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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 2021

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2021:

- Revenue of the Group was RMB16,099 million, representing an increase of 21.8% as compared to the same period in the prior year;
- Net profit attributable to shareholders of the Company was RMB3,964 million, representing an increase of 3.2% as compared to the same period in the prior year;
- Earnings per share of the Company was RMB0.61; and
- The Board has proposed the distribution of a final dividend of RMB256.4 (tax inclusive) per thousand shares.

The Board is pleased to announce the consolidated annual results of the Company and its subsidiaries for the year ended 31 December 2021. Such annual results have been reviewed by the audit committee of the Board.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note	31 December 2021	31 December 2020
Current assets			
Cash at bank and on hand		9,119,769,281	8,548,976,734
Financial asset held for trading		835,756,386	1,121,813,078
Notes receivable		27,155,970	52,322,799
Accounts receivable	3	1,881,094,561	2,982,613,568
Financing receivables		376,792,050	528,732,800
Advances to suppliers		107,592,257	102,314,994
Other receivables		5,597,104,118	2,273,191,624
Inventories		126,371,467	137,327,278
Contract assets		425,295,998	62,830,443
Current portion of non-current assets		838,294,118	59,127,841
Other current assets		1,229,888,128	3,100,048,118
Total current assets		20,565,114,334	18,969,299,277
Non-current assets			
Long-term receivables		2,557,623,609	3,308,404,670
Long-term equity investments		10,015,353,289	9,871,753,951
Other non-current financial assets		897,168,337	586,308,466
Investment properties		173,639,371	170,522,903
Fixed assets		17,816,872,407	16,168,130,367
Construction in progress		3,423,125,235	3,068,902,274
Right-of-use assets		370,858,887	311,822,056
Intangible assets		2,879,757,528	2,914,515,994
Development costs		24,006,548	-
Goodwill		48,683,209	48,683,209
Long-term prepaid expenses		54,922,728	27,145,518
Deferred tax assets		949,441,911	920,319,850
Other non-current assets		798,988,735	811,556,445
Total non-current assets		40,010,441,794	38,208,065,703
TOTAL ASSETS		60,575,556,128	57,177,364,980

CONSOLIDATED BALANCE SHEET (CONT'D)
AS AT 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2021	31 December 2020
Current liabilities			
Short-term borrowings		1,428,315,717	135,133,306
Notes payable		1,218,023,563	890,180,633
Accounts payable	4	1,454,934,151	1,197,290,688
Advances from customers		9,168,614	6,453,928
Contract liabilities		196,144,973	148,693,164
Employee benefits payable		524,105,666	440,016,032
Taxes payable		264,095,701	256,377,041
Other payables		10,886,687,331	9,421,058,097
Current portion of non-current liabilities		188,512,933	2,288,917,202
Other current liabilities		12,949,599	8,474,375
Total current liabilities		16,182,938,248	14,792,594,466
Non-current liabilities			
Long-term borrowings		-	109,708,639
Lease liabilities		184,438,326	139,109,235
Long-term payables		151,757,561	40,973,544
Provisions		4,000,000	9,765,192
Deferred income		268,390,844	280,047,491
Long-term employee benefits payable		2,464,840,000	2,326,560,000
Deferred tax liabilities		51,872,949	54,031,756
Other non-current liabilities		2,482,691,848	2,683,842,524
Total non-current liabilities		5,607,991,528	5,644,038,381
Total liabilities		21,790,929,776	20,436,632,847
Shareholders' equity			
Share capital		6,491,100,000	6,491,100,000
Capital surplus		12,276,919,811	12,318,673,889
Other comprehensive income		(5,541,784)	287,298,275
Specific reserve		3,673,408	4,279,187
Surplus reserve		2,002,688,003	1,617,193,102
General risk reserve		411,248,470	411,248,470
Undistributed profits		13,743,191,909	11,866,599,218
Total equity attributable to shareholders of the Company		34,923,279,817	32,996,392,141
Minority interests		3,861,346,535	3,744,339,992
Total Shareholders' equity		38,784,626,352	36,740,732,133
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		60,575,556,128	57,177,364,980

Note: In this annual results announcement, "-" represents zero.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2021	2020
1. Revenue	6	16,099,181,504	13,219,413,890
Less: Cost of sales	6	(10,955,451,374)	(8,487,597,332)
Taxes and surcharges	7	(129,537,571)	(104,591,148)
Selling and distribution expenses		(55,390,616)	(40,621,861)
General and administrative expenses		(811,594,645)	(637,286,906)
Research and development expenses		(82,708,843)	(20,178,352)
Financial expenses		138,157,771	13,380,022
Including: Interest expenses		155,677,343	207,835,967
Interest income		392,883,319	356,399,859
Add: Other income		149,112,486	88,907,845
Investment income		1,427,798,244	1,550,902,088
Including: Investment income from associates and joint ventures		1,177,037,672	1,289,230,148
Gains on changes in fair value		20,488,122	2,195,578
Credit impairment losses		(29,559,789)	(93,152,905)
Asset impairment losses		(8,759,366)	12,432,618
Gains on disposal of assets		21,236,734	17,725,923
2. Operating profit		5,782,972,657	5,521,529,460
Add: Non-operating income		2,790,705	13,110,299
Less: Non-operating expenses		(2,064,097)	(9,442,814)
3. Total profit		5,783,699,265	5,525,196,945
Less: Income tax expenses	8	(1,153,879,322)	(1,104,837,067)
4. Net profit		4,629,819,943	4,420,359,878
Classified by continuity of operations			
Net profit from continuing operations		4,629,819,943	4,420,359,878
Net profit from discontinued operations		-	-
Classified by ownership of the equity			
Minority interests		665,765,931	578,496,735
Attributable to shareholders of the Company		3,964,054,012	3,841,863,143

CONSOLIDATED INCOME STATEMENT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2021	2020
5. Other comprehensive income, net of tax		(289,606,440)	103,989,290
Attributable to shareholders of the Company, net of tax			
Other comprehensive income items which will not be subsequently reclassified to profit or loss			
Changes in remeasurement of defined benefit plan obligations		(287,368,551)	106,408,100
Other comprehensive income items which will be subsequently reclassified to profit or loss			
Changes in fair value of other debt investments		(5,471,508)	(1,778,497)
Attributable to minority shareholders, net of tax		3,233,619	(640,313)
6. Total comprehensive income		4,340,213,503	4,524,349,168
butable to shareholders of the Company		3,671,213,953	3,946,492,746
Attributable to minority interests		668,999,550	577,856,422
7. Earnings per share	9		
Basic earnings per share (RMB)		0.61	0.59
Diluted earnings per share (RMB)		0.61	0.59

Notes

1 General Information of the Company

The Company is a joint stock limited company incorporated in Qingdao City of Shandong Province of PRC on 15 November 2013 (the "**Company's Date of Incorporation**") by Qingdao Port Group, as the leading promoter, together with Malai Storage (Shenzhen) Co., Ltd., Qingdao Ocean Shipping Co., Ltd. (now renamed as COSCO Shipping (Qingdao) 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 No. 12 Jingba Road, Huangdao District, Qingdao, Shandong Province, PRC.

The H share of the Company was listed on the main board of the Hong Kong Stock Exchange on 6 June 2014.

The completion of the placing of 243,000,000 new H shares of the Company took place on 18 May 2017 at the placing price of HKD4.32 per H Share (equivalent to approximately RMB3.81). The number of total share capital of the Company increased to 5,021,204,000 shares as a result of the issue of the placing shares.

The Company made private placement of 1,015,520,000 domestic shares to Shanghai China Shipping Terminal on 22 May 2017 at a subscription price of RMB5.71 per share. After the completion of the private placement of the domestic shares, the number of total share capital of the Company increased to 6,036,724,000 shares.

The Company completed the initial public offering of 454,376,000 ordinary shares (A shares) and was listed on the main board of Shanghai Stock Exchange on 21 January 2019, with a par value of RMB1.00 per share at the issuing price of RMB4.61 per share. After the completion of the issuance of A shares, the number of total share capital of the Company increased to 6,491,100,000 shares.

As at 31 December 2021, the total share capital of the Company is 6,491,100,000 shares with par value of RMB1.00, including 5,392,075,000 A shares and 1,099,025,000 H shares, accounting for 83.07% and 16.93% of the total share capital of the Company, respectively, among which, Qingdao Port Group holds 55.77% equity interests of the Company in total, directly and indirectly.

1 General Information (Cont'd)

Pursuant to the *Gratuitous Transfer Agreement of the Equity Interests in Qingdao Port (Group) Co., Ltd. among Shandong Port Group Co., Ltd., the State-owned Assets Supervision & Administration Commission of Qingdao Municipal Government and the State-owned Assets Supervision & Administration Commission of Weihai Municipal Government* signed by Shandong Port Group, Qingdao SASAC, State-owned Assets Supervision & Administration Commission of Weihai Municipal Government and Qingdao Port Group on 22 August 2019, Qingdao SASAC shall transfer 100% equity interests in Qingdao Port Group to Shandong Port Group. Pursuant to the *Supplementary Agreement to the Gratuitous Transfer Agreement of the Equity Interests in Qingdao Port (Group) Co., Ltd. Among Shandong Port Group Co., Ltd. and State-owned Assets Supervision & Administration Commission of Qingdao Municipal Government* (hereinafter referred to as "**Supplementary Agreement**") signed by Qingdao Port Group, Shandong Port Group and Qingdao SASAC on 17 November 2020, Qingdao SASAC shall transfer its 49% equity interests in Qingdao Port Group to Shandong Port Group. After 36 months from the listing of the Company's A shares, Qingdao SASAC and Shandong Port Group shall negotiate separately in relation to the transfer of the remaining 51% equity interests in Qingdao Port Group. Qingdao Port Group completed the industrial and commercial registration on 2 December 2020, under which Qingdao SASAC and Shandong Port Group held 51% and 49% of equities of Qingdao Port Group, respectively. Pursuant to the Supplementary Agreement, before the date on which the Company's A shares having been listed for 36 months, Shandong Port Group shall not enjoy the portion of the distributed profit of Qingdao Port Group attributable to the Company, and Shandong Port Group's voting on relevant matters regarding the Company on Qingdao Port Group's general meetings of shareholders shall concur with Qingdao SASAC's voting. Therefore, as at 31 December 2021, the Company's controlling shareholder and the ultimate controller were still Qingdao Port Group and Qingdao SASAC, respectively.

Pursuant to the *Gratuitous Transfer Agreement of the 51% Equity Interests in Shandong Port Qingdao Port Group Co., Ltd. between Shandong Port Group Co., Ltd. and State-owned Assets Supervision & Administration Commission of Qingdao Municipal Government* signed by Qingdao Port Group, Shandong Port Group and Qingdao SASAC on 23 January 2022, Qingdao SASAC gratuitously transferred remaining 51% equity interests in Qingdao Port to Shandong Port Group. The agreement has been effective upon the approval of Shandong SASAC and Qingdao Port Group has completed the industrial and commercial registration, the Company's controlling shareholder is still Qingdao Port Group, and the ultimate parent company changes to Shandong Port Group, and the ultimate controller changes to Shandong SASAC.

The scope of business of the Group includes port and port-related services such as stevedoring, stacking, logistics of containers, metal ores, coal, crude oil, grains, break bulk cargo, financing service business, and port supporting business such as port machinery manufacture, building and construction, towing, and ocean shipping tallying.

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 (hereinafter collectively referred to as the "**Accounting Standards for Business Enterprises**"); and are also prepared in accordance with *the Public Information Disclosure and Compilation Rules for Public Offering of Securities No. 15 - General Provisions for Financial Reporting* issued by China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

The new *Hong Kong Companies Ordinance* came into effect from 3 March 2014. Certain disclosures in the financial statements have been disclosed in accordance with requirements therein.

(a) Preparation basis of consolidated financial statements

Prior to the establishment of the Company, Qingdao Port Group was reorganized under the plan approved by Qingdao SASAC 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 Qingdao Port Group 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 reorganization. The difference between the appraisal values and the carrying amounts is charged against the shareholders' equity in the consolidated financial statements.

2 Basis of preparation (Cont'd)

However, 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 reorganized 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.

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

At preparation of the Company's financial statement, the assets and liabilities of Qingdao Port Group that were contributed into the Company are recognized based on the appraisal values approved by the competent state-owned assets management authorities, stated on the Company's financial statements.

3 Accounts receivable

	31 December 2021	**31 December 2020**
Accounts receivable	2,031,460,657	3,210,799,719
Less: Bad debt provision	(150,366,096)	(228,186,151)
	1,881,094,561	2,982,613,568

The Group's certain businesses are settled partially in form of cash, advances from customers, bank acceptance notes or trade acceptance notes. Remaining businesses are settled primarily with credit terms between 30 and 90 days.

The aging of accounts receivables based on their recording dates is analyzed as follows:

	31 December 2021	**31 December 2020**
Within 1 year	1,738,888,624	2,599,240,153
1 to 2 years	121,556,786	512,444,480
2 to 3 years	169,984,523	82,297,431
Over 3 years	1,030,724	16,817,655
	2,031,460,657	3,210,799,719

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

4 Accounts payable

	31 December 2021	31 December 2020
Material expenditure payable	678,169,255	559,858,519
Agency fee payable	226,014,771	148,311,874
Transportation expenses payable	201,344,369	161,752,196
Subcontract costs payable	145,071,011	145,708,481
Repair expenses payable	70,669,768	58,679,269
Subcontract handling expenses payable	52,394,966	48,496,803
Rental expenses payable	24,393,703	21,190,163
Others	56,876,308	53,293,383
	1,454,934,151	1,197,290,688

The aging of accounts payable based on their recording dates is analyzed as follows:

	31 December 2021	31 December 2020
Within 1 year	1,402,036,511	1,114,693,166
Over 1 year	52,897,640	82,597,522
	1,454,934,151	1,197,290,688

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

5 Dividends

Pursuant to the resolution of the annual general meeting on 28 June 2021, the Company distributed dividends in cash for 2020 to all shareholders at RMB262.2 (tax inclusive) per thousand shares. Based on the 6,491,100,000 issued shares to calculate, the dividends in cash in an aggregate amount of RMB1,701,966,420 (tax inclusive).

Pursuant to the resolution of the Board on 30 March 2022, the Board proposed the Company to distribute dividends in cash for 2021 to all shareholders at RMB256.4 (tax inclusive) per thousand shares. Based on the 6,491,100,000 issued shares to calculate, the proposed cash dividends are RMB1,664,318,040 (tax inclusive). The above proposal is subject to the approval at the 2021 AGM.

6 Revenue and cost of sales

	Year ended 31 December 2021	Year ended 31 December 2020
Revenue from main operations	14,763,170,845	11,968,591,156
Revenue from other operations	1,336,010,659	1,250,822,734
	16,099,181,504	13,219,413,890

	Year ended 31 December 2021	Year ended 31 December 2020
Cost of sales from main operations	(10,049,157,838)	(7,809,454,835)
Cost of sales from other operations	(906,293,536)	(678,142,497)
	(10,955,451,374)	(8,487,597,332)

7 Taxes and surcharges

	Year ended 31 December 2021	Year ended 31 December 2020
Land use tax	56,277,045	47,715,266
City maintenance and construction tax	23,320,229	16,527,011
Educational surcharge	16,454,055	11,311,904
Stamp duty	11,034,608	8,788,605
Property tax	8,718,682	6,022,196
Others	13,732,952	14,226,166
	129,537,571	104,591,148

8 Income tax expenses

	Year ended 31 December 2021	Year ended 31 December 2020
Current income tax calculated based on tax law and related regulations	1,185,160,190	1,087,057,612
Deferred income tax	(31,280,868)	17,779,455
	1,153,879,322	1,104,837,067

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

	Year ended 31 December 2021	Year ended 31 December 2020
Total profit	5,783,699,265	5,525,196,945
Income tax expenses calculated at applicable tax rates	1,445,924,816	1,381,299,236
The effect of preferential tax rates	(4,658,593)	(1,542,383)
Investment income not subject to tax	(294,259,418)	(322,307,537)
Additional deduction of research and development expenses	(4,961,323)	-
Additional deduction of employee benefits of the disabled	(1,013,495)	(1,220,422)
Costs, expenses and losses not deductible for tax purposes	22,078,754	37,817,909
Utilisation of previously unrecognised deductible losses	(19,255,044)	-
Deductible temporary differences not recognized as deferred tax assets in the current period	241,634	252,988
Deductible losses not recognized as deferred tax assets in the current period	9,781,991	10,537,276
Income tax expenses	1,153,879,322	1,104,837,067

9 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 2021	**Year ended 31 December 2020**
Consolidated net profit attributable to ordinary shareholders of the Company	3,964,054,012	3,841,863,143
Weighted average number of ordinary shares outstanding	6,491,100,000	6,491,100,000
Basic earnings per share	0.61	0.59
Including:		
- Basic earnings per share from continuing operations	0.61	0.59
- Basic earnings per share from discontinued operations	-	-

(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 the year ended 31 December 2021 (for the year ended 31 December 2020: nil), the diluted earnings per share equals to basic earnings per share.

10 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, etc.;

- Metal ores, coal and other cargo handling and ancillary services: stevedoring of metal ore, coal, grains, break bulk cargo and other cargo, storage and port management, etc.;

- Liquid bulk handling and ancillary services: stevedoring of crude oil and other liquid bulk, storage, transportation and port management, etc.;

- Logistics and port value-added services: CFS, logistics and transportation, shipping agency, towing, tallying, etc.;

- Port ancillary services: manufacturing of port related equipment, engineering of construction and installation, supplying electricity power and fuel for port area, etc.; and

- Financial services: provision of deposits and loans, ensuring guarantee, insurance agency, investment and wealth management, etc..

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.

10 Segment information (Cont'd)

(a) Segment information for the year ended 31 December 2021 and as at 31 December 2021 is listed as follows:

	Container handling and ancillary services	Metal ores, coal and other cargo handling and ancillary services	Liquid bulk handling and ancillary port services	Logistics and port value-added services	Port ancillary services	Financial services	Unallocated	Elimination among segments	Total
Revenue from external customers	362,549,435	3,422,815,723	3,148,369,565	6,562,386,806	2,603,059,975	370,223,702	-	-	16,469,405,206
Inter-segment revenue	30,446,668	102,303,231	1,475,433	126,859,589	1,210,801,864	156,685,080	-	(1,628,571,865)	-
Cost of sales	(103,217,194)	(2,690,414,505)	(1,129,764,174)	(5,034,214,058)	(1,997,841,443)	(77,465,977)	-	-	(11,032,917,351)
Interest income	923,458	3,021,433	14,155,118	12,920,584	3,571,086	-	52,677,984	(64,610,046)	22,659,617
Interest expenses	(29,240,343)	(51,277,802)	(174,371,502)	(36,862,254)	(36,092,141)	-	(23,648,431)	273,281,107	(78,211,366)
Investment income from associates and joint ventures	832,403,832	(25,489,635)	361,905,904	63,828,878	14,853,828	12,958,078	(89,830,683)	6,407,470	1,177,037,672
Other investment income	-	(1,070,315)	-	10,221,440	117,400,085	104,150,162	146,372,341	(126,313,141)	250,760,572
Asset impairment losses	-	-	-	-	(8,759,366)	-	-	-	(8,759,366)
Credit impairment losses	-	(155,347)	(10,653,426)	(14,949,588)	4,232,396	(8,033,824)	-	-	(29,559,789)
Depreciation of right-of-use assets	-	-	-	(61,458,312)	-	-	(27,080,356)	-	(88,538,668)
Depreciation and amortisation	(30,299,265)	(217,984,865)	(392,969,737)	(128,901,575)	(173,984,042)	(1,731,448)	(37,737,169)	-	(983,608,101)
Total Profit	1,043,397,170	490,974,278	2,152,589,599	1,369,222,609	569,719,892	488,704,136	(226,272,937)	(104,635,482)	5,783,699,265
Income tax expenses	10,249,491	(2,782,950)	(403,089,686)	(247,659,522)	(50,164,161)	(113,018,747)	(347,413,747)	-	(1,153,879,322)
Net Profit	1,053,646,661	488,191,328	1,749,499,913	1,121,563,087	519,555,731	375,685,389	(573,686,684)	(104,635,482)	4,629,819,943
Total assets	8,971,723,878	8,480,063,619	13,542,397,329	7,423,362,973	6,874,390,380	18,403,668,649	11,942,890,445	(15,062,941,145)	60,575,556,128
Total liabilities	740,586,540	3,382,341,847	4,585,496,493	4,424,624,695	5,408,335,075	16,325,987,228	1,899,361,607	(14,975,803,709)	21,790,929,776
Non-cash expenses other than depreciation and amortisation	1,550,000	29,160,000	1,690,000	12,560,000	37,050,000	30,000	-	-	82,040,000
Long-term equity investments in associates and joint ventures	6,034,866,684	1,192,882,049	1,604,598,547	449,533,091	275,653,742	127,442,082	330,377,094	-	10,015,353,289
Additions of non-current assets(i)	5,495,413	1,198,132,786	1,402,317,434	68,465,715	425,630,991	2,821,266	190,812,310	(96,440,849)	3,197,235,066

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

10 Segment information (Cont'd)

(b) Segment information for the year ended 31 December 2020 and as at 31 December 2020 is listed as follows:

	Container handling and ancillary services	Metal ores, coal and other cargo handling and ancillary services	Liquid bulk handling and ancillary port services	Logistics and port value-added services	Port ancillary services	Financial services	Unallocated	Elimination among segments	Total
Revenue from external customers	202,090,125	3,284,940,844	2,234,777,329	4,890,042,181	2,603,659,667	327,956,872	-	-	13,543,467,018
Inter-segment revenue	15,193,132	138,620,365	98,340	147,568,209	809,463,943	140,671,544	-	(1,251,615,533)	-
Cost of sales	(75,077,840)	(2,620,743,970)	(519,505,889)	(3,401,821,390)	(1,870,099,719)	(72,696,394)	-	-	(8,559,945,202)
Interest income	18,583	2,890,729	20,169,498	13,019,587	2,853,632	189,811	41,655,330	(48,450,439)	32,346,731
Interest expenses	(27,674,494)	(57,169,270)	(166,255,255)	(22,752,660)	(34,011,177)	-	(79,201,677)	251,576,436	(135,488,097)
Investment income from associates and joint ventures	859,495,267	23,040,571	342,559,303	68,879,523	711,543	10,899,584	-	(16,355,643)	1,289,230,148
Other investment income	-	19,500	11,902,300	-	(1,273,168)	186,112,497	184,785,877	(119,875,066)	261,671,940
Asset impairment losses	-	-	-	-	12,432,618	-	-	-	12,432,618
Credit impairment losses	-	1,143,235	(7,640,324)	(5,908,646)	(43,451,045)	(37,296,125)	-	-	(93,152,905)
Depreciation of right-of-use assets	-	-	-	(77,858,810)	-	-	-	-	(77,858,810)
Depreciation and amortisation	(25,176,655)	(206,164,880)	(295,240,465)	(131,312,357)	(163,500,606)	(1,275,537)	(32,571,713)	-	(855,242,213)
Total Profit	941,930,720	480,944,289	1,855,832,891	1,327,710,481	475,567,008	493,873,101	4,220,176	(54,881,721)	5,525,196,945
Income tax expenses	7,434,786	(6,375,864)	(330,546,771)	(247,591,027)	(45,886,496)	(106,217,677)	(375,654,018)	-	(1,104,837,067)
Net Profit	949,365,506	474,568,425	1,525,286,120	1,080,119,454	429,680,512	387,655,424	(371,433,842)	(54,881,721)	4,420,359,878
Total assets	8,085,868,966	8,049,545,871	14,068,484,953	5,330,771,054	7,482,831,397	19,007,763,372	12,303,353,199	(17,151,253,832)	57,177,364,980
Total liabilities	769,134,021	3,347,562,020	5,325,702,733	2,267,124,432	6,202,201,993	16,385,069,123	3,431,963,136	(17,292,124,611)	20,436,632,847
Non-cash expenses other than depreciation and amortisation	2,040,000	46,540,000	1,780,000	9,730,000	27,360,000	10,000	-	-	87,460,000
Long-term equity investments in associates and joint ventures	6,074,465,711	1,232,650,021	2,000,251,610	435,606,033	14,296,572	114,484,004	-	-	9,871,753,951
Additions of non-current assets(i)	2,574,472	369,354,321	2,326,651,415	89,306,892	333,776,135	2,747,393	3,014,895	(8,732,214)	3,118,693,309

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

10 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 2021	**Year ended 31 December 2020**
Revenue－		
Reportable segment revenue from external customers	16,469,405,206	13,543,467,018
Reclassification of interest income, from external customers of QDP Financial (i)	(370,223,702)	(324,053,128)
Consolidated revenue	16,099,181,504	13,219,413,890
Interest income－		
Reportable segment interest income	22,659,617	32,346,731
Reclassification of interest income, from external customers of QDP Financial (i)	370,223,702	324,053,128
Consolidated interest income	392,883,319	356,399,859
Cost of sales－		
Reportable segment cost of sales	11,032,917,351	8,559,945,202
Reclassification of interest expenses, from external customers of QDP Financial (ii)	(77,465,977)	(72,347,870)
Consolidated cost of sales	10,955,451,374	8,487,597,332
Interest expenses－		
Reportable segment interest expenses	78,211,366	135,488,097
Reclassification of interest expenses, from external customers of QDP Financial (ii)	77,465,977	72,347,870
Consolidated interest expenses	155,677,343	207,835,967

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

(ii) Reportable segment cost of sales includes interest expense of QDP Financial, which is presented as financial expenses - interest expense in the consolidated financial statements.

The Group's main revenue from external customers and additions to non-current assets other than financial assets and deferred tax assets are mainly gained or located in China.

AUDITOR'S WORKS ON THE PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the relevant notes thereto for the year ended 31 December 2021 as set out in the preliminary annual results announcement have been reviewed and agreed by the Company's auditor, PricewaterhouseCoopers Zhong Tian LLP, which is consistent with the figures set out in the audited consolidated financial statements of the Group for the year ended 31 December 2021 as approved by the Board on 30 March 2022. 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.

PricewaterhouseCoopers Zhong Tian LLP was appointed as the Company's auditor at the annual general meeting of the Company held on 28 June 2021 to audit the financial statements of the Company for the year ended 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2021, the world economy gradually recovered from the bottom and got out of the trough. However, due to the repeated outbreak of the COVID-19 pandemic, the global economic recovery had its ups and downs. The Chinese government scientifically coordinated the epidemic prevention and control and economic and social development, and strengthened the cross-cycle adjustment of macro policies to recover and develop the national economy continuously, achieving a good start to the "14th Five-Year Plan". China's annual gross domestic product (GDP) increased by 8.1% as compared to the same period in the prior year, representing an average increase of 5.1% in the past two years. In 2021, the import and export of cargo grew rapidly, and the trade structure continued optimizing. The total value of imports and exports of cargo increased by 21.4% as compared to the same period in the prior year, of which exports increased by 21.2% as compared to the same period in the prior year, imports increased by 21.5% as compared to the same period in the prior year (source: National Bureau of Statistics).

In 2021, the port industry maintained a stable and positive development momentum generally, cargo throughput of the coastal ports nationwide increased by 5.2% as compared to the same period in the prior year, while container throughput increased by 6.4% as compared to the same period in the prior year (source: Ministry of Transport of the PRC). In 2021, the Port of Qingdao ranked fourth and fifth among the national coastal ports in terms of cargo throughput and container throughput, respectively, and ranked second among the coastal ports of China in terms of foreign trade throughput.

In 2021, facing severe and complex domestic and international situations, the Group actively integrated into the great national strategies such as “OBOR”, Shandong Free Trade Zone, Shanghai Cooperation Demonstration Zone and high-quality development, took the unique advantages of the port as a hub and a node, actively contributed to “the domestic circulation as the mainstay and the domestic and international circulations reinforcing each other”, connected the east and the west, the north and the south, and the sea and land, to serve the new development pattern with a stronger driving effect, to focus on the innovation and development of the main business, accelerating the construction of the world-class marine port with continuously improved comprehensive competitiveness and the steady growth of operating performance.

In 2021, cargo throughput of the Group (without taking into account the respective shareholding percentages of the Company in its joint ventures and associates) reached 568 million tons, representing an increase of 5.6% as compared to the same period in the prior year. In terms of terminal business, the Group continued to deepen the strategy of the shipping company headquarters, and accelerated the construction of an international shipping hub in Northeast Asia and a distribution center of consumer goods in northern China. In 2021, the number and density of container shipping lines of the Group ranked first among northern ports of China, and the container throughput by the end of the year 2021 reached 23.71 million TEUs, increased by 7.8% as compared to the same period in the prior year. The Group deepened strategic cooperation with key customers, extended value-added logistics services throughout the whole process, developed emerging business such as ore blending and international transit, and expanded the scope of the port hinterland. The dry and break bulk throughput by the end of the year reached 210 million tons, increased by 3.3% as compared to the same period in the prior year. The Group coordinated terminal and tank area resources in different port areas, took the advantage of pipelines, and maintained its status of the large port for handling imported oil. The liquid bulk throughput by the end of the year 2021 reached 110 million tons, increased by 3.7% as compared to the same period in the prior year.

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 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.

Comparison of Major Operating Indicators

The total revenue of the Group amounted to RMB16,099 million for the year ended 31 December 2021, representing an increase of RMB2,880 million, or 21.8%, as compared to the same period in the prior year, mainly due to the increase in revenue from segments of liquid bulk handling and ancillary services and logistics and port value-added services.

The gross profit of the Group was RMB5,144 million for the year ended 31 December 2021, representing an increase of RMB412 million, or 8.7%, as compared to the same period in the prior year, mainly due to the increase in gross profit from the segment of liquid bulk handling and ancillary services.

The administration expenses of the Group were RMB812 million for the year ended 31 December 2021, representing an increase of RMB174 million, or 27.4%, as compared to the same period in the prior year, mainly due to the increase of labor cost for the year caused by the suspension of concession policies for social security contributions during the same period in the prior year and implementing the welfare policy of supplementary medical insurance for employees.

The Group's investment income from joint ventures and associates for the year ended 31 December 2021 amounted to RMB1,177 million, representing a decrease of RMB112 million, or 8.7%, as compared to the same period in the prior year, mainly due to the investment losses in overseas terminal projects of the year.

The Group's total profit for the year ended 31 December 2021 amounted to RMB5,784 million, representing an increase of RMB259 million, or 4.7%, as compared to the same period in the prior year, mainly due to the increase in profit from the segment of liquid bulk handling and ancillary services.

The net profits attributable to shareholders of the Company amounted to RMB3,964 million for the year ended 31 December 2021, representing an increase of RMB122 million, or 3.2%, as compared to the same period in the prior year.

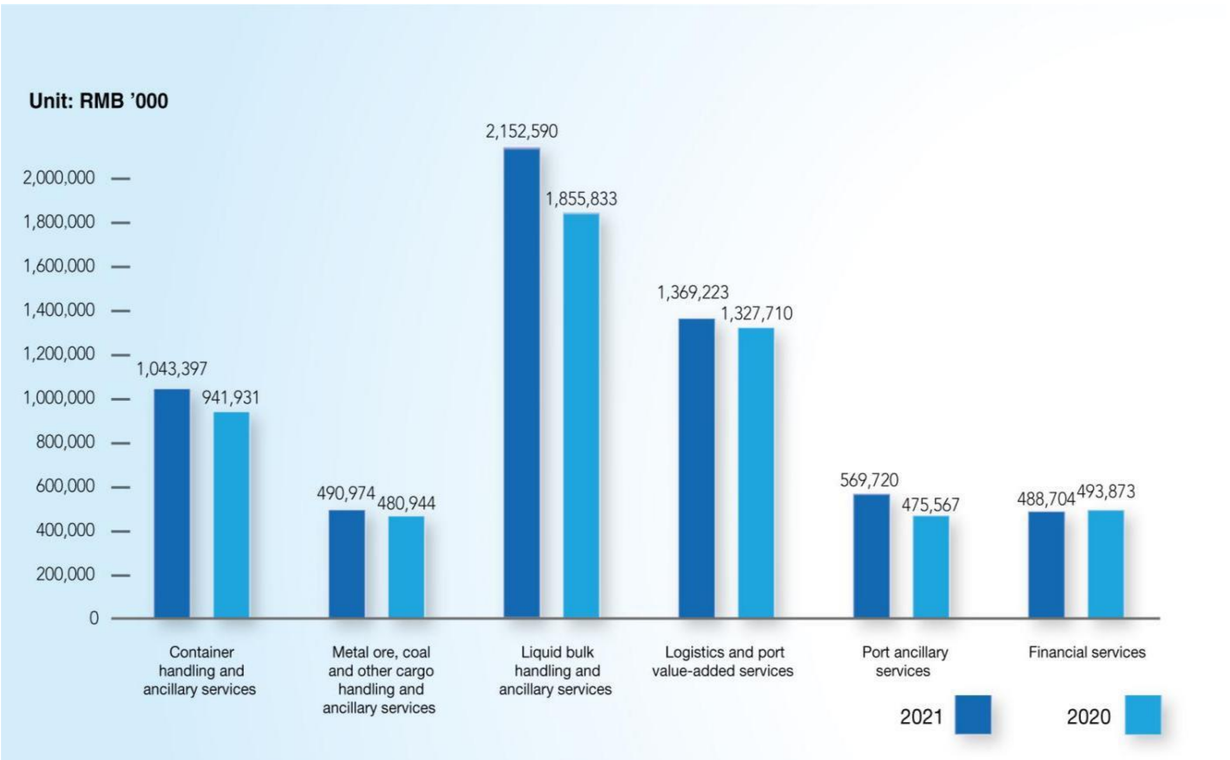
2 Segment Business and Results Review

Segment Results

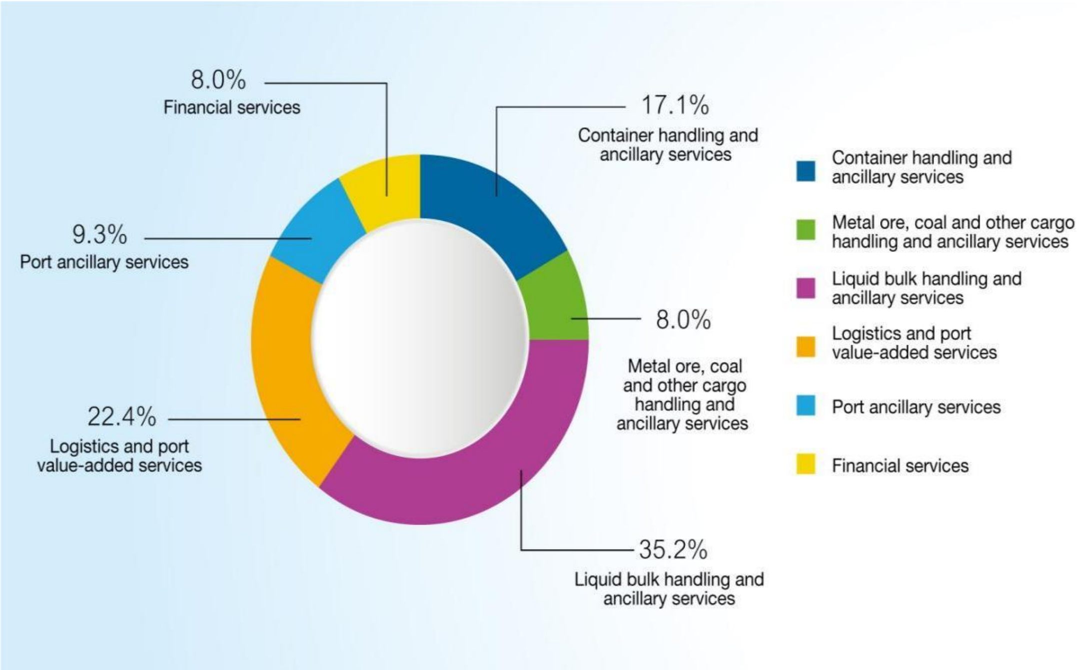
Unit: RMB'000

Business Segments	2021 Results	2021 Percentage of the total	2020 Results	2020 Percentage of the total	Change Percentage
Container handling and ancillary services	**1,043,397**	**17.1%**	941,931	16.9%	10.8%
Metal ore, coal and other cargo handling and ancillary services	**490,974**	**8.0%**	480,944	8.6%	2.1%
Liquid bulk handling and ancillary services	**2,152,590**	**35.2%**	1,855,833	33.3%	16.0%
Logistics and port value-added services	**1,369,223**	**22.4%**	1,327,710	23.8%	3.1%
Port ancillary services	**569,720**	**9.3%**	475,567	8.5%	19.8%
Financial services	**488,704**	**8.0%**	493,873	8.9%	-1.0%
Total results before inter-segment elimination	**6,114,608**	**100.0%**	5,575,858	100.0%	9.7%

Comparison of Each Segment Results



Breakdown of Each Segment Results for the Year Ended 31 December 2021



The details of segment results are set out as below:

(1) Container handling and ancillary services

Unit: RMB'000

Item	2021	2020	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**362,549**	202,090	160,459	79.4%
Cost of sales	**103,217**	75,078	28,139	37.5%
Gross profit	**259,332**	127,012	132,320	104.2%
Profit of Consolidated Group Companies	**210,993**	82,436	128,557	155.9%
Joint ventures				
Revenue	**4,358,149**	4,071,337	286,812	7.0%
Cost of sales	**1,868,370**	1,633,231	235,139	14.4%
Investment income from joint ventures	**832,404**	859,495	-27,091	-3.2%
Segment results	**1,043,397**	941,931	101,466	10.8%

Note: Amounts of revenue and cost of sales of joint ventures represent the total amount of revenue and cost of sales in the financial statements of joint ventures of the Company such as QQCT and Qingwei Container, without taking into account the respective shareholding percentages held by the Company in those joint ventures.

In 2021, the Group insisted on land and sea coordination, continued to deepen the strategy for shipping company headquarters, established a container shipping route system of “both ocean route and sea route as well as linkage between main and feeder lines”, and accelerated the construction of an international shipping hub center in Northeast Asia and a distribution center of consumer goods for living materials in northern China. The main breakthroughs achieved were as follows:

(1) The Group expanded 24 shipping lines, and the number and density of container shipping lines of the Group continued to rank first among ports of northern China, among which 19 were foreign trade shipping lines, especially including 10 lines connected to the OBOR areas such as Southeast Asia, Middle East and Europe, and the Group continued to expand its market layout along the OBOR areas;

(2) Facing the severe challenge of “one cabin is hard to find”, the Group leveraged its operational efficiency advantages to attract shipping companies to operate more overtime ships in 2021. The number of overtime voyages reached a record high, increasing number of containers in the port and effectively satisfying the export demand of foreign trade enterprises in the hinterland; and

(3) The Group continued to promote the construction and the function improvement of inland ports, put eight inland ports into operation and established an “end-to-end” integrated logistics service system in the hinterland market along the Yellow River Basin. The Group set up a sea-rail transportation network to radiate the whole country, using the Port of Qingdao as the axis. The sea-rail intermodal container volume of the Group maintained the first place among all the coastal ports nationwide for seven consecutive years.

For the year ended 31 December 2021, the revenue of the container handling and ancillary services amounted to RMB363 million, representing an increase of RMB160 million, or 79.4%, as compared to the same period in the prior year; the profit of Consolidated Group Companies amounted to RMB211 million, representing an increase of RMB129 million, or 155.9%, as compared to the same period in the prior year; the segment results amounted to RMB1,043 million, representing an increase of RMB101 million, or 10.8%, as compared to the same period in the prior year, mainly due to an increase in container business for the year, and an increase in revenue for the year as compared to the same period in the prior year arising from lowering the standards for port dues on cargo and port facility security affected by the COVID-19 pandemic of the year 2020. The investment income from joint ventures amounted to RMB832 million, representing a decrease of RMB27 million, or 3.2%, as compared to the same period in the prior year, mainly due to the increase of costs such as labor costs, electricity fees, etc., arising from the suspension of concession policy for social security contributions during the same period in the prior year and electricity discount policy, the implementation of the supplementary medical welfare policy for employees, and the increase of employees to meet the needs of the epidemic prevention and control in the joint ventures for the year.

The financial information of the major joint venture QQCT in this business segment was summarized as follows：

Unit: RMB'000

Item	**QQCT**	
	2021	**2020**
Revenue	**4,188,768**	3,873,664
Cost of sales	**1,748,471**	1,510,462
Investment income	**73,060**	91,152
Total profit	**2,147,692**	2,213,356
Income tax expenses	**478,490**	528,474
Net profit attributable to shareholders of the joint venture	**1,652,600**	1,676,415
Shareholding percentage held by the Company	**51%**	51%
Investment income of the Group	**828,081**	839,789

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

Unit: RMB'000

Item	2021	2020	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**3,422,816**	3,284,941	137,875	4.2%
Cost of sales	**2,690,415**	2,620,744	69,671	2.7%
Gross profit	**732,401**	664,197	68,204	10.3%
Profit of Consolidated Group Companies	**516,464**	457,903	58,561	12.8%
Joint ventures				
Revenue	**2,035,647**	1,751,437	284,210	16.2%
Cost of sales	**1,797,224**	1,454,878	342,346	23.5%
Investment income from joint ventures	**-25,490**	23,041	-48,531	-210.6%
Segment results	**490,974**	480,944	10,030	2.1%

Note: Amounts of revenue and cost of sales of joint ventures represent the total amount of revenue and cost of sales in the financial statements 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 2021, the Group drove marketing innovation, deepened strategic cooperation with key customers, extended its whole-process logistic and value-added services, expanded its ore mixing and international transshipment businesses, and proactively expanded the new hinterland markets. The main breakthroughs achieved were as follows:

(1) The Group deepened the co-marketing strategy with railway companies to expand key markets such as southern Hebei, Shaanxi and Henan Province, and the volume of transportation in the three major regions increased by 49% as compared to the same period in the prior year;

(2) The Group continued to expand international markets, and international transshipment business volume of iron ore increased by 63% as compared to the same period in the prior year by strengthening cooperation with mines as well as the Japanese and South Korean traders; and

(3) The Group continued to deepen cooperation with Vale of Brazil and other mines and effected new businesses such as transfer of Vale's raw ore and Rio Tinto's ore blending, ranking first in the country in terms of ore blending business volume.

For the year ended 31 December 2021, the revenue of metal ore, coal and other cargo handling and ancillary services amounted to RMB3,423 million, representing an increase of RMB138 million, or 4.2%, as compared to the same period in the prior year; the profit of Consolidated Group Companies amounted to RMB516 million, representing an increase of RMB58 million, or 12.8%, as compared to the same period in the prior year; the segment results amounted to RMB491 million, representing an increase of RMB10 million, or 2.1%, as compared to the same period in the prior year, mainly due to the revenue increase from the handling of grain, coke, steel and other cargoes, and cargo storage. The investment income from joint ventures amounted to RMB-25 million, representing a decrease of RMB49 million, or 210.6%, as compared to the same period in the prior year, mainly due to the increase of costs, arising from the suspension of concession policy for social security contributions during the same period in the prior year, the implementation of the supplementary medical welfare policy for employees, and the increase of employees to meet the needs of the epidemic prevention and control, meanwhile, the increase of costs in epidemic prevention and control such as inspection and testing in the joint ventures.

(3) Liquid bulk handling and ancillary services

Unit: RMB'000

Item	2021	2020	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**3,148,370**	2,234,777	913,593	40.9%
Cost of sales	**1,129,764**	519,506	610,258	117.5%
Gross profit	**2,018,606**	1,715,271	303,335	17.7%
Profit of Consolidated Group Companies	**1,790,684**	1,513,274	277,410	18.3%
Joint ventures				
Revenue	**1,772,436**	1,732,966	39,470	2.3%
Cost of sales	**716,057**	738,911	-22,854	-3.1%
Investment income from joint ventures	**361,906**	342,559	19,347	5.6%
Segment results	**2,152,590**	1,855,833	296,757	16.0%

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 statements of joint ventures of the Company such as Qingdao Shihua and Haiwan Liquid Chemical, without taking into account the shareholding percentage held by the Company in those joint ventures.

In 2021, the Group actively responded to the new situations and changes of the market, took innovation as the main driving force, and strengthened the market development outside Shandong province, the ability improvement and the application of policy innovation. The new breakthroughs achieved were as follows:

(1) The Group focused on the development of markets out of Shandong Province, opened three new logistics channels in Jiangsu, Hebei and Shaanxi Province, extending the hinterlands and cargo sources for the port;

(2) The Group accelerated to enhance capacity. The second phase of the crude oil terminal and the liquid chemical terminal in Dongjiakou port area were completed and put into operation, and the handling capacity of imported oil and liquid chemicals was further enhanced; Dongjiakou PetroChina Reservoir Area was successfully put into operation, and the branch line of Dongjiakou oil pipeline was connected, providing new momentum for the development of liquid bulk business; and

(3) The Group actively innovated development patterns, and was approved as a delivery warehouse for one million cubic meters of crude oil and 150,000 tons of low-sulfur fuel oil futures. Ship fuel supply has achieved new breakthroughs such as direct supply across customs areas and refueling at outer anchorages. The business volume increased by 33% as compared to the same period in the prior year.

For the year ended 31 December 2021, the revenue of liquid bulk handling and ancillary services amounted to RMB3,148 million, representing an increase of RMB914 million, or 40.9%, as compared to the same period in the prior year; the profit of Consolidated Group Companies amounted to RMB1,791 million, representing an increase of RMB277 million, or 18.3%, as compared to the same period in the prior year; the segment results amounted to RMB2,153 million, representing an increase of RMB297 million, or 16.0%, as compared to the same period in the prior year, mainly due to the fact that Dongjiakou Port-Weifang-central and northern Shandong branch oil pipeline and the second phase of the crude oil terminal at the Dongjiakou port area were put into operation; due to the influence of national policies, the changed raw material structure of local refineries, the increased proportion of heavy oil, and the slow turnover of crude oil inventories, resulting in the increase of pipeline transportation and storage capacity business. The investment income from joint ventures amounted to RMB362 million, representing an increase of RMB19 million, or 5.6%, as compared to the same period in the prior year, mainly due to the fact that joint ventures innovated the business management model to increase business income and carried out cost-saving and efficiency-enhancing activities to reduce costs.

The financial information of the major subordinate companies in this business segment was summarized as follows:

Unit: RMB'000

Item	**Qingdao Shihua**		**Mercuria Oil Terminal**		**Shandong Ganglianhua**	
	2021	2020	**2021**	2020	**2021**	2020
Revenue	**1,592,190**	1,567,979	**545,641**	503,813	**1,627,071**	1,579,888
Cost of sales	**559,172**	583,713	**263,073**	279,081	**440,906**	350,480
Net profit	**719,415**	684,561	**151,877**	117,992	**837,474**	831,892
Shareholding percentage held by the Company	**50%**	50%	**71%**	71%	**51%**	51%
Investment income of the Group	**359,708**	342,281	—	—	**—**	—

(4) Logistics and port value-added services

Unit: RMB'000

Item	2021	2020	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**6,562,387**	4,890,042	1,672,345	34.2%
Cost of sales	**5,034,214**	3,401,821	1,632,393	48.0%
Gross profit	**1,528,173**	1,488,221	39,952	2.7%
Profit of Consolidated Group Companies	**1,305,394**	1,258,830	46,564	3.7%
Joint ventures and associates				
Revenue	**1,029,567**	1,813,531	-783,964	-43.2%
Cost of sales	**678,057**	1,505,389	-827,332	-55.0%
Investment income from joint ventures and associates	**63,829**	68,880	-5,051	-7.3%
Segment results	**1,369,223**	1,327,710	41,513	3.1%

Note: Amounts of revenue and cost of sales of joint ventures and associates represents the total amount of revenue and cost of sales in the financial statements of joint ventures and associates 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 associates.

In 2021, the logistics and port value-added services of the Group overcame the adverse impact of the COVID-19 pandemic, further optimized the business environment of the Port of Qingdao by providing customers with full-chain service plans, and improved the construction of the "full process, full chain and full area" integrated logistics service system, promoting the overall acceleration of the main business of the port. The main breakthroughs achieved were as follows:

(1) The Group vigorously developed the shipping space booking agency business, deeply explored the market, innovated the business model, and designed the "road + railway + sea" operation mode for customers. The new extension of the whole logistics business chain drove the increase in the booking business, and the business volume increased by 11% as compared to the same period in the prior year;

(2) The Group has taken multiple measures to expand its CFS business, strengthened cooperation with shipping companies, intensified efforts to canvass cargoes, innovated business models, and promoted CFS resource sharing in an orderly manner. In 2021, the volume of operating containers increased by 5% to 3,022.9 thousand TEUs, as compared to the same period in the prior year;

(3) The Group continued to develop the warehousing and futures business, and the futures delivery warehouse was successfully expanded. The completed futures volume increased by 65%, as compared to the same period in the prior year; and Qingdao Port won the title of "National Top 10 Delivery Warehouse" awarded by the Shanghai Futures Exchange for the second time; and

(4) The Group conducted cross-border e-commerce overseas warehouse business. By providing business operations such as cargo collection, warehousing, shipping space booking, customs declaration, etc., it could provide international and domestic full-process logistics services, and promoted the growth of cross-border e-commerce business with an increase of 47% in e-commerce out-warehouse warrants in the year 2021, as compared to the same period in the prior year.

For the year ended 31 December 2021, the revenue of logistics and port value-added services business amounted to RMB6,562 million, representing an increase of RMB1,672 million, or 34.2%, as compared to the same period in the prior year, mainly due to the increase of the income in freight forwarding business arising from the increase in business volume and freight charge, and the increase of the income in CFS businesses arising from the increase of handling container volume; the profit of Consolidated Group Companies amounted to RMB1,305 million, representing an increase of RMB47 million, or 3.7%, as compared to the same period in the prior year, mainly due to the increased volume of containers, and the increased profits resulting from CFS business, tally and other business. The revenue and cost of sales of joint ventures and associates decreased by 43.2% and 55.0%, respectively, as compared to the same period in the prior year, mainly due to the associate has changed from the full amount method to the net amount method in terms of agency business in the year 2021 and the decrease of income of ore blending agency business in associates. The segment results amounted to RMB1,369 million, representing an increase of RMB42 million, or 3.1%, as compared to the same period in the prior year.

(5) Port ancillary services

Unit: RMB'000

Item	2021	2020	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**2,603,060**	2,603,660	-600	0.0%
Cost of sales	**1,997,841**	1,870,100	127,741	6.8%
Gross profit	**605,219**	733,560	-128,341	-17.5%
Profit of Consolidated Group Companies	**554,866**	474,855	80,011	16.8%
Joint venture				
Revenue	**316,939**	1,625	315,314	19403.9%
Cost of sales	**287,983**	904	287,079	31756.5%
Investment income from joint venture	**14,854**	712	14,142	1986.2%
Segment results	**569,720**	475,567	94,153	19.8%

Note: Amounts of revenue and cost of sales of a joint venture represent the amount of those in the financial statements of Ocean Bridge International Ports Management Co., Ltd. and Qingdao Port Engineering, among which Qingdao Port Engineering has become the associate of the Group since November 2021, without taking into account the shareholding percentage held by the Company in the joint venture and the associate.

For the year ended 31 December 2021, the revenue of port ancillary services amounted to RMB2,603 million, which is basically the same as compared to the same period in the prior year. The cost of sales amounted to RMB1,998 million, representing an increase of RMB128 million, or 6.8%, as compared to the same period in the prior year, mainly due to the increase in labour costs arising from the suspension of concession policies for social security contributions during the same period in the prior year and the implementation of the supplementary medical welfare policy for employees. The segment results amounted to RMB570 million, representing an increase of RMB94 million, or 19.8%, as compared to the same period in the prior year, mainly due to the equity disposal of Qingdao Port Engineering engaged in engineering construction and other business to obtain transfer income. The revenue and cost of sales of joint ventures and associates increased by 19403.9% and 31756.5%, respectively, as compared to the same period in the prior year, mainly due to Qingdao Port Engineering has changed from a consolidated group company to an associate since November 2021.

(6) Financial services

Unit: RMB'000

Item	2021	2020	Changed amount	Changed percentage
Consolidated Group Companies				
Revenue	**370,224**	327,957	42,267	12.9%
Cost of sales	**77,466**	72,696	4,770	6.6%
Gross profit	**292,758**	255,261	37,497	14.7%
Profit of Consolidated Group Companies	**475,746**	482,973	-7,227	-1.5%
An associate				
Revenue	**714,335**	787,025	-72,690	-9.2%
Cost of sales	**370,983**	357,794	13,189	3.7%
Investment income from an associate	**12,958**	10,900	2,058	18.9%
Segment results	**488,704**	493,873	-5,169	-1.0%

Note: Amounts of revenue and cost of sales of an associate represent the amount of those in the financial statements of Qingdao Qingyin Financial Leasing Co. Ltd., without taking into account the shareholding percentage held by the Company in the associate.

For the year ended 31 December 2021, the revenue of financial services amounted to RMB370 million, representing an increase of RMB42 million, or 12.9%, as compared to the same period in the prior year, mainly due to the increase in the scale of loans. The profit of Consolidated Group Companies amounted to RMB476 million, representing a decrease of RMB7 million, or 1.5%, as compared to the same period in the prior year, mainly due to the disposal of subsidiaries to obtain equity transfer income in the previous year. The segment results amounted to RMB489 million, representing a decrease of RMB5 million, or 1%, as compared to the same period in the prior year.

To facilitate the understanding of shareholders and investors of the Company, set out below is a summary of the influence on certain items of the consolidated balance sheet and consolidated income statement of the Group caused by the business of absorbing deposit and granting loans of QDP Financial.

Unit: RMB'000

Balance sheet	Nature	31 December 2021	31 December 2020
Other receivables	Granting short-term loans	**2,701,139**	1,442,375
Current portion of non-current assets	Current portion of long-term loans	**838,294**	59,128
Long-term receivables	Granting long-term loans	**2,557,624**	3,308,405
Other payables	Absorbing deposit	**7,370,397**	6,368,517

Unit: RMB'000

Income statement	Nature	2021	2020
Finance expenses – interest income	Granting loans and deposits with banks – interest income	**370,224**	323,839
Finance expenses – interest expenses	Absorbing deposits and interbank lending and borrowing – interest expenses	**77,466**	72,348

3 Financial Position Analysis

Unit: RMB'000

Item	As at 31 December 2021	As at 31 December 2020	Changed Amount	Changed Percentage
Accounts receivable	**1,881,095**	2,982,614	-1,101,519	-36.93%
Other receivables	**5,597,104**	2,273,192	3,323,912	146.22%
Contract assets	**425,296**	62,830	362,466	576.90%
Current portion of non-current assets	**838,294**	59,128	779,166	1317.77%
Other current assets	**1,229,888**	3,100,048	-1,870,160	-60.33%
Other non-current financial assets	**897,168**	586,308	310,860	53.02%
Short-term borrowings	**1,428,316**	135,133	1,293,183	956.97%
Current portion of non-current liabilities	**188,513**	2,288,917	-2,100,404	-91.76%

As at 31 December 2021, the accounts receivable of the Group decreased by RMB1,102 million, or 36.93%, as compared to the beginning of the year, mainly due to the disposal of Qingdao Port Engineering, which has a large amount of accounts receivable.

As at 31 December 2021, the other receivables of the Group increased by RMB3,324 million, or 146.22%, as compared to the beginning of the year, mainly due to the increase of the loans and payment for agency procurement business provided by QDP Financial to its member companies.

As at 31 December 2021, the contract assets of the Group increased by RMB362 million, or 576.90%, as compared to the beginning of the year, mainly due to the increase in receivables from port equipment manufacturing projects that did not meet the receipt conditions.

As at 31 December 2021 the current portion of non-current assets of the Group increased by RMB779 million, or 1317.77%, as compared to the beginning of the year, mainly due to the increase of current portion loans receivable of QDP Financial.

As at 31 December 2021, the other current assets of the Group decreased by RMB1,870 million, or 60.33%, as compared to the beginning of the year, mainly due to the decrease of interbank deposit certificates and buying back the sale of financial assets by QDP Financial.

As at 31 December 2021, other non-current financial assets of the Group increased by RMB311 million, or 53.02%, as compared to the beginning of the year, mainly due to the equity change of Qingdao Port Engineering, for the equity of the associate company Harbour Engineering.

As at 31 December 2021, the short-term borrowings of the Group increased by RMB1,293 million, or 956.97%, as compared to the beginning of the year, mainly due to the increase of demand for capital in agency procurement business.

As at 31 December 2021, the current portion of non-current liabilities of the Group decreased by RMB2,100 million, or 91.76%, as compared to the beginning of the year, mainly due to the current portion of bonds payable cashed during the year.

4 Cash Flow Analysis

For the year ended 31 December 2021, the net cash outflow of the Group amounted to RMB2,161 million, among which:

(1) The net cash inflow from operating activities amounted to RMB2,754 million, which was mainly derived from the operating profit of the Consolidated Group Companies;

(2) The net cash outflow from investing activities amounted to RMB1,966 million, which mainly comprised of the net inflow of RMB3,718 million arising from the recovery of financial investment products such as wealth management products and fixed term deposit, net inflow of RMB504 million arising from the interests of external loans and purchase of wealth management products, and net inflow of RMB1,366 million arising from dividends from joint ventures; the net outflow of RMB1,103 million arising from the provision of loans and financial leasing to member units, net outflow of RMB2,422 million arising from the purchase and construction of fixed assets and construction in progress, etc.; and

(3) The net cash outflow from financing activities amounted to RMB2,543 million, which mainly comprised of the net inflow of RMB3,511 million arising from borrowings obtained; the net inflow of RMB764 million arising from an increase of deposits absorbed by QDP Financial; the net outflow of RMB4,303 million arising from the repayment of debts such as corporate bonds and bank borrowings; the net outflow of RMB2,206 million arising from the distribution of dividends; and net outflow of RMB181 million arising from the payment of interests.

In order to facilitate the understanding of shareholders and investors of the Company, after eliminating the impact of QDP Financial as well as the Group's purchase of wealth management products and the recovery of fixed term deposits with an initial term over three months on the cash flow, the net cash outflow of the Group amounted to RMB1,218 million.

5 Liquidity and Financial Resources

As at 31 December 2021, the cash at bank and on hand of the Group amounted to RMB9,120 million and wealth management products amounted to RMB2,370 million with the main currency of RMB. After eliminating the impact of QDP Financial, the self-owned cash at bank and on hand and wealth management products of the Group amounted to RMB10,305 million. After eliminating the impact of QDP Financial, the Group's total interest-bearing borrowings amounted to RMB1,544 million, which are fixed rate liabilities.

As at 31 December 2021, the gearing ratio of the Group was 2%. After eliminating the impact of QDP Financial, the amount of the Group's cash at bank and on hand exceeded its interest-bearing borrowings.

6 Capital Structure

As at 31 December 2021, the total equity of the Group amounted to RMB38,785 million, representing an increase of RMB2,044 million as compared to the beginning of the year, among which, the increase of equity interest attributable to the shareholders of the Company was RMB1,927 million, mainly due to the increase of RMB3,964 million from the operating profit, the decrease of RMB1,702 million from distributed dividends and the decrease of RMB293 million from other comprehensive incomes; the equity interest of minority shareholders increased by RMB117 million, mainly due to the increase of RMB666 million from operating profits, the net increase of RMB35 million from the investments by minority shareholders and the decrease of RMB587 million from distributed dividends.

As at 31 December 2021, the Company had 6,491,100,000 issued shares, comprising of 5,392,075,000 A shares and 1,099,025,000 H shares. The total market capitalization and H share market capitalization of the Company was approximately RMB34,563 million and RMB3,882 million, respectively, which are calculated based on the closing price of RMB5.69 per share on the Shanghai Stock Exchange and the closing price of HKD4.32 per share on the Hong Kong Stock Exchange as at 31 December 2021.

7 Interest Rate and Exchange Rate Risks

As at 31 December 2021, cash at bank and on hand, receivables and payables at floating rates of the Group amounted to RMB9,109 million, RMB2,607 million and RMB7,239 million, respectively. The Group assessed the interest rate risk and anticipated that changes in interest rate 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 and exchange rate. The Group did not enter into any hedging arrangements with respect to interest rate and exchange rate risks in 2021.

8 Financial indicators

Indicators	**2021**	2020	**Change**
Weighted average return on net assets	**11.67%**	12.17%	Decreased by 0.50 percentage point
Interest coverage ratio	**38.07**	27.49	Increased by 10.58 times
Current ratio	**1.27**	1.28	Decreased by 0.01
Turnover ratio of accounts receivable	**6.14**	4.63	Increased by 1.51
Turnover days of accounts receivable	**60 days**	79 days	Decreased by 19 days

For the year ended 31 December 2021, the weighted average return on net assets was 11.67%, representing a decrease of 0.50 percentage point as compared to the same period in the prior year, mainly due to the major projects invested since the previous year, such as Dongjiakou Port Area Crude Oil Commercial Reserve Tanks Project and Dongjiakou General Wharf Grain Silo Phase II Project, were put into operation near the end of 2021 or did not put into operation in the year 2021, and no operating income has been generated in 2021. The interest coverage ratio was 38.07 times, representing an increase of 10.58 times as compared to the same period in the prior year, mainly due to the repayment of bonds payable of RMB2,117 million for the year, the decrease in interest expense compared to the same period in the prior year, and the increase in profit before interest and tax. The accounts receivable turnover days were 60 days, representing a decrease of 19 days as compared to the same period in the prior year, mainly due to the decrease in accounts receivable arising from the disposal of Qingdao Port Engineering engaged in port engineering construction business for the year.

9 Significant Capital Investment

For the year ended 31 December 2021, the Group had significant capital investment of RMB2,468 million, mainly consisting of the investments in the projects including Qingdao Port Dongjiakou port area crude oil commercial reserve tanks, Dongjiakou port area Datang terminal phase II, Dongjiakou general terminal grain silo phase II project, Dongjiakou port area Huaneng terminal phase II and other projects, as well as the acquisition of land use rights in Dongjiakou port area.

10 Details of the Material Entrusted Wealth Management

For the year ended 31 December 2021, details of the material entrusted wealth management of the Group are set out as below:

Unit: RMB'000

Trustee	Product type	Balance	Start date	Expiry date	Expected annualized return rate	Source of funding
Bank of Communications	Deposit Structured	800,000	2021/1/22	2021/7/21	3.00%	Raised funds
Bank of Communications	Deposit Structured	590,000	2021/10/15	2021/12/30	3.10%	Raised funds
Bank of Communications	Deposit Structured	550,000	2021/7/23	2021/8/23	3.10%	Raised funds
Xiamen Bank	Standardized assets such as bonds	200,000	2021/6/2	2021/9/22	/	Self-owned capital

Note: The above listed is the entrusted wealth management with a single investment amount of more than RMB200 million.

11 Significant Acquisition and Disposal of Subsidiaries, Joint Ventures and Associates

On 10 May 2021, the Company entered into equity transfer agreements with Qingdao Haiye Petroleum Co., Ltd. and Qingdao Yiruiyuan Trading Co., Ltd. and proposed to acquire 40.8% and 10.2% equity interests in Qingdao Haiye Oil Terminal Co., Ltd. held by Qingdao Haiye Petroleum Co., Ltd. and Qingdao Yiruiyuan Trading Co., Ltd., respectively with the transaction considerations of RMB1,047,614,256 and RMB261,903,564, respectively. For details, please refer to the announcement of the Company dated 10 May 2021. As at 31 December 2021, the transaction has not been completed.

On 28 June 2021, (i) the Company, Harbour Engineering and Qingdao Port Engineering entered into the Qingdao Port Engineering Share Transfer Agreement, and (ii) the Company, Harbour Engineering and Rizhao Port Group entered into the Harbour Engineering Capital Increase Agreement, pursuant to which, the Company agreed to make a capital contribution of RMB183,487.8 thousand to Harbour Engineering by transferring 51% equity interests in Qingdao Port Engineering to Harbour Engineering in exchange for 9.62% of the enlarged share capital in Harbour Engineering. For details, please refer to the announcement of the Company dated 28 June 2021. As at 31 December 2021, the transaction has been completed.

On 28 June 2021, (i) the Company, Shipping Group and Tongbao Shipping entered into the Tongbao Shipping Share Transfer Agreement, and (ii) the Company, Shandong Port Group and Shipping Group entered into the Shipping Group Capital Increase Agreement, pursuant to which, the Company agreed to make a capital contribution of RMB36,656.0 thousand to Shipping Group by transferring 100% equity interests in Tongbao Shipping to Shipping Group in exchange for 11.02% of the enlarged share capital in Shipping Group. For details, please refer to the announcement of the Company dated 28 June 2021. As at 31 December 2021, the transaction has been completed.

On 28 June 2021, the Company, Shandong Port Technology and Qingdao Port Technology entered into the Qingdao Port Technology Capital Increase Agreement, pursuant to which, Shandong Port Technology agreed to make a capital contribution in cash of RMB52,842.245 thousand to Qingdao Port Technology, among which RMB20,816.326 thousand as registered capital, representing 51% of the enlarged share capital in Qingdao Port Technology, and RMB32,025.919 thousand as capital reserves. For details, please refer to the announcement of the Company dated 28 June 2021. As at 31 December 2021, the transaction has been completed.

Save as disclosed above, during the year ended 31 December 2021, the Group did not have any significant acquisition and disposal of subsidiaries, joint ventures and associates.

12 Mortgages or Pledges of Assets

As at 31 December 2021, in order to obtain a loan of RMB50 million, the Group has pledged its other receivables of RMB175.95 million. Save as disclosed above, the Group has no asset mortgages or pledges.

13 Contingent Liabilities

As at 31 December 2021, the Group has no significant contingent liabilities.

14 Employees

As at 31 December 2021, the Company engaged 3,997 employees, and the Company and its principal subsidiaries engaged 9,218 employees in total. The employees' remunerations of the Group include basic salaries and performance incentives. The growth of employees' remunerations is determined by their working performance, economic environment, and supply and demand conditions of human resource market, under the "two matches" principle to match the employees' income growth with the growth of the Company's results and the increase of production rate. Meanwhile, the Group's remuneration policy is reviewed on a regular basis as well. Adhering to its "people-focused" approach and safeguarding the legitimate rights and interests of employees, the Group contributes social insurances, enterprise annuity and supplementary medical insurance as required by the relevant regulations of the PRC to provide extra welfare scheme to its employees.

15 Description of Other Business Operations

As Dagang port area is planned to be transformed and upgraded into an international home port for cruise liners, the business of Dagang port area will be gradually relocated to Dongjiakou port area and Qianwan port area. In March 2020, Qingdao international home port for cruise liners started construction and the construction was gradually carried on as planned. As of 31 December 2021, the construction of international home port for cruise liners had no effect on the main business of Dagang port area.

The government of Qingdao Economic and Technological Development Zone proposes to adopt a new urban planning scheme that may relocate the port operations in Huangdao oil port area and operations of certain clients around Huangdao oil port area to Dongjiakou port area. As at 31 December 2021, the Group did not receive any relocation plan or relevant notice, and did not obtain any information in relation to such relocation of clients and businesses to Dongjiakou port area, and the operation of Huangdao oil port area was not affected.

16 Outlook for 2022

In 2022, challenges and opportunities will coexist. In terms of challenges, the COVID-19 pandemic continues to impact the world, the evolution of the century has accelerated, the external environment has become more complex, and unstable factors in international trade will exist for a long time; the domestic economic development is facing triple pressures of shrinking demand, supply shocks, and weakening expectations; global congestion of container ports will continue and the unbalanced situation between supply and demand of the global container shipping market is difficult to improve in a short period of time; in terms of dry bulk cargo, the steel industry faces increasing constraint of environmental protection and energy consumption, resulting in a highly competitive market; in terms of liquid bulk cargo, affected by policies such as "transportation structure adjustment", the consumption of refined oil will be generally weak with increased uncertainty in development. In terms of opportunities, RCEP, Shandong Free Trade Zone and other policies will effectively promote the trade development within-and-outside region with continuous empowerment and bring in new import and export increments; the reform of Shandong Port integration and the synergistic development of Qingdao Port with other ports and business sectors continue to deepen, which will effectively expand new space for the port to increase its volume and profit; the continuous practice of new projects and new businesses near the port and the development of markets outside Shandong province are expected to bring new growth of supply of goods.

In 2022, the Group will continue to deepen reforms, accelerate transformation and upgrading, adhere to a performance-based principle, expand development space, comprehensively improve management efficiency, and accelerate the construction of an international shipping hub in Northeast Asia.

1. Highlight performance to enhance the competitiveness of port development

Firstly, the Group will expand and strengthen the main business of stevedoring. For the container segment, we will increase the layout of routes continuously and steadily increase the scale of sea-rail intermodal transport. For the dry bulk cargo segment, we will leverage the advantages of large ports, large storage yards, and large bonded areas to increase marketing, to consolidate the supply of goods in the hinterland outside Shandong Province continuously, and to achieve volume efficiency. For the liquid bulk cargo segment, we will take the advantages of infrastructure such as terminals, pipelines and storage tanks, vigorously promoting the increase in imports and transit cargo sources in markets outside Shandong Province.

Secondly, the Group will extend and expand the industrial chain by establishing the Qingdao Free Trade Zone, Huangdao Customs, and Qingdao Port joint innovation laboratory, optimizing the port business environment continuously and making continuing efforts in developing new businesses such as ship fuel supply, crude oil futures delivery, and whole-process logistics.

2. Highlight safety management and control to build a strong guarantee for port development

Firstly, the Group will focus on the safety production by improving the management of safety standards, increasing the safety management and control of key units, key locations and key procedures, to promote the safety and stability of the port.

Secondly, the Group will enhance the epidemic prevention and control. To strengthen the management and control of key parts, the Group needs to strictly implement epidemic control measures, bolster separating management and control of both domestic and foreign trade, and strictly implement closed-loop management measures for special personnel. The Group will ensure nucleic acid testing and vaccine injection, so that key personnel are fully covered. the Group should improve the level of scientific and technological epidemic prevention, increase the efforts of scientific and technological epidemic prevention projects, and achieve “separation of people and ships, separation of people and goods” to the greatest extent.

3. Highlight the construction of smart and green ports to stimulate the innovation of port development

Firstly, the Group should speed up the construction of smart ports. Relying on the state-level technology center, the Group will give play to the role of “Liangang Innovation Team”, accelerate the construction of key projects such as ubiquitous perception and prediction technology, achieve full coverage of 5G technology in major areas, and lead the trend of intelligent ports development.

Secondly, the Group should speed up the construction of green ports. The Group will increase the proportion of clean transportation, actively promote the application of new energy, and make every effort to build a “hydrogen port” in China.

4. Deepen the reform of state-owned enterprises to enhance the endogenous force of port development

Firstly, the Group should speed up the construction of mechanisms and systems. The Group will rebuild the performance appraisal indicator system, and set up more scientific, reasonable and more oriented appraisal indicators. The Group will improve the functions of the asset management system and improve the level of cycle management for asset life continuously. The Group will deepen the application of quality management system, and complete AAAAA-level evaluation of enterprise standardization and good behavior.

Secondly, the Group should improve profitability continuously. The Group will strengthen cost control, further promote the activities of "increasing revenue and reducing expenditure, improving quality and efficiency", innovate cost management models, and continuously improve the level of refined management.

CHANGES AND TERMINATION OF USE OF PROCEEDS FOR INVESTMENT PROJECTS OF A SHARE OFFERING

The Company completed its initial public offering of RMB denominated ordinary shares (A shares) of 454,376,000 shares with a nominal value RMB1.00 per share and was listed on the Shanghai Stock Exchange on 21 January 2019, with the net amount of proceeds of approximately RMB1,978.93 million.

Details of the use of proceeds were as follows:

Unit: RMB'000

Investment Projects of Proceeds	**Net Amount of Proceeds**
Dongjiakou Port Area Crude Oil Commercial Reserve Tanks Project	-
Multi-purpose berths and North Jetty II rear ancillary stacking yards in Dongjiakou Port Area	1,000,000
Dongjiakou Integrated Logistics Stacking Yard Phase I Project	180,000
Qingdao Port Intelligent Port Area Upgrading Project	200,000
Qingdao Port Area Equipment Procurement Project	302,100
Supplementing working capital	296,830
Total	1,978,930

According to the needs of business development of the Group, upon the consideration and approval by the Board on 26 March 2020 and by the annual general meeting of the Company held on 10 June 2020, the Company resolved to terminate Dongjiakou Integrated Logistics Stacking Yard Phase I Project and put the unused proceeds of RMB180 million into Port Area Equipment Procurement Project and to remove Dongjiakou Port Area Crude Oil Commercial Reserve Tanks Project from one of the investment projects for use of proceeds, continuing to build this project by self-raised funds or by means of joint ventures. Upon the approval by the Board on 24 May 2021 and by the annual general meeting of 2020 of the Company held on 28 June 2021, the Company resolved to invest the estimated remaining proceeds of RMB687.17 million, which was originally proposed to be used for the Multi-Purpose Berths and Ancillary Stacking Yards Project, into the Dongjiakou Port Area Datang Terminal Phase II Project.

After the aforesaid change and termination of investment projects for use of proceeds from A share offering have completed, the details of the use of proceeds were as follows:

Unit: RMB'000

Investment Projects of Proceeds	**Net Amount of Proceeds**
The Dongjiakou Port Area Datang Terminal Phase II Project	687,170
Multi-purpose berths and North Jetty II rear ancillary stacking yards in Dongjiakou Port Area	312,830
Qingdao Port Intelligent Port Area Upgrading Project	200,000
Qingdao Port Area Equipment Procurement Project	482,100
Supplementing working capital	296,830
Total	1,978,930

For further details, please refer to the Company's announcements dated 26 March 2020, 10 June 2020, 24 May 2021 and 28 June 2021, and the circulars of the Company dated 26 May 2020 and 27 May 2021.

USE OF PROCEEDS

The net proceeds from the H Shares Placing of the Company in 2017 were approximately HKD1,035 million, equivalent to approximately RMB912 million, which will be used in the way as disclosed in the announcement of the Company dated 20 January 2017. As at 31 December 2020, approximately HKD574 million was carried over to this year, which is proposed to be used as funds for overseas terminal investment and acquisition by the Company and working capital for the management of overseas terminal projects by the terminal project management companies jointly established with COSCO SHIPPING Ports. Based on the actual situation of the investment projects for the use of proceeds from H Shares Placing and upon consideration and approval by the Board of the Company which completed voting on 24 May 2021 and the annual general meeting of the year held on 28 June 2021, the Company decided to use the remaining proceeds from the H Shares Placing of approximately HKD634.91 million (including accumulated interest income) for the acquisition of 51% equity interests in Haiye Oil Terminal. For the year ended 31 December 2021, approximately HKD460.45 million has been invested in the fundraising projects in the way as disclosed in the announcement of the Company dated 20 January 2017, which was mainly used to pay for the equity acquisition of COSCO SHIPPING Ports (Abu Dhabi) Co., Ltd.. The Company will use the remaining proceeds in accordance with the progress of the investment projects and business development. As at the date of this announcement, the remaining proceeds are expected to be fully used towards the investment projects within 12 months.

The net proceeds from the Company's issuance of the Domestic Shares to Shanghai China Shipping Terminal were approximately RMB2,600 million. As at 31 December 2020, approximately RMB103 million was carried over to this year, which is proposed to be used towards the construction of the port facilities in Dongjiakou Port Area, enhancement of the modern logistics business structure of the Company, domestic terminals investment and acquisition and consolidation of the relevant port assets at the Port of Qingdao, and construction of information technology facilities of the Company. For the year ended 31 December 2021, approximately RMB103 million of the proceeds had been used towards the investment projects in the way as disclosed in the announcement of the Company dated 20 January 2017, which was mainly used for domestic terminals investment and acquisition. As at the date of this announcement, the remaining proceeds have been fully used by the Company.

The net proceeds from the initial public offering of A shares of the Company were approximately RMB1,979 million. As at 31 December 2020, approximately RMB1,127 million was carried over to this year. Taking into account the actual business development and operational needs of the Group, the Company has changed the use of the net proceeds and intends to use them for projects including storage yards in Dongjiakou Port Area, Datang Terminal Phase II Project, intelligent upgrade of the port area, equipment purchase and supplementary working capital. For details, please refer to the Company's announcements dated 26 March 2020, 10 June 2020, 24 May 2021 and 28 June 2021 and circulars dated 26 May 2020 and 27 May 2021. For the year ended 31 December 2021, approximately RMB270 million of the proceeds had been used towards the investment projects in the way as disclosed in the Company's initial public offering of A shares prospectus and the Company's announcements dated 26 March 2020 and 10 June 2020 and circular dated 26 May 2020, which was mainly used for construction of the project of Qingdao Port Investment multi-purpose berths and north jetty II rear ancillary stacking yards in Dongjiakou Port Area, purchase of equipment and the intelligent port area upgrading project. As at the date of this announcement, the Company will use the remaining proceeds in accordance with the progress of the investment projects and business development and expect that all constructions of fundraising projects will be completed by 2024.

PROPOSED DISTRIBUTION OF FINAL DIVIDEND, WITHHOLDING OF INCOME TAX AND CLOSURE OF REGISTER

The Board has proposed the distribution of a final dividend of RMB256.4 (tax inclusive) per thousand shares, totaling approximately RMB1,664,318 thousand (tax inclusive) which represents approximately 50% of Distributable Profits attributable to shareholders of the Company for the year ended 31 December 2021. Such distribution plan will be implemented on 26 August 2022 subject to approval at the 2021 AGM.

For non-resident enterprise shareholders holding H shares of the Company (i.e. shareholders holding H shares of the Company under the names other than individuals, including, but not limited to, shareholders of H shares registered in the name of HKSCC Nominees Limited, or other nominees, trustees, or other organizations or groups), the Company shall withhold the corporate income tax for the final dividend at the tax rate of 10% on their behalf in accordance with the Corporate Income Tax Law of the PRC and other relevant tax laws, regulations and tax treaties.

For individual shareholders holding H shares of the Company, the Company shall withhold and pay the individual income tax for the final dividends on their behalf in accordance with the Individual Income Tax Law of the PRC, the Notice of the State Administration of Taxation on the Collection and Administration of Individual Income Tax after the Abolition of Document No. 045 [1993] (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)), the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) 《(財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and other relevant tax laws, regulations and tax treaties.

In order to determine the eligibility of being entitled to the proposed final dividend for H shares, the H share register of the Company will be closed from Tuesday, 5 July 2022 to Tuesday, 12 July 2022 (both days inclusive), during which no H share transfer will be registered. The H shareholders whose names appear on the register of members of the Company on Tuesday, 12 July 2022 are entitled to the proposed final dividend. Holders of the Company's H 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. Monday, 4 July 2022 for registration.

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 Hong Kong Listing Rules during the year ended 31 December 2021.

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 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2021, the Company or any of its subsidiaries did not purchase, sale and redemption of any listed securities of the Company.

AUDIT COMMITTEE

The Audit Committee of the Board has reviewed, with management of the Company, the accounting principles and policies adopted by the Group and the financial statements for the year ended 31 December 2021.

AMENDMENTS TO CONSTITUTIONAL DOCUMENT

The current applicable Articles of Association has 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 2021 AGM, the H share register of the Company will be closed from Friday, 27 May 2022 to Tuesday, 28 June 2022 (both days inclusive), during which no H share transfer will be registered. The shareholders whose names appear on the register of H share members of the Company on Friday, 27 May 2022 are entitled to attend and vote at the 2021 AGM. Holders of the Company's H shares who wish to attend the 2021 AGM 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 26 May 2022 for registration.

MATERIAL LITIGATIONS

For the year ended 31 December 2021, the Group was not involved in any material litigations or arbitrations.

SUBSEQUENT EVENTS

On 23 January 2022, Shandong Port Group entered into the agreement on gratuitous transfer of equity interests with Qingdao SASAC and Qingdao Port Group, Qingdao SASAC gratuitously transferred 51% equity interests in Qingdao Port Group to Shandong Port Group; on 28 January 2022, Qingdao Port Group has completed the change of industrial and commercial registration procedure on gratuitous transfer of equity interests. Upon completion of such change, the controlling shareholder of the company is still Qingdao Port Group, and the ultimate controller has changed to Shandong SASAC. For details, please refer to the Company's announcements dated 23 January 2022 and 28 January 2022.

On 25 January 2022, the Company entered into the absorption and merger agreement with Shandong Port Group, QDP Financial, RZP Financial and Rizhao Port Group, at the same day, the Company entered into the capital increase agreement with Shandong Port Group, Rizhao Port Group and Financial Holdings. On 25 February 2022, the Company held the 2022 first extraordinary general meeting to consider and improve the absorption and merger agreement and the capital increase agreement and the transaction contemplated thereunder. Such transactions are still subject to approval by China Banking and Insurance Regulatory Commission. Upon completion of such transactions, QDP Financial will cease to be a subsidiary of the Company and its financial results will no longer be consolidated in the accounts of the Company. For details, please refer to the Company's announcements dated 25 January 2022 and 25 February 2022 and the Company's circular dated 7 February 2022.

On 25 January 2022, the Company entered into (i) 2022 SDP Goods and Services Agreement, and (ii) 2022 SDP Financial Services Agreement to govern the purchase of goods and services by the Group from Shandong Port Group, sales of goods and services by the Group to Shandong Port Group, provision of asset lease services by the Group to Shandong Port Group and provision of asset lease services by Shandong Port Group to the Group, and provision of the Deposit Services, Credit Services and Intermediary Services by Shandong Port Group to the Group. For details, please refer to the Company's announcements dated 25 January 2022 and 25 February 2022 and the Company's circular dated 7 February 2022.

Save as disclosed in this announcement, after 31 December 2021, the Group did not have any material subsequent events.

PUBLICATION OF THE COMPANY'S 2021 ANNUAL RESULTS ANNOUNCEMENT AND THE 2021 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 2021 annual report (containing all particulars as required by the Hong Kong 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.
SU Jianguang
Chairman

Qingdao, the PRC, 30 March 2022

As at the date of this announcement, the executive Directors are Mr. SU Jianguang and Mr. WANG Xinze, the non-executive Directors are Mr. LI Wucheng, Mr. FENG Boming, Mr. WANG Jun and Ms. WANG Fuling; and the independent non-executive Directors are Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho.

DEFINITIONS

"2021 AGM"	the 2021 annual general meeting of the Company to be held on 28 June 2022
"2022 SDP Financial Services Agreement"	the financial services framework agreement dated 25 January 2022 entered into between the Company and Shandong Port Group in relation to the provision of financial services by Shandong Port Group and its subsidiaries to the Group
"2022 SDP Goods and Services Agreement"	the goods and services framework agreement dated 25 January 2022 entered into between the Company and Shandong Port Group in relation to, among other things, (i) the purchase of goods and services by the Group from Shandong Port Group; (ii) the sales of goods and services by the Group to Shandong Port Group; (iii) the provision of asset lease services by Shandong Port Group to the Group; and (iv) the provision of asset lease services by the Group to Shandong Port Group
"A Share(s)"	share(s) with a nominal value of RMB1.00 each issued by the Company which are listed on the main board of the Shanghai Stock Exchange and traded in RMB (stock code: 601298)
"A Share Offering"	the Company's public offering 454,376,000 A shares, which are listed on the main board of the Shanghai Stock Exchange
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board"	the board of Directors
"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

"Commonly Held Entities"	has the meaning ascribed to it in the Hong Kong Listing Rules
"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 15 November 2013
"Consolidated Group Companies"	the Company (including its branches) and its subsidiaries which are consolidated into the consolidated financial statements of the Company
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
"COSCO SHIPPING Ports"	COSCO SHIPPING Ports Limited (中遠海運港口有限公司), a limited liability company established in Bermuda with its shares listed on the main board of the Hong Kong Stock Exchange (Stock Code: 1199), holding approximately 20% equity interests in the Company as of 31 December 2021, which is a substantial shareholder and a connected person of the Company
"Director(s)"	the director(s) of the Company
"Distributable Profit"	calculated by net profit attributable to shareholders of the Company in the scope of the consolidated financial statements prepared in the PRC Accounting Standards for Business Enterprise, deducting recovery of accumulated losses, appropriation to statutory surplus reserve and other necessary reserve by the parent company and subsidiaries as well as the impact of the appraisal value-added amount of the asset invested in the Company by Qingdao Port Group, the promoter at the establishment of the Company, on net profit for the year, etc.
"Dongjiakou General Terminal"	Qingdao Port Dongjiakou General Terminal Co., Ltd. (青島港董家口通用碼頭有限公司), a company established in the PRC with limited liability on 8 December 2015 and a subsidiary in which the Company holds 80% equity interests, which is mainly engaged in the stevedoring of break bulk cargo and ancillary services

"Financial Holdings"	Shandong Port Financial Holdings Limited (山東港口金融控股有限公司) , a company established in the PRC with limited liability on 19 April 2017 and a subsidiary in which Qingdao Port Group holds 78.17% equity interests, when references are made to connected transactions, also including its subsidiaries, joint ventures with 30% and more equity interests held by Financial Holdings and the Commonly Held Entities of Financial Holdings (if applicable)
"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 company established in the PRC with limited liability on 26 August 2011 and a joint venture in which the Company holds 50% equity interests and which is mainly engaged in the business of liquid bulk handling and ancillary services
"Harbour Engineer"	Shandong Harbour Engineering Co., Ltd. (山東港灣建設集團有限公司) , a company established in the PRC with limited liability on 30 September 2001 and a holding subsidiary of Rizhao Port Group
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
'Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"H share(s)"	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and are traded in Hong Kong dollar
"H Share(s) Placing"	the Company issued the 243,000,000 H shares by way of placing and has been listed on the Hong Kong Stock Exchange
"Huaneng Qingdao"	Huaneng Qingdao Port Operation Co., Ltd. (華能青島港務有限公司), a company established in the PRC with limited liability on 30 March 2006 and a joint venture in which the Company holds 49% equity interests, which is mainly engaged in the business of dry bulk cargo and break bulk cargo handling and ancillary services
"Mercuria Oil Terminal"	Qingdao Haiye Mercuria Oil Terminal Co., Ltd. (青島海業摩科瑞倉儲有限公司), a company established in the PRC with limited liability on 23 May 2011 and a subsidiary in which the Company holds 71% equity interests, which is mainly engaged in terminal stevedoring and warehousing services of liquid bulk
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
"OBOR"	the Silk Road Economic Belt and 21st Century Maritime Silk Road
"Ocean Bridge International"	Ocean Bridge International Ports Management Co., Ltd. (海路國際港口運營管理有限公司), a joint stock company established in Hong Kong on 16 March 2018 and a joint venture in which the Company holds 49% equity interests, which is mainly engaged in investment and management of foreign projects and other businesses
"PRC" or "China"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan

"QDOT"	Qingdao Port Dongjiakou Ore Terminal Co., Ltd. (青島港董家口礦石碼頭有限公司), a company established in the PRC with limited liability on 9 January 2014 and a joint venture in which the Company holds 30% equity interests, which is mainly engaged in the business of ore, coal and other cargo handling and ancillary services
"QDP Financial"	Qingdao Port Finance Co., Ltd. (青島港財務有限責任公司), a company established in the PRC with limited liability on 22 July 2014 and a subsidiary jointly established by the Company (holding 70% equity interests) and Qingdao Port Group (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 Qingdao Port Group and its member companies
"Qingdao Port Engineering"	Qingdao Port (Group) Engineering Co., Ltd. (青島港（集團）港務工程有限公司), a company established in the PRC with limited liability on 13 May 1992, which is mainly engaged in the business of construction engineering, architectural decoration and engineering design services, as at the date of this announcement, the Company holds 49% equity interests of Qingdao Port Engineering
"Qingdao Port Group"	Shandong Port Qingdao Port Group Co., Ltd. (山東港口青島港集團有限公司), a company established in the PRC with limited liability on 12 August 1988 and the controlling shareholder of the Company, which holds approximately 55.77% equity interests in the Company as at the date of this announcement, when references are made to connected transactions, also including its subsidiaries, joint ventures with 30% and more equity interests held by Qingdao Port Group and the Commonly Held Entities of Qingdao Port Group (if applicable)

"Qingdao Port Technology"	Shandong Port Technology Group Qingdao Co., Ltd. (山東港口科技集團青島有限公司) (formerly known as Qingdao Port Technology Co., Ltd. (青島港科技有限公司) and changed the name on 16 July 2021), a company established in the PRC with limited liability on 15 December 2014, which is mainly engaged in computer software and hardware development, computer system integration, multimedia technology design and production, computer graphics and animation design, computer engineering and other related businesses, as at the date of this announcement, the Company holds 49% equity interests of Qingdao Port Technology
"Qingdao SASAC"	the State-owned Assets Supervision & Administration Commission of Qingdao Municipal Government (青島市人民政府國有資產監督管理委員會)
"Qingdao Shihua"	Qingdao Shihua Crude Oil Terminal Co., Ltd. (青島實華原油碼頭有限公司), a company established in the PRC with limited liability on 23 February 2006 and a joint venture in which the Company holds 50% equity interests, which is mainly engaged in the business of 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 company established in the PRC with limited liability on 31 December 2005 and a joint venture in which the Company holds 49% equity interests, which is mainly engaged in the business of 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 company established in the PRC with limited liability on 17 May 2000 and 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), which is mainly engaged in the business of container handling and ancillary services

"RCEP"	Regional Comprehensive Economic Partnership
"Rio Tinto"	Rio Tinto Group (力拓集團), a company established in Spain and listed on the Australian Stock Exchange, the London Stock Exchange and the New York Stock Exchange with the same stock code of RIO), which is dominated in the exploration, mining and processing of mineral resources
"RZP"	Rizhao Port Co., Ltd.* (日照港股份有限公司), a joint stock company established in the PRC with limited liability on 15 July 2002, A shares of which are listed on the Shanghai Stock Exchange with stock code 600017, which is mainly engaged in bulk cargo handling, storage and transit shipment business
"RZP Financial"	Rizhao Port Group Finance Co., Ltd.* (日照港集團財務有限公司), a company established in the PRC with limited liability on 20 May 2016, which is owned as to 60% equity interests by Rizhao Port Group and 40% equity interests by RZP, respectively, and principally engaged in absorbing deposit of member units, assisting member units to realize the receipt and payment of transaction funds, handling internal transfer and settlement between member units, self-operated loan business, entrusted loan business, letter of guarantee business, electronic bank acceptance bill business, discount business, inter-bank lending and other services
"Rizhao Port Group"	Shandong Port Rizhao Port Group Co., Ltd. (山東港口日照港集團有限公司), a company established in the PRC with limited liability on 24 February 2004 and a wholly-owned subsidiary of Shandong Port Group
"Shandong SASAC"	State-owned Assets Supervision and Administration Commission of the People's Government of Shandong Province* (山東省人民政府國有資產監督管理委員會)
"Shandong Free Trade Zone"	China (Shandong) Pilot Free Trade Zone

"Shandong Port Group"	Shandong Port Group Co., Ltd. (山東省港口集團有限公司), a company established in the PRC with limited liability on 2 August 2019, whose actual controller is Shandong SASAC, as at the date of this announcement, holding 100% equity interests of Qingdao Port Group, when references are made to connected transactions, also including its subsidiaries and associates (if applicable)
"Shandong Port Lianhua"	Shandong Port Lianhua Pipeline Petroleum Transportation Co., Ltd. (山東港聯化管道石油輸送有限公司), a company established in the PRC with limited liability on 9 December 2015 and a subsidiary in which the Company holds 51% equity interests, which is mainly engaged in the business of liquid bulk handling and ancillary services
"Shandong Port Technology"	Shandong Port Technology Group Co., Ltd. (山東港口科技集團有限公司), a company established in the PRC with limited liability on 18 March 2020 and a non wholly-owned subsidiary of Shandong Port Group as at the date of this announcement
"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 the PRC on 18 February 2008 and a wholly-owned subsidiary of COSCO SHIPPING Ports, which holds approximately 15.64% equity interests in the Company as at the date of this announcement
"Shanghai Cooperation Demonstration Zone"	China-Shanghai Cooperation Organization Local Economic and Trade Cooperation Demonstration Zone
"Shipping Group"	Shandong Port Shipping Group Co., Ltd. (山東港口航運集團有限公司), a company established in the PRC with limited liability on 27 March 2020, in which the Company holds 11.02% equity interests as at the date of this announcement

"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"TEU"	an abbreviation of Twenty-Foot Equivalent Unit, an international measuring unit with the standard a container with a length of 20 feet, a width of eight feet and a height of eight feet and six inches, also known as the international unit of standard container
"Tongbao Shipping"	Shangdong Port Shipping Tongbao (Qingdao) Container Transportation Co., Ltd. (山港航運通寶(青島)集裝箱運輸有限公司) (formerly known as Qingdao Port Tongbao Shipping Co., Ltd. (青島港通寶航運有限公司) and changed the name on 12 November 2021), a company established in the PRC with limited liability on 29 October 2015 and a wholly-owned subsidiary of Shipping Group, which is mainly engaged in the business of ship transportation, equipment installation and maintenance, Shipping agency, freight management and other related services
Vale of Brazil	a company established in Brazil and one of the largest iron ore producers and exporters in the world
"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 company established in the PRC with limited liability on 9 June 2010 and 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 dry bulk cargo and break bulk cargo handling and ancillary services

* *Certain amounts and percentage figures included in this announcement have been subject to rounding.*

* *The Chinese name(s) of the PRC entities have been translated into English in this announcement for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translations, the Chinese version shall prevail.*