers.

The parent and ultimate parent of the Group is Hebei Port Group Co., Ltd. ("HPG"), which was established in the People's Republic of China.

These financial statements have been approved by the board of directors of the Company by resolutions on 29 March 2018. Pursuant to the Articles of Association of the Company, these financial statements will be proposed to the general meeting for consideration and approval.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises-Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued and amended subsequently by the Ministry of Finance (collectively referred to as "Accounting Standards for Business Enterprises").

As of 31 December 2017, the Group's net current liabilities amounted to approximately RMB1.229 billion, of which current assets amounted to approximately RMB2.852 billion and current liabilities amounted approximately RMB4.081 billion. In preparing the financial statements, the management have considered the Group's sources of liquidity, and believe that adequate funding is available to fulfil the Group's debt obligations and capital expenditure requirements. Accordingly, the financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

These financial statements have been prepared under the historical cost convention. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant rules.

III. TAXATION

1. Major Categories of Taxes and Respective Tax Rates

Value-added tax ("VAT")	–	The Group is subject to VAT at tax rate of 17% on the taxable sales. The Group's revenues such as related port service revenues are taxable to output VAT at tax rate of 6%, and is levied after deducting deductible input VAT for the current period.
City maintenance and construction tax	–	It is levied at 7% of VAT and business tax paid actually
Enterprise income tax	–	It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group established in Mainland China which enjoy tax preferences. Income tax rate for overseas subsidiaries is 16.5%.
Property tax	–	It is calculated at a tax rate of 1.2% based on 70% of costs of properties or a tax rate of 12% based on rental income of the properties.
Land use tax	–	It is levied in accordance with unit tax amount prescribed in the tax law based on the actual area of land used by the taxpayer.

2. Tax Preferences

Enterprise income tax

According to the Implementation Rules of the PRC Enterprise Income Tax Law (Order No.512 of the State Council) and the Circular on the Implementation of the Catalogue of the Key Public Infrastructure Projects Supported by the State and Entitled for Preferential Tax Treatment (《國家稅務總局關於實施國家重點扶持的公共基礎設施項目企業所得稅優惠問題的通知》) (Guo Shui Fa [2009] No.80), Cangzhou Huanghuagang Mineral Port Co., Ltd. and Tangshan Caofeidian Coal Port Co., Ltd. are eligible for tax preferences for public infrastructure projects under key support of the State. Income derived by such companies from the investment in, and the operation of, public infrastructure projects under key support from the State is eligible for a tax exemption for the first year to the third year, and a 50% reduction in enterprise income tax for the fourth year to the sixth year, starting from the year in which the project first generates operating income. Cangzhou Huanghuagang Mineral Port Co., Ltd. and Tangshan Caofeidian Coal Port Co., Ltd. first generated their respective operating income in 2014 and 2015, respectively, and started to be entitled to the tax preferences of enterprise income tax.

IV. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Bills Receivable

	2017	2016
Commercial acceptance notes	**27,040,271.00**	–
Bank acceptance notes	**303,875,096.80**	90,586,781.68
	330,915,367.80	90,586,781.68

As at 31 December 2017, no bills receivable of the Group was pledged (31 December 2016: nil).

Bills receivable which were endorsed but undue as at the balance sheet date were as follows:

	2017		**2016**	
	Derecognised	**Not derecognised**	**Derecognised**	**Not derecognised**
Bank acceptance notes	**14,067,335.00**	**–**	59,155,255.64	–

2. Accounts Receivable

The credit period of accounts receivable is usually not more than 90 days. The accounts receivable bear no interest.

An aged analysis of the accounts receivable is as follows:

	2017	2016
Within 1 year	**73,087,489.98**	98,365,895.68
1 to 2 years	**5,134,001.94**	19,247,272.52
2 to 3 years	**18,001,849.80**	55,999,134.47
Over 3 years	**20,839,908.71**	1,655,441.05
	117,063,250.43	175,267,743.72
Less: Provision for bad debts of accounts receivable	**34,070,096.58**	25,194,510.22
	82,993,153.85	150,073,233.50

The movements in the provision for bad debts of accounts receivable are as follows:

	Opening balance	Provision for the year	Reversal during the year	Write-off during the year	Closing balance
2017	**25,194,510.22**	**11,451,034.43**	**(998,571.67)**	**(1,576,876.40)**	**34,070,096.58**
2016	15,736,495.74	9,481,896.23	(23,881.75)	–	25,194,510.22

The classification of accounts receivables is disclosed as follows：

	2017				2016			
	Carrying amount		**Provisions for bad debts**		Carrying amount		Provisions for bad debts	
	Amount	**Percentage (%)**	**Amount**	**Percentage (%)**	Amount	Percentage (%)	Amount	Percentage (%)
Provision for bad debts by credit risk characteristics group	**111,026,717.04**	**95**	**28,033,563.19**	**82**	175,267,743.72	100	25,194,510.22	100
Provision for bad debts that are individually insignificant and are provided for bad debts separately	**6,036,533.39**	**5**	**6,036,533.39**	**18**	–	–	–	–
	117,063,250.43	**100**	**34,070,096.58**	**100**	175,267,743.72	100	25,194,510.22	100

Accounts receivables that are individually insignificant and are provided for bad debts separately as at 31 December 2017 are as follows (31 December 2016: nil).

	Balance	**Provision for bad debts**	**Provided ratio**	**Reasons for provision**
Qinhuangdao Huazheng Coal Inspection Institute (秦皇島華正煤炭檢驗行)	6,036,533.39	6,036,533.39	100.00%	Increase in credit risk

As at 31 December 2017 and 31 December 2016, the Company performed the impairment test in respect of single accounts receivable that was significant, and considered that there was no need for the provision for bad debts separately. The Company grouped these accounts receivable and made the provision for bad debts in the method of ageing analysis.

Accounts receivable which are subject to provision for bad debts by credit risk characteristics group is as follows:

	2017				2016			
	Carrying amount		Provision for bad debts		Carrying amount		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Provision for bad debts by credit risk characteristics								
Within 1 year	**73,087,489.98**	**65.83**	**3,651,458.48**	**5**	98,365,895.68	56.12	4,720,335.72	5
1 to 2 years	**2,256,657.55**	**2.03**	**225,665.76**	**10**	19,247,272.52	10.98	1,954,983.87	10
2 to 3 years	**16,465,900.80**	**14.83**	**4,939,770.24**	**30**	55,999,134.47	31.95	16,863,749.58	30
Over 3 years	**19,216,668.71**	**17.31**	**19,216,668.71**	**100**	1,655,441.05	0.95	1,655,441.05	100
	111,026,717.04	**100.00**	**28,033,563.19**		175,267,743.72	100.00	25,194,510.22	

In 2017, receivables actually written-off was RMB1,576,876.40 (2016: nil).

As at 31 December 2017, accounts receivables from the five largest customers were as follows:

	Balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)
China Shougang International Trade and Engineering Co. (中國首鋼國際貿易工程有限公司)	**33,005,649.06**	**28.19**	**23,234,358.32**	**70**
秦皇島之海船務代理有限公司	**23,433,014.00**	**20.02**	**1,171,650.70**	**5**
China Ocean Shipping Agency Qinhuangdao (中國秦皇島外輪代理有限公司)	**16,276,742.00**	**13.90**	**813,837.10**	**5**
Qinhuangdao Huazheng Coal Inspection Institute (秦皇島華正煤炭檢驗行)	**6,036,533.39**	**5.16**	**6,036,533.39**	**100**
Qinhuangdao COSCO Shipping Container Shipping Agency Ltd. (秦皇島中遠海運集裝箱船務代理有限公司)	**3,966,130.82**	**3.39**	**198,306.54**	**5**
	82,718,069.27	**70.66**	**31,454,686.05**	

As at 31 December 2016, accounts receivables from the five largest customers were as follows:

	Balance		Provision for bad debts	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
China Shougang International Trade and Engineering Co. (中國首鋼國際貿易工程有限公司)	68,273,796.01	38.95	17,681,234.49	26
China Ocean Shipping Agency Qinhuangdao (中國秦皇島外輪代理有限公司)	16,840,248.00	9.61	842,012.40	5
秦皇島之海船務代理有限公司	15,610,181.00	8.91	780,509.05	5
Shanghai Pan Asia Shipping Co. Ltd (上海泛亞航運有限公司)	10,527,350.06	6.01	526,367.50	5
Qinhuangdao COSCO Shipping Container Shipping Agency Ltd. (秦皇島中遠海運集裝箱船務代理有限公司)	7,403,811.45	4.21	370,190.57	5
	118,655,386.52	67.69	20,200,314.01	

3. INVENTORIES

	2017			2016		
	Balance	**Provision for Impairment**	**Carrying Mount**	Balance	Provision for Impairment	Carrying Mount
Materials	**68,813,086.75**	**–**	**68,813,086.75**	69,551,118.56	–	69,551,118.56
Fuels	**10,370,084.33**	**–**	**10,370,084.33**	5,363,206.95	–	5,363,206.95
Spare parts	**116,956,141.46**	**–**	**116,956,141.46**	135,333,392.63	–	135,333,392.63
Low-cost consumables	**3,753,579.50**	**–**	**3,753,579.50**	3,640,572.81	–	3,640,572.81
Finished goods	**329,634.52**	**–**	**329,634.52**	1,438,299.46	–	1,438,299.46
	200,222,526.56	**–**	**200,222,526.56**	215,326,590.41	–	215,326,590.41

4. FIXED ASSETS

2017

	Buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
1 January 2017	3,941,088,335.69	8,725,532,732.11	8,458,211,590.88	462,831,564.27	232,221,889.75	21,819,886,112.70
Purchase	–	–	105,408.21	259,245.01	435,060.25	799,713.47
Transferred from construction in progress	1,590,472,980.43	1,422,601,223.33	2,316,145,048.54	61,912,556.51	17,793,170.33	5,408,924,979.14
Reclassification	–	–	609,776.68	–	(609,776.68)	–
Transferred to construction in progress due to renovation and retrofitting	–	–	(5,750,650.98)	–	–	(5,750,650.98)
Decrease due to disposal of subsidiaries	(106,248,359.72)	(1,154,879,842.93)	(596,287,462.18)	(684,307.00)	(6,717,178.48)	(1,864,817,150.31)
Disposal for the year	(1,694,493.00)	–	(54,864,701.86)	(7,118,048.72)	(8,839,124.78)	(72,516,368.36)
Other decrease	(2,205,084.00)	–	–	–	–	(2,205,084.00)
31 December 2017	5,421,413,379.40	8,993,254,112.51	10,118,169,009.29	517,201,010.07	234,284,040.39	25,284,321,551.66
Accumulated depreciation 1 January 2017	1,045,809,413.14	1,746,751,058.68	5,100,523,460.76	343,010,055.31	174,796,767.10	8,410,890,754.99
Provision for the year (Note)	196,167,568.61	339,620,876.90	558,028,146.22	31,855,680.87	14,470,882.35	1,140,143,154.95
Reclassification	–	–	112,892.39	–	(112,892.39)	–
Transferred to construction in progress due to renovation and retrofitting	–	–	(3,880,635.77)	–	–	(3,880,635.77)
Decrease due to disposal of subsidiaries	(15,647,773.16)	(197,520,741.80)	(137,454,359.59)	(603,012.26)	(3,010,250.83)	(354,236,137.64)
Disposal for the year	(977,748.15)	–	(51,780,036.97)	(6,781,472.82)	(8,544,302.88)	(68,083,560.82)
31 December 2017	1,225,351,460.44	1,888,851,193.78	5,465,549,467.04	367,481,251.10	177,600,203.35	9,124,833,575.71
Provision for impairment 1 January 2017	–	–	6,162,139.84	–	87,324.95	6,249,464.79
Write off for the year	–	–	(486,100.83)	–	–	(486,100.83)
31 December 2017	–	–	5,676,039.01	–	87,324.95	5,763,363.96
Carrying amounts of fixed assets 31 December 2017	4,196,061,918.96	7,104,402,918.73	4,646,943,503.24	149,719,758.97	56,596,512.09	16,153,724,611.99
1 January 2017	2,895,278,922.55	6,978,781,673.43	3,351,525,990.28	119,821,508.96	57,337,797.70	13,402,745,892.92

2016

	Buildings	Terminal facilities	Machinery and equipment	Vessels and transportation equipment	Office and other equipment	Total
Cost						
1 January 2016	2,902,849,663.25	7,431,040,336.37	7,412,516,280.18	457,834,667.72	211,285,292.31	18,415,526,239.83
Purchase	327,490.00	–	19,547.01	437,164.36	519,251.56	1,303,452.93
Transferred from construction in progress	1,031,170,034.72	1,289,446,043.74	1,086,266,624.98	7,778,918.53	24,592,685.95	3,439,254,307.92
Reclassification	6,958,143.72	5,046,352.00	(10,816,220.90)	–	(1,188,274.82)	–
Transferred to construction in progress due to renovation and retrofitting	(132,800.00)	–	(114,513.00)	–	–	(247,313.00)
Disposal for the year	(84,196.00)	–	(29,660,127.39)	(3,219,186.34)	(2,987,065.25)	(35,950,574.98)
31 December 2016	3,941,088,335.69	8,725,532,732.11	8,458,211,590.88	462,831,564.27	232,221,889.75	21,819,886,112.70
Accumulated depreciation						
1 January 2016	903,473,198.69	1,438,514,110.99	4,589,984,822.12	304,797,044.44	165,318,973.71	7,402,088,149.95
Provision for the year *(Note)*	141,803,722.80	307,788,242.95	538,560,737.83	41,335,621.62	13,048,729.14	1,042,537,054.34
Reclassification	673,739.00	448,704.74	(386,097.40)	–	(736,346.34)	–
Transferred to construction in progress due to renovation and retrofitting	(59,577.23)	–	(111,077.61)	–	–	(170,654.84)
Disposal for the year	(81,670.12)	–	(27,524,924.18)	(3,122,610.75)	(2,834,589.41)	(33,563,794.46)
31 December 2016	1,045,809,413.14	1,746,751,058.68	5,100,523,460.76	343,010,055.31	174,796,767.10	8,410,890,754.99
Provision for impairment						
1 January 2016	–	–	6,162,977.29	–	87,324.95	6,250,302.24
Write off for the year	–	–	(837.45)	–	–	(837.45)
31 December 2016	–	–	6,162,139.84	–	87,324.95	6,249,464.79
Carrying amounts of fixed assets						
31 December 2016	2,895,278,922.55	6,978,781,673.43	3,351,525,990.28	119,821,508.96	57,337,797.70	13,402,745,892.92
1 January 2016	1,999,376,464.56	5,992,526,225.38	2,816,368,480.77	153,037,623.28	45,878,993.65	11,007,187,787.64

Note: In 2017, depreciation of RMB563,747.41 (2016: RMB1,887,334.21) provided for machinery and equipment directly related to the construction of construction in progress of the Group was capitalised in construction in progress.

As at 31 December 2017, the Group has no fixed assets which were temporarily idle (31 December 2016: nil).

As at 31 December 2017, the Group's certificates of property ownership with book value of RMB718,349,454.87 was still being processed (31 December 2016: nil).

The carrying amount of the fixed assets leased out under operating leases are as follows:

	2017	2016
Terminal facilities	**19,378,930.23**	20,568,983.38
Machinery and equipment	**47,946,923.97**	7,577,035.47
Buildings	**15,789,232.49**	15,867,417.68
Vessels and transportation equipment	**–**	15,214.50
Office and other equipment	**36,084.24**	44,910.74
	83,151,170.93	44,073,561.77

5. CONSTRUCTION IN PROGRESS

	2017			2016		
	Balance	**Provision for impairment**	**Carrying amount**	Balance	Provision for impairment	Carrying amount
Phase 1 of metal ores terminal project in the bulk cargo area of Huanghua Port	**665,841,637.51**	**–**	**665,841,637.51**	643,570,588.45	–	643,570,588.45
Phase 2 of coal terminal project in Caofeidian	**236,484,319.46**	**–**	**236,484,319.46**	4,896,360,788.56	–	4,896,360,788.56
Commencing project of complex port zone in Huanghua Port	**146,776,135.21**	**–**	**146,776,135.21**	111,326,263.42	–	111,326,263.42
Upgrade of phase two coal reclaimers	**57,606,143.24**	**–**	**57,606,143.24**	993,961.34	–	993,961.34
Phase 1 of Huanghuagang crude oil port project	**12,925,493.18**	**–**	**12,925,493.18**	17,024,607.34	–	17,024,607.34
Sewage treatment for Phrase One and Two coal project	**341,037.74**	**–**	**341,037.74**	29,741,243.00	–	29,741,243.00
Construction project of wind-proof net for coal stacking yards	**292,610.00**	**–**	**292,610.00**	34,538,527.23	–	34,538,527.23
Reconstruction of high and low-voltage cabinet and conveyor control system of phase one coal project	**–**	**–**	**–**	18,643,970.54	–	18,643,970.54
Retrofitting of dry fog dust suppression of dumpers	**–**	**–**	**–**	14,537,587.51	–	14,537,587.51
Others	**31,212,187.07**	**–**	**31,212,187.07**	64,256,417.99	–	64,256,417.99
Total	**1,151,479,563.41**	**–**	**1,151,479,563.41**	5,830,993,955.38	–	5,830,993,955.38

Management of the Company is of the opinion that no provision for impairment of construction in progress was necessary as at the balance sheet date.

2017

	Budget	Opening Balance	Increase in the year	Transferred from fixed assets or intangible assets during the year	Transferred to fixed assets and intangible assets during the year	Other decrease	Closing balance	Source of funds	Percentage of accumulated project input to budget (%)
Phase 2 of coal terminal project in Caofeidian	5,428,903,500.00	4,896,360,788.56	311,688,972.77	–	(4,971,565,441.87)	–	236,484,319.46	Loans from financial institutes and self-owned capital	97
Phase 1 of metal ores terminal project in the bulk cargo area of Huanghua Port	5,790,815,353.83	643,570,588.45	22,778,151.64	–	(507,102.58)	–	665,841,637.51	Fund raised, loans from financial institutes and self-owned capital	85
Commencing project of complex port zone in Huanghua Port	7,555,702,691.90	111,326,263.42	147,074,157.86	–	(94,253,211.58)	(17,371,074.49)	146,776,135.21	Loans from financial institutes and self-owned capital	88
Construction project of wind-proof net for coal stacking yards	378,000,000.00	34,538,527.23	19,719,783.80	–	(53,965,701.03)	–	292,610.00	Self-owned capital	78
Sewage treatment for Phrase One and Two coal project	33,790,000.00	29,741,243.00	345,537.74	–	(29,745,743.00)	–	341,037.74	Self-owned capital	89
Upgrade of phase two coal reclaimers	166,510,000.00	993,961.34	56,612,181.90	–	–	–	57,606,143.24	Fund raised	35
Reconstruction of high and low-voltage cabinet and conveyor control system of phase one coal project	39,600,000.00	18,643,970.54	3,220,591.70	–	(21,864,562.24)	–	–	Fund raised	55
Retrofitting of dry for dust suppression of of dumpers	19,480,000.00	14,537,587.51	46,132.08	–	(13,923,076.58)	(660,643.01)	–	Self-owned capital	75
Phase 1 of Huanghuagang crude oil port project	2,987,898,500.00	17,024,607.34	6,637,673.88	–	–	(10,736,788.04)	12,925,493.18	Self-owned capital	1
Others	1,075,176,292.00	64,256,417.99	220,782,844.26	1,870,015.21	(235,091,329.48)	(20,605,760.91)	31,212,187.07		
Total	23,475,876,337.73	5,830,993,955.38	788,906,027.63	1,870,015.21	(5,420,916,168.36)	(49,374,266.45)	1,151,479,563.41		

2016

	Budget	Opening Balance	Increase in the year	Transferred from fixed assets or intangible assets during the year	Transferred to fixed assets and intangible assets during the year	Closing balance	Source of funds	Percentage of accumulated project input to budget (%)
Phase 2 of coal terminal project in Caofeidian	5,428,903,500.00	4,633,263,190.17	263,214,619.76	–	(117,021.37)	4,896,360,788.56	Loans from financial institutes and self-owned capital	91
Phase 1 of metal ores terminal project in the bulk cargo area of Huanghua Port	5,790,815,353.83	4,713,322,622.32	187,033,049.58	22,492,900.65	(4,279,277,984.10)	643,570,588.45	Fund raised, loans from financial institutes and self-owned capital	85
Commencing project of complex port zone in Huanghua Port and self-owned capital	7,555,702,691.90	220,310,366.09	78,901,489.94	–	(187,885,592.61)	111,326,263.42	Loans from financial institutes	87
Construction project of wind-proof net for coal stacking yards	378,000,000.00	715,800.00	33,822,727.23	–	–	34,538,527.23	Self-owned capital	72
Renovation project for reutilization of wastewater with dust	32,020,000.00	13,953,619.38	10,025,946.66	–	(23,979,566.04)	–	Self-owned capital	79
Sewage treatment for Phrase One and Two coal project	33,790,000.00	16,337,266.00	13,403,977.00	–	–	29,741,243.00	Self-owned capital	88
Retrofitting of dry for dust suppression of of dumpers	19,480,000.00	9,048,197.76	5,489,389.75	–	–	14,537,587.51	Self-owned capital	75
Others	640,633,613.85	48,869,404.64	130,577,343.76	76,658.16	(78,604,449.35)	100,918,957.21		
Total	19,879,345,159.58	9,655,820,466.36	722,468,543.68	22,569,558.81	(4,569,864,613.47)	5,830,993,955.38		

2017

	Progress of project	Accumulated amounts of capitalized interest	Including: Capitalised interest for the year	Ratio of capitalised interest for the year
Phase 2 of coal terminal project in Caofeidian	**97%**	**837,523,221.83**	**60,977,478.73**	**4.41%-5.15%**

2016

	Progress of project	Accumulated amounts of capitalized interest	Including: Capitalised interest for the year	Ratio of capitalised interest for the year
Phase 2 of coal terminal project in Caofeidian	91%	776,545,743.10	160,529,802.59	4.41%-6.15%
Phase 1 of metal ores terminal project in the bulk cargo area of Huanghua Port	85%	467,647,203.93	107,158,241.33	3.92%-5.31%
		1,244,192,947.03	267,688,043.92	

6. SHORT-TERM BORROWINGS

	2017	2016
Unsecured borrowings	**1,300,000,000.00**	1,545,000,000.00

As at 31 December 2017, the interest rate of the above borrowing ranged from 3.92% per annum (31 December 2016: 3.92% to 4. 13%).

As at 31 December 2017, the Group has no overdue borrowings (31 December 2016: nil).

7. ACCOUNTS PAYABLE

The accounts payables are interest-free and the terms are usually 90 days.

Aged analysis of accounts payables is calculated based on the date of invoice or bill. An aged analysis of accounts payable is as follows:

	2017	2016
Within 1 year	**209,846,241.10**	95,957,194.00
1 to 2 years	**3,126,639.63**	2,327,506.87
2 to 3 years	**2,090,676.60**	2,078,466.36
Over 3 years	**3,142,056.51**	2,363,402.04
	218,205,613.84	102,726,569.27

As at 31 December 2017, the Group has no significant accounts payable aging more than 1 year (31 December 2016: nil).

8. DEPOSITS RECEIVED

	2017	2016
Port handling fees	**520,003,701.25**	469,155,549.92
Weighing fees	**2,363,852.37**	3,071,716.70
others	**109,004.08**	108,457.39
	522,476,557.70	472,335,724.01

As at 31 December 2017, the Group had no significant deposits received aging more than 1 year (31 December 2016: nil).

9. TAXES PAYABLE

	2017	2016
Value-added tax	**229,287.12**	351,407.02
Enterprise income tax	**90,622,484.71**	29,857,892.61
Individual income tax	**10,925,227.91**	4,307,096.05
City maintenance and construction tax	**21,613.41**	44,880.52
Education surcharge	**15,438.16**	32,057.50
Others	**112,685.56**	137,133.85
	101,926,736.87	34,730,467.55

10. LONG-TERM BORROWINGS

	2017	2016
Unsecured borrowings	**6,824,014,492.98**	9,721,402,456.98
Less: long-term borrowings due within one year	**333,524,000.00**	1,056,586,108.28
Non-current portion	**6,490,490,492.98**	8,664,816,348.70

As at 31 December 2017, the interest rate of the above borrowings ranged from 4.28% to 5.15% per annum (31 December 2016: 4.28% to 6.15%).

Analysis on the maturity date of long term borrowings is as follows:

	2017	2016
Within 1 year (including 1 year) or repayable on demand	**333,524,000.00**	1,056,586,108.28
Within 2 years (including 2 years)	**615,418,949.00**	845,665,434.98
Within 3 to 5 years (including 3 years and 5 years)	**2,461,067,198.00**	3,032,716,648.60
Over 5 years	**3,414,004,345.98**	4,786,434,265.12
	6,824,014,492.98	9,721,402,456.98

11. OPERATING REVENUE AND COST

Revenue, which is also the Group's turnover, represents the net invoice value of goods sold net of sales returns and trade discounts; the value of the services rendered; and the gross rental income received and receivable by the Group during the Year.

	2017	2016
Revenue from the principal operations	**7,025,946,415.55**	4,904,260,244.47
Revenue from other operations	**7,302,333.56**	6,746,175.27
	7,033,248,749.11	4,911,006,419.74

	2017	2016
Cost of the principal operations	**4,525,389,286.11**	3,572,279,935.67
Cost of other operations	**1,995,931.55**	1,157,531.75
	4,527,385,217.66	3,573,437,467.42

Revenue is as follows:

	2017	2016
Revenue from service in relation to coal and relevant products	**5,210,348,137.77**	3,530,506,462.24
Revenue from service in relation to metal ore and relevant products	**1,212,162,376.34**	775,774,688.40
Revenue from service in relation to general and other cargoes	**176,418,176.52**	178,787,790.27
Revenue from container service	**103,654,855.85**	134,147,860.30
Revenue from service in relation to liquefied cargoes	**66,975,920.37**	65,560,843.64
Revenue from others	**263,689,282.26**	226,228,774.89
	7,033,248,749.11	4,911,006,419.74

12. FINANCIAL COST

	2017	2016
Interest expense	**442,059,547.29**	563,473,101.47
Including: Interest on bank loans wholly repayable within five years	**286,977,039.19**	392,033,576.44
Other interests	**155,082,508.10**	171,439,525.03
Less: Interest income	**37,548,241.19**	26,280,523.75
Less: Capitalised interest	**60,977,478.73**	267,688,043.92
Foreign exchange loss/(gain)	**12,825,814.83**	(11,248,887.43)
Others	**375,248.09**	312,050.76
	356,734,890.29	258,567,697.13

The amount of capitalised cost for borrowings has been included in construction in progress.

13. INVESTMENT INCOME

	2017	2016
Dividend income on holding available-for-sale financial assets	**4,172,048.94**	5,636,502.00
Investment income from disposal of subsidiaries	**8,366,280.02**	–
Income from long-term equity investments under equity method	**101,250,625.55**	111,809,735.32
Including: investment income from associates	**143,346,277.47**	121,890,329.33
investment income from joint ventures	**(42,095,651.92)**	(10,080,594.01)
Interest income from financial products	**4,649,180.39**	3,302,879.04
Investment income from disposal of available-for-sale financial assets	**367,153.00**	–
	118,805,287.90	120,749,116.36

All of the above investment income of the Group was derived form non-listing investment.

14. NON-OPERATING INCOME

	2017	2016	**Non-recurring profit or loss in 2017**
Income on retirement of damaged non-current assets	**6,026,879.54**	1,261,030.26	**6,026,879.54**
Government grants related to daily activities	**–**	135,607,152.97	**–**
Others	**3,239,592.46**	4,335,711.19	**3,239,592.46**
	9,266,472.00	141,203,894.42	**9,266,472.00**

15. INCOME TAX EXPENSE

	2017	2016
Current income tax expenses	**366,158,995.37**	102,717,025.06
Deferred income tax expenses	**(37,592,328.00)**	10,998,756.30
	328,566,667.37	113,715,781.36

The relationship between income tax expenses and the total profit is as follows:

	2017	2016
Total profit	**1,229,781,004.60**	485,280,796.17
Income tax expenses at the statutory tax rate	**307,445,251.15**	121,320,199.04
Effect of different tax rates of subsidiaries	**(19,686,094.91)**	(12,219.06)
Income not subject to tax	**(1,043,012.24)**	(1,409,125.50)
Investment income from associates and joint ventures	**(25,312,656.39)**	(27,952,433.83)
Expenses not deductible for tax	**25,544,844.70**	5,763,926.96
Utilising deductible losses not recognised in previous years	**(3,931,695.42)**	(241,673.49)
Unrecognised deductible losses	**38,089,657.27**	6,500,946.51
Unrecognised deductible temporary differences	**(464,443.51)**	55,627.55
Adjustments in respect of income tax of previous years	**3,194,378.95**	8,518,714.22
Others	**4,730,437.77**	1,171,818.96
Income tax expenses calculated at the Group's effective tax rate	**328,566,667.37**	113,715,781.36

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue. The number of newly issued ordinary shares is calculated and determined based on the specific terms of issuance contracts from the date of the consideration receivable (normally the stock issue date).

The calculation of the basic earnings per share is as follows:

	2017	2016
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company	**962,970,848.73**	365,029,064.52
Shares		
Weighted average number of ordinary shares in issue	**5,240,381,863**	5,029,412,000

The Company had no dilutive potential ordinary shares in issue during 2017 (2016: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

(I) INDUSTRY OVERVIEW

(1) Overview of Port Industry in the PRC

In 2017, the PRC's macro-economy grew steadily with favourable momentum and delivered better-than-expected results. In particular, the GDP increased by 6.9% to over RMB82.7 trillion. Significant progress was made in supply side structural reform, the transition to new economic drivers was accelerated, and the quality and efficiency of economic development were enhanced continuously. The throughput of cargoes in coastal ports above designated size reached 8.625 billion tonnes, representing a year-on-year increase of 6.4%, in which the cargo throughput of foreign trade reached 3.571 billion tonnes, representing a year-on-year increase of 5.3%, and the containers throughput reached 209.85 million TEU, representing a year-on-year increase of 7.7%.

(2) Overview of Port Coal Industry in the PRC

In 2017, significant progress was made in supply side structural reform of coal industry with gradual release of quality production capacity, elimination of outdated capacity, tight balance in supply and demand of coal and high price level of coal. Affected by the low base point due to the policy of capacity cut in last year and the release of advanced capacity during the current year, the total production volume of raw coal by all coal production enterprises in the PRC recovered to 3.52 billion tonnes, representing a year-on-year increase of 3.3%. Benefited from the favourable development in both supply and demand of coal, the shipment of domestic traded coal in major ports in the PRC recorded general increase.

(3) Overview of Port Metal Ore Industry in the PRC

In 2017, significant progress was made in capacity cut and elimination of low-quality steel in steel industry. The political and environmental pressure accelerated the elimination of outdated capacity, and relevant major enterprises increased their market shares and enhanced their bargaining power, and the price of ferrous metal continued to increase. Supported by high profitability, the production volume of steel grew steadily. The total production volume of crude steel in the PRC amounted to 832 million tonnes in 2017, representing a year-on-year increase of 5.7%. The improvement in steel industry drove the demand in port metal ore industry. In 2017, the amount of imported iron ores and concentrates of the PRC registered a record high of 1.075 billion tonnes, representing a year-on-year increase of 5.0%.

(4) Overview of Port Oil Industry in the PRC

In 2017, the price of crude oil remained low in the international market with slow recovery, which led to the continuously decrease in production volume of crude oil in the PRC with crude oil production volume of 192 million tonnes in 2017, representing a year-on-year decrease of 4.1%, narrowed by 2.8 percentage points. In order to meet the requirement for production and consumption, the import volume of crude oil maintained a rapid growth and registered a record high of 420 million tonnes in 2017, representing a year-on-year growth of 10.1%. Driven by the increase in import volume of crude oil, the inward volume of imported crude oil at major ports in the PRC maintained at a relatively high level throughout the year.

Source: Ministry of Transport, National Bureau of Statistics, National Development and Reform Commission website, website of the General Administration of Customs of the PRC and Shanghai Shipping Exchange.

(II) RESULTS OF OPERATION AND FINANCIAL PERFORMANCE

(1) Revenue

We provide highly integrated port services including stevedoring, stacking, warehousing, transportation and logistics services. We handle various types of cargoes mainly including coal, metal ores, oil and liquefied chemicals, containers and general cargoes. We also provide value-added services including towing, tallying and coal blending.

During the Year, the revenue of the Group amounted to RMB7,033,249 thousand, representing an increase of RMB2,122,243 thousand or 43.21% as compared with the revenue of RMB4,911,006 thousand in 2016. Such increase was mainly attributable to factors such as the stabilization and recovery of the macro economy, significant increase of the Group's throughput, recovery of coal operating rates and the subsidiaries Cangzhou Mineral Port and Caofeidian Coal Port have been put into operation successively, which resulted in an increase in revenue.

The following table sets forth the revenue generated from each type of cargo we serviced:

	For the year ended 31 December					
	2017		2016			
	Revenue *(RMB'000)*	**Percentage of total revenue** *(%)*	Revenue *(RMB'000)*	Percentage of total revenue *(%)*	**Increase/ (decrease)** *(RMB'000)*	**Increase/ (decrease)** *(%)*
Dry bulk	**6,422,510**	**91.32**	4,306,281	87.69	2,116,229	49.14
–Coal	**5,210,348**	**74.09**	3,530,506	71.89	1,679,842	47.58
–Metal ore	**1,212,162**	**17.23**	775,775	15.80	436,387	56.25
Oil and liquefied chemicals	**66,976**	**0.95**	65,561	1.33	1,415	2.16
Container	**103,655**	**1.47**	134,148	2.73	-30,493	-22.73
General and other cargoes	**176,418**	**2.51**	178,788	3.64	-2,370	-1.33
Others	**263,690**	**3.75**	226,228	4.61	37,462	16.56
Total	**7,033,249**	**100.00**	4,911,006	100.00	2,122,243	43.21

(2) Operating Cost

Our operating costs primarily includes labour costs, depreciation and amortization, power and fuel costs, repair and maintenance expenses, environmental protection and sewage charges and leasing expenses.

During the Year, the operating cost of the Group amounted to RMB4,527,385 thousand, representing an increase of RMB953,948 thousand or 26.70% as compared with the operating cost of (RMB3,573,437 thousand) in 2016. The increase was mainly attributable to the corresponding increase in variable costs such as repair and maintenance expenses, staff performance bonus and power and fuel costs affected by the increased throughput, as well as the increase in the operating cost caused by the relevant project of our subsidiaries, Cangzhou Mineral Port and Caofeidian Coal Port, which have been put into operation successively.

(3) Gross Profit Margin

During the Year, the gross profit of the Group amounted to RMB2,505,864 thousand, representing an increase of RMB1,168,295 thousand or 87.34% as compared with the gross profit of RMB1,337,569 thousand in 2016. The gross profit margin of the Group was 35.63% for the Year, representing a year-on-year increase of 8.39 percentage points as compared with (27.24%) in 2016. Such increase was mainly due to the increase in the gross profit greater than the increase in revenue resulting from the increase of throughput during the year.

(4) Segment Analysis (Business Review)

During the Year, the Group achieved a total cargo throughput of 380.63 million tonnes, representing an increase of 67.87 million tonnes or 21.70%, as compared with the throughput of 312.76 million tonnes in 2016. The throughputs generated from each of the ports which we operate are as follows:

	For the year ended 31 December					
	2017		2016			
	Throughput *(million tonnes)*	**Percentage of total throughput** *(%)*	Throughput *(million tonnes)*	Percentage of total throughput *(%)*	**Increase/ (decrease)** *(million tonnes)*	**Increase/ (decrease)** *(%)*
Qinhuangdao Port	**237.73**	**62.46**	179.66	57.44	58.07	32.32
Caofeidian Port	**77.12**	**20.26**	73.11	23.38	4.01	5.48
Huanghua Port	**65.78**	**17.28**	59.99	19.18	5.79	9.65
Total	**380.63**	**100.00**	**312.76**	**100.00**	**67.87**	**21.70**

During the Year, the Group achieved a cargo throughput of 237.73 million tonnes in Qinhuangdao Port, representing an increase of 58.07 million tonnes or 32.32% from 179.66 million tonnes for 2016.The increase was mainly due to that fact that the main cargo handled in Qinhuangdao Port was coal, as well as the significant increase in the coal throughput benefited from the steady growth of the economy of the PRC as a whole, release of advanced production capacity of coal and policies relating to restrictions on the business of coal transfer/collection by truck and imported coal.

The Group achieved a cargo throughput of 77.12 million tonnes in Caofeidian Port, representing an increase of 4.01 million tonnes or 5.48% from 73.11 million tonnes for 2016.The increase was mainly due to the increase in the metal ore throughput benefited from an increase in metal ore demand of steelworks in the economic hinterland of the Group and measures taken by the Group to attract the customers and enhance operating efficiency.

The Group achieved a cargo throughput of 65.78 million tonnes in Huanghua Port, representing an increase of 5.79 million tonnes or 9.65% from 59.99 million tonnes for 2016. The increase was mainly due to a larger throughput at Huanghua Port and a larger containers throughput. The Group has a wide range of sources to attract ore traders through the development of a mature logistics system and efficient and high-quality services in the Huanghua Port area. In respect of container business, we cooperated with shipping companies and actively expanded our shipping lines and sea-rail intermodal transportation business.

The cargo throughput of each type of cargoes we handled is set out below:

	For the year ended 31 December					
	2017		2016			
	Throughput *(million tonnes)*	**Percentage of total throughput** *(%)*	Throughput *(million tonnes)*	Percentage of total throughput *(%)*	**Increase/ (decrease)** *(million tonnes)*	**Increase/ (decrease)** *(%)*
Dry bulk	**352.46**	**92.60**	289.78	92.65	62.68	21.63
–Coal	**233.40**	**61.32**	177.04	56.60	56.36	31.83
–Metal ore	**119.06**	**31.28**	112.74	36.05	6.32	5.61
Oil and liquefied chemicals	**3.15**	**0.83**	3.31	1.06	(0.16)	(4.83)
Container	**15.93**	**4.18**	13.25	4.24	2.68	20.23
General and other cargoes	**9.09**	**2.39**	6.42	2.05	2.67	41.59
Total	**380.63**	**100.00**	312.76	100.00	67.87	21.70

(i) Dry bulk cargoes handling services

Our dry bulk cargoes handling services mainly include coal and metal ores handling services. During the Year, the Group recorded a total dry bulk throughput of 352.46 million tonnes, representing an increase of 62.68 million tonnes or 21.63% from 289.78 million tonnes for 2016.

During the Year, the Group achieved a total coal throughput of 233.40 million tonnes, representing an increase of 56.36 million tonnes or 31.83% from 177.04 million tonnes for 2016. Such increase was mainly because: (i) the ports in Tianjin and Hebei region stopped the business of coal transfer by truck, which further increased the demand and proportion of coal transfer by railway transportation due to less channels available for coal transportation, leading to the return of certain cargo sources to Daqin Railway. As such, the Group, as the main hub port of Daqin Railway, recorded significant increase in amount of coal collection; (ii) in order to retain the benefits of coal capacity cut, the PRC issued relevant policy to limit importation of coal in July 2017, which turned certain foreign trade demand to domestic market; and (iii) the PRC's boosting macro economy in 2017, the PRC's power generation increased by 5.7% year-on-year. In particular, the PRC's coal-fire power generation amounted to 441.7 billion kWh, representing an increase of 3.6%. In 2017, the total power consumption of the PRC amounted to 6.31 trillion kWh, representing a year-on-year increase of 6.6%, which in turn shaped the demand for thermal coal transportation and the demand for the Group's coal business has shown a growth trend.

During the Year, the Group achieved a total metal ores throughput of 119.06 million tonnes, representing an increase of 6.32 million tonnes or 5.61% from 112.74 million tonnes for 2016. Such increase was mainly due to the fact that the steel enterprise in the hinterland of the Group recorded good profitability and maintained stable growth in import volume of metal ore, and the Group solicited the cargoes extensively and further strengthened the ability of cargo collection and transportation to provide quality comprehensive logistics services to the steel enterprises in the hinterland.

(ii) Oil and liquefied chemicals handling services

The Group recorded a total oil and liquefied chemicals throughput of 3.15 million tonnes during the Year, representing a decrease of 0.16 million tonnes or 4.83% from 3.31 million tonnes for 2016. The decrease was mainly due to the fact that the Group's cargoes source was affected by the decrease in production volume of offshore oil in Jinzhou area of Bohai Bay.

(iii) Container service

During the Year, the Group recorded a total container throughput of 1,212,916 TEU, equivalent to a throughput of 15.93 million tonnes, representing increases in the number of containers handled and throughput of 96,269 TEU and 2.68 million tonnes, respectively, (i.e. approximately 8.62% and 20.23%, respectively) as compared with the number of containers handled and throughput of 1,116,647 TEU and 13.25 million tonnes for 2016, respectively. The increase was mainly due to the Group cooperated with railway and shipping companies in market development to further expand the cargoes sources of "dry bulk & general cargoes to containers" with focus on long range cargo sources such as coal lump and sodium hydroxide, and actively expanded the sea-rail intermodal transportation project, which facilitated the continuous growth in container throughput.

(iv) General cargoes handling services

During the Year, the Group recorded a total throughput of general and other cargoes of 9.09 million tonnes, representing an increase of 2.67 million tonnes or 41.59% from 6.42 million tonnes for 2016. The increase was mainly due to the Group endeavoured to explore new cargo sources based on the demand from upstream and downstream markets and the customers, actively improved the production techniques and further enhanced the production efficiency, so as to maintain the existing market shares while achieving continuous growth in cargoes throughput.

(v) Ancillary port services and value-added services

We also provide a variety of ancillary port services and value-added services. Our ancillary port services include tugging, tallying, trans-shipping, and shipping agency services during the Year. Our value-added services mainly include towing, tallying, coal blending and tariff-free warehouse and export supervisory warehouse services. During the Year, the revenue of the Group from ancillary port services and value-added services amounted to RMB263,689 thousand, representing a year-on-year increase of 16.56% as compared to the revenue from ancillary port services and value-added services of (RMB226,229 thousand) in 2016.

(5) Administrative Expenses and Selling Expenses

During the Year, our total administrative expenses and selling expenses amounted to RMB949,528 thousand, representing an increase of RMB149,698 thousand or 18.72% from RMB799,830 thousand for 2016. The increase was mainly attributable to the increased staff performance bonus affected by the improvement in the results of operation, as well as the increase in the operating cost caused by our subsidiaries, Cangzhou Mineral Port and Caofeidian Coal Port, which have been put into operation successively.

(6) Financial Expenses

During the Year, our financial expenses amounted to RMB356,735 thousand, representing an increase of RMB98,167 thousand or 37.97% from RMB258,568 thousand for 2016. The increase was mainly attributable to the combined effect of the increase in interest expenses as a result of the successive transfer of Phase One of metal ore terminal project in Cangzhou and Phase Two of coal terminal project in Caofeidian to fixed assets, the decrease in bank borrowings resulted from the disposal of subsidiaries, as well as the exchange gains and losses.

(7) Investment Income

During the Year, our investment income amounted to RMB118,805 thousand, representing a decrease of RMB1,944 thousand or 1.61% from RMB120,749 thousand for 2016. Such decrease was mainly attributable to the year-on-year decrease in the recognized investment income from associates and joint ventures.

(8) Gain on Disposal of Assets, Other Income and Net Non-operating Revenue and Expenses

During the Year, our gain on disposal of assets, other income and net non-operating revenue and expenses amounted to RMB38,253 thousand, representing a decrease of RMB98,383 thousand or 72.00% from RMB136,636 thousand for 2016. Such decrease was mainly attributable to the fact that the container subsidy of our subsidiary, Cangzhou Bohai Port, during the year decreased, and no provision was made in respect of the such anticipated liabilities for the pending litigation.

(9) Income Tax Expense

Income tax expense of the Group increased by RMB214,851 thousand to RMB328,567 thousand for the Year from RMB113,716 thousand for 2016, the effective income tax rate of the Group increased to 26.72% for the Year from 23.43% for 2016 which was mainly due to the fact that the parent exceeded the enterprise annuity drawn before income tax and the effect of the provision for the unused special reserves.

(10) Net Profit

Net profit of the Group for the Year amounted to RMB901,214 thousand, representing an increase of RMB529,649 thousand or 142.55% from RMB371,565 thousand for 2016. Our net profit attributable to owners of the parent for the Year amounted to RMB962,971 thousand, representing an increase of RMB597,942 thousand or 163.81% from RMB365,029 thousand for 2016.

During the Year, net profit margin of the Group was 12.81%, representing an increase of 5.24 percentage points from 7.57% for 2016.

(11) Earning Per Share

Earnings per Share are calculated by dividing the net profit attributable to owners of the parent for the Year by the weighted average number of ordinary Shares in issue during the Year. Earnings per Share of the Group for the Year amounted to RMB0.18, representing an increase of 157.14% from RMB0.07 for 2016. Please refer to Note IV.16 to the financial statements for the calculation of earnings per Share.

(12) Capital Structure, Cash Flows and Financial Resources

The Group's funds are mainly used for investment, operating costs, construction of berths and repayment of loans. The Group primarily relied on funds generated from operations and bank loans for our working capital requirement.

During the Year, net cash flows generated from operating activities amounted to RMB2,888,395 thousand, representing an increase of RMB1,399,526 thousand or 94.00% as compared with the net cash inflows in 2016 (RMB1,488,869 thousand). Such increase was mainly resulted from the significant increase in revenue during the Year.

During the Year, net cash flows generated from investing activities amounted to RMB-1,671,685 thousand, representing a decrease of RMB1,585,897 thousand or 1,848.62% as compared with RMB-85,788 thousand in 2016. Such decrease was mainly attributable to the increase in the payment of the projects during the Year and additional investment on joint and associate ventures.

During the Year, net cash flows from financing activities amounted to RMB-1,351,607 thousand, representing an increase of RMB293,820 thousand or 17.86% as compared with RMB-1,645,427 thousand in 2016. Such increase was mainly attributable to the net increase in borrowings during the Year and the year-on-year decrease in distributable dividends, as well as the completion of the A Shares listing by the Company.

Due to the above reasons, as at 31 December 2017, the Group held a balance of cash and cash equivalents of approximately RMB999,147 thousand, representing a decrease of RMB150,659 thousand or 13.10% from RMB1,149,806 thousand as at 31 December 2016.

As at 31 December 2017, the gearing ratio (total liabilities divided by total assets) of the Group was 43.47%, decreased by 8.35% as compared with the gearing ratio of 51.82% as at 31 December 2016. Such decrease was mainly due to the increase in the repayment of loans and the completion of the A Shares listing by the Company.

The table below sets forth the summary of the consolidated statement of cash flows of the Group for the periods indicated:

	31 December 2017 *RMB'000*	31 December 2016 *RMB'000*
Net cash flow generated from operating activities	**2,888,395**	1,488,869
Net cash flow generated from investing activities	**-1,671,685**	-85,788
Net cash flow generated from financing activities	**-1,351,607**	-1,645,427
Net increase in cash and cash equivalents	**-150,659**	-226,651
Cash and cash equivalents at the beginning of year	**1,149,806**	1,376,457
Cash and cash equivalents at the end of year	**999,147**	1,149,806

(13) Exchange Rate Risks

The operations of the Group mainly locate in the PRC, and substantially all of business assets, liabilities, operating revenue and expenses are denominated in or settled in RMB, while debts denominated in foreign currencies are mainly used to pay overseas agency fees. As such, the Group has not adopted any foreign exchange hedging arrangement.

(14) Bank Loans and Other Borrowings

As at 31 December 2017, the details of the Group's bank loans and other borrowings are set out in Notes IV.6 and 10 to the financial statements.

(15) Pledge of Assets and Contingent Liabilities

The Group has no pledge of assets and contingent liabilities during the Year.

(16) Capital Commitment

	2017	2016
Contracted yet provisioned		
Capital commitment	**101,463,438.18**	359,519,405.87
Investment commitment	**1,140,000,000.00**	1,816,515,800.00
	1,241,463,438.18	2,176,035,205.87

(17) Management of Working Capital

	31 December 2017	31 December 2016
Current ratio	**0.70**	0.56
Quick ratio	**0.59**	0.47
Turnover days of trade receivables	**6.05**	12.20
Turnover days of trade payables	**12.94**	10.40

As at 31 December 2017, the Group's current ratio and quick ratio were 0.70 and 0.59, respectively, representing an increase as compared with the current ratio of 0.56 and quick ratio of 0.47 as at 31 December 2016. The turnover days of trade receivables for this year was 6.05 days and the turnover days of trade payables was 12.94 days, representing a decrease of 6.15 days as compared with (12.20 days) in 2016 and an increase of 2.54 days as compared with (10.40 days) in 2016, respectively.

(18) Overview of Major Investment, Acquisition and Disposal

During the Year, the Group made the following investments, acquisition and disposal in its subsidiaries or associated companies:

During the Year, Cangzhou Bohai Port (a 96.08% owned subsidiary of the Company and as the transferor) entered into an equity transfer agreement with Bohai Jin-Ji Port Investment and Development Company Limited (as the transferee), pursuant to which Cangzhou Bohai Port agreed to transfer and Bohai Jinji agreed to acquire 90% equity interest in Cangzhou Bohai Jinji Container Terminal Co., Ltd. at a consideration of RMB519,345,419 (subject to the adjustment of the last consideration). Cangzhou Bohai Port held as to 100% in the interest of Cangzhou Bohai Jinji Container Terminal Co., Ltd. before the completion of equity transfer. Immediately after the equity transfer completion Date, it ceased to be a subsidiary of the Company. (Since August 2017, the company name of Cangzhou Bohai Jinji Container Terminal Co., Ltd. has been changed to Jinji International Container Terminal Co., Ltd.)

Save as disclosed above, the Company did not have any other major investment, acquisition and disposal during the Year.

(III) PROSPECTS

In the "13th Five-Year Plan" period, the Group will capture the development opportunities from the cooperative development of the Beijing-Tianjin-Hebei Region, the "Belt and Road" initiatives and the development of the Xiong'an New Area, leverage on the geographical advantage and experience in mature and efficient port operation and management, and adhere to the overall development concept of "stronger and better, transformation and upgrading, improving quality and efficiency, driven by innovation and achieving win-win in harmony", in order to let the Group become a port industrial cluster operator of sound governance system, strong competitive advantage and leading economic benefit, combining with the roles of port operator, integrated logistics service provider and capital operator.

The business prospects of the Group in 2018 are as follows:

Coal business:

Firstly, the PRC's macro economy will continue to grow and the demand for thermal coal will maintain an upward trend.

Secondly, in order to retain the benefits of coal capacity cut, the PRC will continue to implement relevant policy to limit importation of coal, which will turn certain foreign trade demand to domestic market. As such, the favourable condition in demand for domestic coal will continue.

Thirdly, the coal transportation volume of Daqin Railway is expected to maintain steady in 2018, which will continue to provide powerful support in cargo sources to the Company, the main hub port of Daqin Railway.

Lastly, the coal transportation volume of Mengji Railway is expected to increase significantly in 2018, which will benefit Caofeidian Coal Port, a subsidiary of the Group, in the growth of throughput.

In view of the above, it is expected that the coal throughput of the Group will maintain stably.

Metal ores business:

With the supply side structural reform and the recovery of global economy, the PRC's economy will maintain a steady trend with favourable momentum. In particular, with the continuous implementation of supply side structural reform in steel industry, the imbalance between supply and demand of steel was alleviated and the profitability of steel enterprises was significantly improved through overcapacity cut. Port operation showed new characteristics where traders became the major importers of foreign ores and the steel enterprises mainly procured spot goods at the ports, which led to high level of inventory at the ports. As such, the import volume of metal ore will maintain a stable trend. As the major hub port for unloading the imported ores in Northern China, the Group will continue to solicit the cargoes extensively and further strengthen the ability of cargo collection and transportation to provide quality comprehensive logistics services to the steel enterprises in the hinterland.

Oil business:

The Group will strive to expand the refined oil business. However, as the cargo sources is affected by the decrease in production of offshore oil in Jinzhou area of Bohai Bay and the shutdown of asphalt plants, the throughput is expected to decrease slightly.

Container business:

The Group will cooperate with railway and shipping companies in market development to further expand the cargoes sources of "dry bulk & general cargoes to containers" with focus on long range cargo sources such as coal lump and sodium hydroxide, and active expand the sea-rail intermodal transportation projects, thereby maintaining the continuous growth in container throughput.

General cargoes business:

General cargoes business of the Group will continue to operate in a stable manner. The Group will provide "one-on-one" services to the customers based on the demand from upstream and downstream markets and the customers as well as the cargo sources condition in order to maintain the existing market shares while achieving growth.

OTHER INFORMATION

(I) Use of Proceeds from the Global Offering

The H Shares of the Company has been listed and traded on the Stock Exchange since 12 December 2013. After deducting related expenses, the net proceeds of the Company from the Global Offering amounted to approximately HK$3,823 million. The use of the proceeds of the Global Offering disclosed in the section "Future Plans and Use of Proceeds" in the Prospectus for the current year from the Company listed (except for working capital and general corporate purposes) has been completed as planned, with the actual investment amount slightly more than the allocated amount set out in the Prospectus. In order to increase the efficiency of the use of proceeds from the Global Offering, the Board of Directors of the Company considers that it is necessary to adjust the use of proceeds from the Global Offering of the plan and has already made a resolution to approve the adjustment of the unused proceeds from the Global Offering into working capital and general corporate purposes. The Board believes that the above adjustments to the use of proceeds from the Global Offering will increase the flexibility of the Company's financial management and reduce other financing costs as well as in line with the overall interests of the Company and its Shareholders. For details, please refer to the announcement of the Company dated 27 October 2017 (among others) regarding the adjustment of the use of funds raised.

(II) Major Events During the Reporting Period

On 16 August 2017, the Company first listed and issued 580,000 ordinary shares (A Shares) on the Shanghai Stock Exchange at an issue price of RMB2.34 per Share. The original domestic shares were converted into A Shares at the same time. The total amount of funds raised in this offering was RMB1,305.72 million. After deducting the issuance expenses of RMB65.12 million, the net proceeds raised amounted to RMB1,240.60 million. After the issuance, the total number of shares of the Company was 5,587,412,000 shares, of which A Shares were 4,757,559,000 and H Shares were 829,853,000.

(III) Events After the Reporting Period

Pending litigation

In January 2018, the Company's subsidiary, Cangzhou Mineral Port, received a summons from the Chuzhou Intermediate People's Court of Hebei Province. For details, please refer to the announcement issued by the Company on 31 January 2018, the bank deposits of RMB49,598,181.08 for Cangzhou Mineral Port were already legally enforced on 23 January 2018 and frozen. As of the date of approval of the financial statements, the case is still pending and the above bank deposits are still frozen.

Declaring Distribution of Dividends

As reviewed by the 17th meeting of the third Board of Directors of the Company held on 29 March, 2018, the profit distribution plan for 2017 is based on 5,587,412,000 shares outstanding. It is proposed to distribute a cash dividend of RMB0.62 (tax inclusive) to all Shareholders for each 10 share. Total cash dividends distributed totaled RMB346,419,544.00. The proposal has yet to be approved by the Company's general meeting.

(IV) Repurchase, Sales and Redemption of Listed Securities

During the Year, the Company did not repurchase, sell or redeem any of its Shares.

(V) Compliance with Corporate Governance Code

During the relevant period, the Company has continued to improve and optimize its internal control system in order to implement sound corporate governance.

The Company has adopted and complied with all applicable provisions of the Corporate Governance Code. During the Year, the Company had been complying with the applicable provisions of the Corporate Governance Code, except for Code Provision A.6.7, pursuant to which, independent non-executive Directors and non-executive Directors should attend general meetings.

During the Year, Mi Xianwei, a non-executive Director, was unable to attend all general meetings of the Company during his term of office due to other business engagement.

(VI) Compliance with Model Code

During the Reporting Period, the Company has adopted the Model Code as the code of conduct for securities transactions by the Directors and supervisors of the Company to regulate the securities transactions made by the Directors and supervisors of the Company. Upon specific enquiries by the Company, all the Directors and supervisors of the Company confirmed that they have complied with the provisions of the Model Code during the relevant period.

(VII) Dividends

The Board proposed distribution of final dividends of RMB0.062 (tax inclusive) per Share for the Year to the Shareholders of the Company. If the profit distribution plan is approved by the Shareholders at the Annual General Meeting, final dividends will be distributed to Shareholders whose names appear on the register of members of the Company on 5 July 2018 by 20 August 2018. In accordance with the Articles of Association of the Company, dividends payable to holders of the A Shares will be made and paid in RMB, whereas dividends payable to holders of the H Shares will be declared in RMB and paid in Hong Kong dollars, the exchange rate of which will be calculated based on the average exchange rate published by The People's Bank of China (中國人民銀行) during the week prior to the Annual General Meeting to be held on 20 June 2018.

In accordance with the Corporate Income Tax Law of the PRC and its implementation rules effective on 1 January 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from 1 January 2008 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 final dividends as corporate income tax, distribute the final dividends to nonresident 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, or other nominees, trustees, or holders of H Shares registered in the name of other organisations and groups.

Due to changes in the PRC tax laws and regulations, according to the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents issued by the State Administration of Taxation (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》) on 4 January 2011, individual Shareholders who hold the Company's H Shares and whose names appeared on the H Share Register of the Company can no longer be exempted from individual income tax pursuant to the Notice of the State Administration of Taxation Concerning the Taxation of Gains on Transfer and Dividends from Shares (Equities) Received by Foreign Investment Enterprises, Foreign Enterprises and Foreign Individuals (Guo Shui Fa [1993] No. 045) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]045號)) issued by the State Administration of Taxation, whilst pursuant to the letter titled Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies issued by the Stock Exchange to the issuers on 4 July 2011 and the Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 of State Administration of Taxation (Guo Shui Han [2011] No. 348) (《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》(國稅函[2011]348號)), it is confirmed that the overseas resident individual shareholders holding shares of domestic non-foreign invested enterprises issued in Hong Kong are entitled to the relevant preferential tax treatments pursuant to the provisions in the tax arrangements between the countries where they reside and the PRC or the tax arrangements between the PRC and Hong Kong or the Macau Special Administrative Region of the PRC. Therefore, the Company will withhold 10% of the dividend as individual income tax, unless it is otherwise specified in the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividends in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

The 2017 AGM of the Company will be held on Wednesday, 20 June 2018. In order to determine the holders of H Shares who will be entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 21 May 2018 to Wednesday, 20 June 2018 (both days inclusive), during which period no transfer of Shares will be registered. In order for the holders of H Shares of the Company to qualify for attending the 2017 AGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 18 May 2018.

Subject to the approval of the resolution regarding the declaration of dividends at the 2017 AGM, dividends will be paid to the Shareholders whose names appear on the register of members of the Company after the close of the market on 5 July 2018. The register of the Company will be closed from Saturday, 30 June 2018 to Thursday, 5 July 2018 (both days inclusive), during which period no transfer of shares will be registered. In order for the holders of H Shares of the Company to qualify for receiving the final dividends, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 29 June 2018. The Company has no obligation and will not be responsible for confirming the identities of the Shareholders. The Company held no liability in respect of any claims arising from any delay in, or inaccurate determination of the identity of the Shareholders or any disputes over the mechanism of withholding.

The Board is not aware that any Shareholder has waived or agreed to waive any dividends.

(VIII) Audit Committee

The Audit Committee of the Company has reviewed the annual results for 2017 and the financial statements for the year ended 31 December 2017 of the Group prepared under the China Accounting Standards for Business Enterprises.

(IX) Auditors

The Company has appointed Ernst & Young Hua Ming LLP as the domestic auditor of the Company and to audit the financial statements for the Year.

(X) Publication of Annual Results and Annual Report

This annual results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qhdport.com). In accordance with the requirements under the Listing Rules applicable in the Reporting Period, the 2017 annual report containing all information about the Company set out in this preliminary results announcement for the year ended 31 December 2017 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company, respectively.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"AGM" or "Annual General Meeting"	the annual general meeting or its adjourned meetings of the Company to be held at 10:00 am on Wednesday, 20 June 2018 at Sea View Hotel, 25 Donggang Road, Haigang District, Qinhuangdao, Hebei Province, PRC
"Articles of Association"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Berth"	area for mooring of vessels on the shoreline. A berth means one designated place for a vessel to moor
"Board of Directors" or "Board"	the board of directors of the Company
"Cangzhou Bohai Port"	Cangzhou Bohai Port Co., Ltd.* (滄州渤海港務有限公司), a company incorporated in the PRC with limited liability on 31 October 2007, with 96.08% of its equity interest held by the Company as at the date of this results announcement
"Cangzhou Mineral Port"	Cangzhou Huanghuagang Mineral Port Co., Ltd.* (滄州黃驊港礦石港務有限公司), a company incorporated in the PRC with limited liability on 10 April 2012, with 98.47% of its equity interest held by our Company as at the date of this results announcement

"Caofeidian Coal Port"	Tangshan Caofeidian Coal Port Co., Ltd. *(唐山曹妃甸煤炭港務有限公司), a company incorporated in the PRC with limited liability on 29 October 2009, with 51.00% its equity interest held by our Company as at the date of this results announcement
"Bohai Jinji"	Bohai Jin-Ji Port Investment and Development Company Limited *(渤海津冀港口投資發展有限公司), a company incorporated in the PRC
"Caofeidian Port"	Caofeidian Port Zone in Tangshan Port, Tangshan City, Hebei Province
"Company" or "the Company"	Qinhuangdao Port Co., Ltd.*(秦皇島港股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC on 31 March 2008
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
"Director(s)"	director(s) of the Company
"A Share(s)"	the RMB ordinary share(s) issued by the Company in China, which are subscribed for in RMB and listed on the SSE, with a nominal value of RMB1.00 each
"dry bulk"	solid commodity cargo comprised of major dry bulk (coal, metal ores and grain) and other dry bulk commodities such as sugar, cement and fertilizer
"Global Offering"	the issuance of H Shares of the Company by way of Hong Kong public offering and international offering in 2013
"Group", "the Group", "us" or "we"	the Company and all of its subsidiaries (unless the context otherwise requires)
"harbour"	a port of haven where ships may anchor
"HK$" or "Hong Kong dollar(s)"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HPG"	Hebei Port Group Co., Ltd.*(河北港口集團有限公司), previously known as Qinhuangdao Port Group Co., Ltd.*(秦皇島港務集團有限公司), holds 54.27% equity interest of the Company

"H Share(s)"	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed and dealt in, on the Stock Exchange
"Huanghua Port"	Huanghua Port in Cangzhou City, Hebei Province
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"PRC" or "China"	the People's Republic of China which, for the purpose of this results announcement, excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company dated 29 November 2013 in connection with the Global Offering
"Qinhuangdao Port"	Qinhuangdao Port in Qinhuangdao City, Hebei Province
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended from time to time
"Share(s)"	A Share(s) and/or H Share(s) (as the case may be)
"Shareholder(s)"	holder(s) of our Shares
"SSE"	The Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Terminal"	a major construction of a harbour which is designated for mooring vessels, loading and unloading cargoes and boarding travellers
"TEU" or "container"	a box made of aluminium, steel or fiberglass and used to transport by ship, rail or barge. The standardized dimension (i.e. one TEU) is twenty feet in length, eight feet and six inches in height and eight feet in width

"the Year" or "Reporting Period"	the year ended 31 December 2017
"Throughput"	a measure of the volume of cargo handled by a port. Where cargoes are transhipped, each unloading and loading process is measured separately as part of throughput

By order of the Board
Qinhuangdao Port Co., Ltd.*
CAO Ziyu
Chairman

Qinhuangdao, Hebei Province, the PRC
29 March 2018

As at the date of this announcement, the executive directors of the Company are CAO Ziyu, YANG Wensheng, WANG Lubiao and MA Xiping; the non-executive directors of the Company are LI Jianping and MI Xianwei; and the independent non-executive directors of the Company are LI Man Choi, ZHAO Zhen, ZANG Xiuqing and HOU Shujun.