

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



青島港國際股份有限公司
QINGDAO PORT INTERNATIONAL CO., LTD.

Qingdao Port International Co., Ltd.

青島港國際股份有限公司

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

(Stock Code: 06198)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2022:

- Revenue was RMB9,946 million, representing an increase of 18.6% as compared to the same period in the prior year;
- Net profit attributable to shareholders of the Company was RMB2,311 million, representing an increase of 6.0% as compared to the same period in the prior year; and
- Basic earnings per share was RMB0.36.

The Board is pleased to announce the unaudited interim consolidated results of the Group for the six months ended 30 June 2022. The interim results have been reviewed by the audit committee of the Board. The Group's unaudited interim consolidated balance sheet, unaudited interim consolidated income statement and the notes 1 to 10 as presented below are extracted from the Group's unaudited interim consolidated financial information for the six months ended 30 June 2022.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note	30 June 2022 (Unaudited)	31 December 2021 (Restated)
Current assets			
Cash at bank and on hand		8,603,240,122	9,130,883,770
Financial assets held for trading		1,434,779,228	837,190,078
Notes receivable		49,522,420	56,473,397
Accounts receivable	3	2,695,385,022	2,001,659,748
Financing receivables		262,162,502	384,875,823
Advances to suppliers		181,456,271	113,794,979
Other receivables		4,440,664,919	5,623,790,856
Inventories		154,230,716	130,810,650
Contract assets		545,064,582	420,642,735
Assets held for sale		535,182,499	663,670,692
Current portion of non-current assets		2,071,023,320	1,248,826,732
Total current assets		<u>20,972,711,601</u>	<u>20,612,619,460</u>
Non-current assets			
Long-term receivables		1,831,251,418	2,302,084,354
Long-term equity investments		10,515,210,632	9,847,613,999
Other non-current financial assets		895,681,361	897,168,337
Investment properties		181,960,676	184,884,218
Fixed assets		19,964,643,364	19,384,964,534
Construction in progress		3,859,744,289	3,513,501,488
Right-of-use assets		377,211,194	370,858,887
Intangible assets		3,173,507,378	3,217,897,470
Development expenses		35,093,847	24,006,548
Goodwill		48,683,209	48,683,209
Long-term prepaid expenses		53,197,393	58,847,014
Deferred tax assets		942,438,469	951,155,060
Other non-current assets		806,371,970	805,300,026
Total non-current assets		<u>42,684,995,200</u>	<u>41,606,965,144</u>
TOTAL ASSETS		<u>63,657,706,801</u>	<u>62,219,584,604</u>

CONSOLIDATED BALANCE SHEET (CONT'D)

AS AT 30 JUNE 2022

(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	30 June 2022 (Unaudited)	31 December 2021 (Restated)
Current liabilities			
Short-term borrowings		888,929,898	1,498,398,064
Notes payable		1,023,149,583	1,237,001,063
Accounts payable	4	1,740,653,699	1,504,308,175
Advances from customers		66,955,163	9,224,580
Contract liabilities		372,534,518	216,343,911
Employee benefits payable		628,093,243	556,625,450
Taxes payable		385,760,239	271,674,999
Other payables		12,675,875,260	10,919,971,844
Current portion of non-current liabilities		216,848,687	189,026,667
Other current liabilities		21,374,664	14,364,855
Total current liabilities		18,020,174,954	16,416,939,608
Non-current liabilities			
Lease liabilities		193,501,658	184,438,326
Long-term payables		227,269,405	211,757,561
Provisions		33,739,242	34,844,000
Deferred income		307,745,771	311,098,110
Long-term employee benefits payable		2,527,230,000	2,507,396,712
Deferred tax liabilities		51,122,203	53,283,934
Other non-current liabilities		2,382,116,510	2,482,691,848
Total non-current liabilities		5,722,724,789	5,785,510,491
Total liabilities		23,742,899,743	22,202,450,099
Shareholders' equity			
Share capital		6,491,100,000	6,491,100,000
Capital surplus		11,882,938,647	12,862,527,869
Other comprehensive income		3,377,921	(7,107,484)
Specific reserve		16,009,063	3,918,032
Surplus reserve		2,002,688,003	2,002,688,003
General reserve		411,248,470	411,248,470
Undistributed profits		14,433,212,248	13,786,510,309
Total equity attributable to shareholders of the Company		35,240,574,352	35,550,885,199
Minority interests		4,674,232,706	4,466,249,306
Total Shareholders' equity		39,914,807,058	40,017,134,505
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		63,657,706,801	62,219,584,604

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2022
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	For the six months ended 30 June 2022 (Unaudited)	For the six months ended 30 June 2021 (Unaudited) (Restated)
1. Revenue	6	9,946,339,818	8,385,696,646
Less: Cost of sales	6	(6,781,515,883)	(5,458,697,740)
Taxes and surcharges	7	(74,309,297)	(76,313,221)
Selling and distribution expenses		(25,388,262)	(27,492,908)
General and administrative expenses		(452,139,186)	(412,560,723)
Research and development expenses		(55,906,928)	(12,050,352)
Financial expenses		124,140,789	42,149,494
Including: Interest expenses		78,607,649	92,413,985
Interest income		185,702,570	185,819,102
Add: Other income		102,559,170	85,202,625
Investment income		684,614,746	710,329,728
Including: Investment income from associates and joint ventures		647,398,403	639,988,858
Gains on changes in fair value		(326,550)	5,689,975
Credit impairment losses		(32,993,389)	(35,866,766)
Asset impairment losses		(6,104,068)	(11,087,572)
Gains on disposal of assets		1,364,270	3,472,415
2. Operating profit		3,430,335,230	3,198,471,601
Add: Non-operating income		6,872,134	3,458,791
Less: Non-operating expenses		(8,389,398)	(3,147,349)
3. Total profit		3,428,817,966	3,198,783,043
Less: Income tax expenses	8	(716,834,289)	(647,185,189)
4. Net profit		2,711,983,677	2,551,597,854
Including: Net profit of the acquiree in a business combination under common control before the combination date		(5,675,058)	25,867,950
Classified by continuity of operations			
Net profit from continuing operations		2,711,983,677	2,551,597,854
Net profit from discontinued operations		-	-
Classified by ownership of the equity			
Minority interests		400,963,698	370,686,806
Attributable to shareholders of the Company		2,311,019,979	2,180,911,048

CONSOLIDATED INCOME STATEMENT (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2022
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	For the six months ended 30 June 2022 (Unaudited)	For the six months ended 30 June 2021 (Unaudited) (Restated)
5. Other comprehensive income, net of tax		13,950,150	(3,478,640)
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		-	-
Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss		2,401,000	-
Other comprehensive income items which will be subsequently reclassified to profit or loss			
Changes in fair value of other debt investments		8,084,405	(2,435,048)
Attributable to minority shareholders, net of tax		3,464,745	(1,043,592)
6. Total comprehensive income		2,725,933,827	2,548,119,214
Attributable to shareholders of the Company		2,321,505,384	2,178,476,000
Attributable to minority interests		404,428,443	369,643,214
7. Earnings per share	9		
Basic earnings per share (RMB)		0.36	0.34
Diluted earnings per share (RMB)		0.36	0.34

Notes

1 General Information of the Company

The Company is a joint stock limited company incorporated in Qingdao 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, Everbright (Qingdao) Financial Leasing Co., Ltd. and Qingdao International Investment Co., Ltd., with its current registered address at No. 12 Jingba Road, Huangdao District, Qingdao, Shandong Province, PRC.

The H shares of the Company were 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 30 June 2022, the total share capital of the Company was 6,491,100,000 shares with a par value of RMB1.00 per share, 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 held 55.77% equity interests of the Company in total, directly and indirectly (as at 30 June 2022, Qingdao Port Group participated in the refinancing business and lent its 520,000 outstanding shares of the Company with no trading restrictions to China Securities Finance Co., Ltd., without any transfer of ownership).

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 equity interests 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.

Pursuant to the *Gratuitous Transfer Agreement on Gratuitous Transfer of the 51% Equity Interests in Shandong Port Qingdao Port Group Co., Ltd. among 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 Group 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. As at 30 June 2022, the Company’s controlling shareholder is still Qingdao Port Group, the Company’s ultimate parent company is Shandong Port Group, and the Company’s ultimate controller is Shandong SASAC.

1 General Information (Cont'd)

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

2 Preparation basis of financial statements

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 the requirements therein.

(1) 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 Preparation basis of financial statements (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.

In May 2022, the Company acquired Weihai Port Development, a subsidiary of Weihai Port, through which, the Company indirectly controlled Weihai Qingwei. This transaction was classified as a business combination involving enterprises under common control as Weihai Port Development, Weihai Qingwei and the Company were controlled by Qingdao Port Group prior and subsequent to the combination and the control was not temporary. The assets and liabilities of Weihai Port Development and Weihai Qingwei were consolidated into the Company's consolidated financial statements at the carrying amount at the combination date as if the reporting entities after the combination had been existed throughout the previous years. Accordingly, the Group's comparative figures as at 31 December 2021 were restated to include the financial position and business results of the acquiree.

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

At preparation of the Company's financial statements, 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

(All amounts in RMB Yuan unless otherwise stated in the following forms)

	30 June 2022 (Unaudited)	31 December 2021 (Restated)
Accounts receivable	2,904,965,859	2,162,586,883
Less: Bad debt provision	(209,580,837)	(160,927,135)
Total	2,695,385,022	2,001,659,748

3 Accounts receivable (Cont'd)

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:

	30 June 2022 (Unaudited)	31 December 2021 (Restated)
Within 1 year	2,590,019,930	1,826,651,330
1 to 2 years	41,226,121	121,907,601
2 to 3 years	237,327,832	172,856,693
3 to 4 years	34,937,807	41,121,259
4 to 5 years	1,404,169	-
Over 5 years	50,000	50,000
Total	2,904,965,859	2,162,586,883

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

	30 June 2022 (Unaudited)	31 December 2021 (Restated)
Material expenditure payable	605,794,151	682,756,164
Agency fee payable	336,431,333	230,270,359
Subcontract handling expenses payable	266,740,539	56,402,043
Transportation expenses payable	237,452,516	218,578,235
Subcontract costs payable	128,238,187	145,071,011
Repair expenses payable	78,454,259	79,298,788
Rental expenses payable	31,384,784	24,393,703
Others	56,157,930	67,537,872
Total	1,740,653,699	1,504,308,175

4 Accounts payable (Cont'd)

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

	30 June 2022 (Unaudited)	31 December 2021 (Restated)
Within 1 year	1,627,870,080	1,451,410,535
Over 1 year	112,783,619	52,897,640
Total	1,740,653,699	1,504,308,175

As at 30 June 2022, accounts payable over one year amounted to RMB112,783,619 (31 December 2021: RMB52,897,640), which were mainly subcontract costs and material expenditure payables without final clearing for the unsettled constructions.

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

According to the resolution of the Board on 30 March 2022 and the resolution of the annual general meeting of the Company on 28 June 2022, the Company intends to distribute cash dividend for 2021 to all shareholders with RMB256.4 (tax inclusive) for per thousand shares. Based on the 6,491,100,000 shares issued, the proposed cash dividend is RMB1,664,318.0 thousand (tax inclusive).

For the six months ended 30 June 2022, the Board has not declared to distribute interim dividends (for the six months ended 30 June 2021: nil).

6 Revenue and cost of sales

	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited) (Restated)
Revenue from main operations	9,115,064,900	7,790,310,275
Revenue from other operations	831,274,918	595,386,371
	<u>9,946,339,818</u>	<u>8,385,696,646</u>
	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited) (Restated)
Cost of sales from main operations	(6,186,884,208)	(5,128,907,031)
Cost of sales from other operations	(594,631,675)	(329,790,709)
	<u>(6,781,515,883)</u>	<u>(5,458,697,740)</u>

7 Taxes and surcharges

	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited) (Restated)
Land use tax	33,919,897	34,143,144
City maintenance and construction tax	13,421,290	13,577,394
Educational surcharge	9,605,791	9,526,872
Stamp duty	4,962,733	5,704,207
Property tax	6,320,065	7,070,350
Others	6,079,521	6,291,254
	<u>74,309,297</u>	<u>76,313,221</u>

8 Income tax expenses

	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited) (Restated)
Current income tax calculated based on tax law and related regulations	710,279,429	681,852,863
Deferred income tax	6,554,860	(34,667,674)
	<u>716,834,289</u>	<u>647,185,189</u>

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:

	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited) (Restated)
Total profit	<u>3,428,817,966</u>	<u>3,198,783,043</u>
Income tax expenses calculated at applicable tax rates	857,204,492	799,695,761
The effect of preferential tax rates	(947,309)	(1,589,507)
Investment income not subject to tax	(161,849,601)	(159,997,215)
Additional deduction of employee benefits of the disabled	(506,748)	(610,211)
Costs, expenses and losses not deductible for tax purposes	23,294,011	9,187,685
Utilisation of previously unrecognised deductible losses	(2,969,031)	-
Deductible temporary differences not recognized as deferred tax assets in the current period	1,878,248	100,000
Deductible losses not recognized as deferred tax assets in the current period	730,227	398,676
Income tax expenses	<u>716,834,289</u>	<u>647,185,189</u>

9 Earnings per share

(1) 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:

	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited) (Restated)
Consolidated net profit attributable to ordinary shareholders of the Company	2,311,019,979	2,180,911,048
Weighted average number of ordinary shares outstanding	<u>6,491,100,000</u>	<u>6,491,100,000</u>
Basic earnings per share	<u>0.36</u>	<u>0.34</u>

Including:

- Basic earnings per share from continuing operations	0.36	0.34
- Basic earnings per share from discontinued operations	-	-

(2) 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 six months ended 30 June 2022 (for the six months ended 30 June 2021: nil), diluted earnings per share equal 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: engaged in stevedoring and storage of containers, port management and other business;
- Metal ore, coal and other cargo handling and ancillary services: engaged in stevedoring and storage of metal ore, coal, grains, break bulk cargo and other cargo, port management and other business;
- Liquid bulk handling and ancillary services: engaged in stevedoring, storage, transportation of crude oil and other liquid bulk, port management and other business;
- Logistics and port value-added services: engaged in CFS business, logistics and transportation, freight forwarding, towing, tallying and other business;
- Port ancillary services: engaged in manufacturing of port related equipment, engineering of construction and installation, supplying electricity power and fuel for port area and other business.; and
- Financial services: engaged in provision of deposits and loans, ensuring guarantee, insurance agency, investment and wealth management and other business.

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)

(1) Segment information for the six months ended 30 June 2022 and as at 30 June 2022 is listed as follows (Unaudited):

	Container handling and ancillary services	Metal ore, 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	534,367,483	2,048,236,158	1,832,636,043	4,275,870,067	1,255,230,067	173,831,356	-	-	10,120,171,174
Inter-segment revenue	31,254,495	40,033,277	36,777	5,331,211	453,750,549	78,154,539	-	(608,560,848)	-
Cost of sales	(162,541,239)	(1,600,206,879)	(643,259,693)	(3,416,775,376)	(958,732,696)	(35,872,667)	-	-	(6,817,388,550)
Interest income	1,531,925	2,165,628	10,931,833	7,384,899	2,519,604	-	29,647,637	(42,310,312)	11,871,214
Interest expenses	(12,172,439)	(38,909,324)	(83,587,110)	(28,515,349)	(12,881,156)	-	(3,242,984)	136,573,380	(42,734,982)
Investment income from associates and joint ventures	463,789,560	(5,065,351)	151,112,783	36,941,536	14,099,371	7,703,223	(25,420,591)	4,237,872	647,398,403
Other investment income	-	-	-	-	(1,070,212)	26,125,555	72,145,413	(59,984,413)	37,216,343
Asset impairment losses	-	-	-	-	(6,104,068)	-	-	-	(6,104,068)
Credit impairment losses	(26,532)	5,992,193	(21,316,345)	(27,115,328)	(16,885,270)	26,357,893	-	-	(32,993,389)
Depreciation of right-of-use assets	-	-	-	(36,768,507)	(18,225,845)	-	-	-	(54,994,352)
Depreciation and amortization	(26,473,145)	(156,019,229)	(197,610,821)	(63,873,854)	(114,431,855)	(990,132)	(19,282,329)	-	(578,681,365)
Total Profit	801,715,446	272,656,105	1,243,082,105	753,734,220	211,652,587	226,200,755	(37,573,675)	(42,649,577)	3,428,817,966
Income tax expenses	(64,059,790)	(9,446,603)	(244,633,904)	(143,486,915)	(7,613,472)	(61,978,895)	(185,614,710)	-	(716,834,289)
Net Profit	737,655,656	263,209,502	998,448,201	610,247,305	204,039,115	164,221,860	(223,188,385)	(42,649,577)	2,711,983,677
Total assets	10,414,124,074	10,439,165,022	15,222,240,771	7,763,389,232	8,066,417,428	18,146,793,803	10,713,469,197	(17,107,892,726)	63,657,706,801
Total liabilities	1,000,484,406	6,209,218,567	5,006,573,549	3,963,559,708	6,971,421,075	15,827,465,221	1,992,298,554	(17,228,121,377)	23,742,899,703
Non-cash expenses other than depreciation and amortization	680,000	20,010,000	810,000	6,850,000	10,980,000	10,000	-	-	39,340,000
Long-term equity investments in associates and joint ventures	6,332,910,259	1,189,978,935	1,759,406,880	509,282,781	283,529,969	135,145,305	304,956,503	-	10,515,210,632
Additions of non-current assets (i)	611,421	395,366,896	760,603,946	111,031,086	450,961,191	18,868	3,355,571	(26,071,445)	1,695,877,534

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

10 Segment information (Cont'd)

(2) Segment information for the six months ended 30 June 2021 and as at 31 December 2021 is listed as follows (Unaudited) (Restated):

(a) Segment information for the six months ended 30 June 2021

	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	261,453,142	2,024,630,551	1,663,445,312	3,216,115,082	1,220,052,559	183,654,293	-	-	8,569,350,939
Inter-segment revenue	10,351,955	45,431,084	66,112	91,812,673	681,953,503	89,098,749	-	(918,714,076)	-
Cost of sales	(103,240,714)	(1,466,049,060)	(541,788,705)	(2,468,729,125)	(878,890,136)	(37,274,072)	-	-	(5,495,971,812)
Interest income	79,820	1,475,313	8,170,733	7,163,460	1,745,751	-	23,379,977	(39,850,245)	2,164,809
Interest expenses	(16,438,743)	(43,123,725)	(86,768,730)	(15,229,450)	(17,935,240)	-	(20,479,829)	144,835,804	(55,139,913)
Investment income from associates and joint ventures	423,395,617	(10,713,906)	181,380,508	31,620,343	474,513	6,498,792	-	7,332,991	639,988,858
Other investment income	-	(1,070,315)	-	-	(634,586)	64,448,262	68,213,359	(60,615,850)	70,340,870
Asset impairment losses	-	-	-	-	(11,087,572)	-	-	-	(11,087,572)
Credit impairment losses	2,127,245	1,017,594	(34,003,641)	(10,735,111)	(893,449)	6,620,596	-	-	(35,866,766)
Depreciation of right-of-use assets	-	-	(2,460,244)	(35,544,063)	-	-	-	-	(38,004,307)
Depreciation and amortisation	(21,179,960)	(135,190,683)	(189,625,212)	(80,551,590)	(92,152,683)	(821,268)	(19,282,329)	-	(538,803,725)
Total Profit	539,967,407	364,897,156	1,171,012,557	671,841,343	236,998,708	271,023,971	(19,094,002)	(37,864,097)	3,198,783,043
Income tax expenses	(3,576,315)	(2,639,376)	(224,021,005)	(125,506,058)	(9,905,231)	(58,403,553)	(223,133,651)	-	(647,185,189)
Net Profit	536,391,092	362,257,780	946,991,552	546,335,285	227,093,477	212,620,418	(242,227,653)	(37,864,097)	2,551,597,854
Non-cash expenses other than depreciation and amortisation	760,000	20,030,000	820,000	7,720,000	12,880,000	20,000	-	-	42,230,000
Additions of non-current assets (i)	6,315,505	513,054,087	616,990,072	14,712,490	222,800,228	-	2,997,444	29,346	1,376,899,172

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

10 Segment information (Cont'd)

(2) Segment information for the six months ended 30 June 2021 and as at 31 December 2021 is listed as follows (Unaudited) (Restated):

(b) Segment information 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
Total assets	9,349,208,672	9,614,727,773	13,542,397,329	7,555,242,502	6,874,390,380	18,403,668,649	11,942,890,445	(15,062,941,146)	62,219,584,604
Total liabilities	769,209,929	3,676,414,300	4,585,496,493	4,513,449,177	5,408,335,075	16,325,987,228	1,899,361,607	(14,975,803,710)	22,202,450,099
Long-term equity investments in associates and joint ventures	6,034,866,684	1,025,142,759	1,604,598,547	449,533,091	275,653,742	127,442,082	330,377,094	-	9,847,613,999

10 Segment information (Cont'd)

(3) 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:

	Six months ended 30 June 2022 (Unaudited)	Six months ended 30 June 2021 (Unaudited) (Restated)
Revenue —		
Reportable segment revenue from external customers	10,120,171,174	8,569,350,939
Reclassification of interest income, from external customers of Qingdao Port Finance (i)	<u>(173,831,356)</u>	<u>(183,654,293)</u>
Consolidated revenue	<u>9,946,339,818</u>	<u>8,385,696,646</u>
Interest income —		
Reportable segment interest income	11,871,214	2,164,809
Reclassification of interest income, from external customers of Qingdao Port Finance (i)	<u>173,831,356</u>	<u>183,654,293</u>
Consolidated interest income	<u>185,702,570</u>	<u>185,819,102</u>
Cost of sales —		
Reportable segment cost of sales	6,817,388,550	5,495,971,812
Reclassification of interest expenses, from external customers of Qingdao Port Finance (ii)	<u>(35,872,667)</u>	<u>(37,274,072)</u>
Consolidated cost of sales	<u>6,781,515,883</u>	<u>5,458,697,740</u>
Interest expenses —		
Reportable segment interest expenses	42,734,982	55,139,913
Reclassification of interest expenses, from external customers of Qingdao Port Finance (ii)	<u>35,872,667</u>	<u>37,274,072</u>
Consolidated interest expenses	<u>78,607,649</u>	<u>92,413,985</u>

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

(ii) Reportable segment cost of sales includes interest expense of Qingdao Port Finance, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INTERNATIONAL AND DOMESTIC SITUATION

1. General Situation

In the first half of 2022, the international environment became increasingly severe, and the domestic epidemic spread in many places, which shocked the economic development. In the face of the extremely complex situation, the Chinese government has taken precise measures, effectively coordinated the epidemic prevention and control and economic and social development, strengthened macro policy adjustment, and effectively implemented a package of policies to stabilize the economy. Such measures contributed to that the epidemic has been effectively controlled, the national economy has been stabilized and rebounded, and the gross domestic product (GDP) increased by 2.5% year-on-year. In the first half of 2022, the total value of imports and exports of cargo increased by 9.4% year-on-year, of which exports increased by 13.2% year-on-year, imports increased by 4.8% year-on-year, and the trade structure continued to optimize (source: National Bureau of Statistics).

2. Operation of the Port Industry

Given the headwinds from the pandemic, in the first half of 2022, cargo throughput of the coastal ports in China slightly increased by 0.1% year-on-year, while container throughput increased by 3.0% year-on-year (source: Ministry of Transport of the PRC). In the first half of 2022, the port of Qingdao ranked third and fourth among the national coastal ports in China in terms of cargo throughput and container throughput, respectively, and it continued to rank second among the coastal ports of China and first among northern ports of China in terms of foreign trade throughput (source: Ministry of Transport of the PRC).

II. REVIEW OF BUSINESS AND FINANCIAL RESULTS OF THE GROUP

1. Overall Review

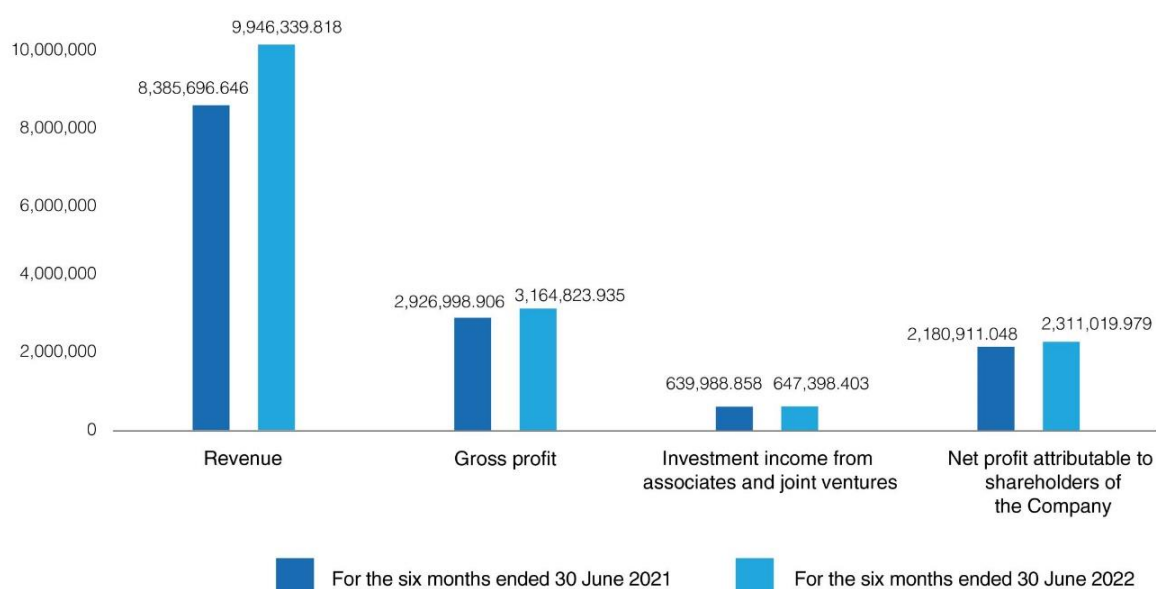
Since 2022, in the face of the severe and complex international situation and the impact of the epidemic, the Group has been proactively adhered to the two strong approaches of epidemic prevention and control and production and operation, gave full play to the advantages of the port platform, seized the opportunities of policy empowerment such as the Shandong Free Trade Zone, the Shanghai Cooperation Demonstration Zone and the RCEP pilot demonstration zone, continued to open shipping routes, expand the shipping space and promote transshipment services seawards and to open more freight trains, construct inland ports and expand cargo source landwards, accelerated the new development pattern of “the domestic circulation as the mainstay and the domestic and international circulations reinforcing each other”, which maintained steady growth in operating performance and further improved the port’s radiation capacity, thus, the Group’s position as the “estuary” of the Yellow River basin and a “bridgehead” in opening up has been further cemented and its hub status has been further enhanced.

For the six months ended 30 June 2022, cargo throughput of the Group (without taking into account the respective shareholding percentages the Company holds in its joint ventures and associates) reached 315.39 million tons, representing an increase of 9.7% year-on-year; container throughput amounted to 13.01 million TEUs, representing an increase of 11.6% year-on-year. Among which, Weihai Port Development finished cargo throughput with 13.28 million tons, representing an increase of 9.7% year-on-year; container throughput with 0.54 million TEUs, representing an increase of 5.2% year-on-year.

The details were as follows :

Comparison of Major Operating Indicators

Unit: RMB'000



For the six months ended 30 June 2022, the Group recorded a revenue of RMB9,946 million, representing an increase of RMB1,561 million, or 18.6%, as compared to the same period in the prior year, mainly due to the increase in the revenue from the logistics and port value-added services segment, container handling and ancillary services segment, and liquid bulk handling and ancillary services segment.

For the six months ended 30 June 2022, the Group recorded a gross profit of RMB3,165 million, representing an increase of RMB238 million, or 8.1%, as compared to the same period in the prior year, mainly due to the increase in the gross profit from the container handling and ancillary services segment, logistics and port value-added services segment and liquid bulk handling and ancillary services segment.

For the six months ended 30 June 2022, the Group's investment income from joint ventures and associates amounted to RMB647 million, representing an increase of RMB7 million, or 1.2%, as compared to the same period in the prior year, mainly due to the increase in the investment income from the container handling and ancillary services segment.

For the six months ended 30 June 2022, the administrative expenses of the Group amounted to RMB452 million, representing an increase of RMB40 million, or 9.6%, as compared to the same period in the prior year, mainly due to the increase of rental fees of office space and the employees' compensation.

For the six months ended 30 June 2022, the Group recorded a net profit attributable to shareholders of the Company of RMB2,311 million, representing an increase of RMB130 million, or 6.0%, as compared to the same period in the prior year, mainly due to the increase in the profit from the container handling and ancillary services segment, and logistics and port value-added services segment.

2. Segment Review

The business segment results (total profit) of the Group were listed as follows:

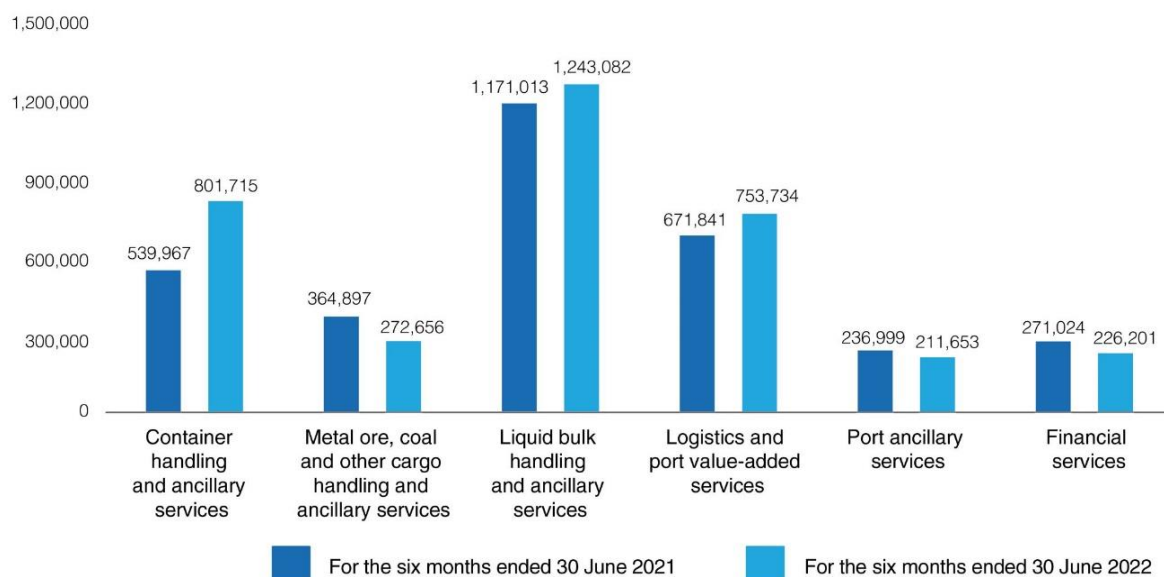
Proportion of Each Business Segment Results

Unit: RMB'000

Business Segments	For the six months ended 30 June				
	2022		2021		Percentage Changed
	Amount	Proportion	Amount	Proportion (restated)	
Container handling and ancillary services	801,715	22.9%	539,967	16.6%	48.5%
Metal ore, coal and other cargo handling and ancillary services	272,656	7.8%	364,897	11.2%	-25.3%
Liquid bulk handling and ancillary services	1,243,082	35.4%	1,171,013	36.0%	6.2%
Logistics and port value-added services	753,734	21.5%	671,841	20.6%	12.2%
Port ancillary services	211,653	6.0%	236,999	7.3%	-10.7%
Financial services	226,201	6.4%	271,024	8.3%	-16.5%
Total results before inter-segment elimination	3,509,041	100.0%	3,255,741	100.0%	7.8%

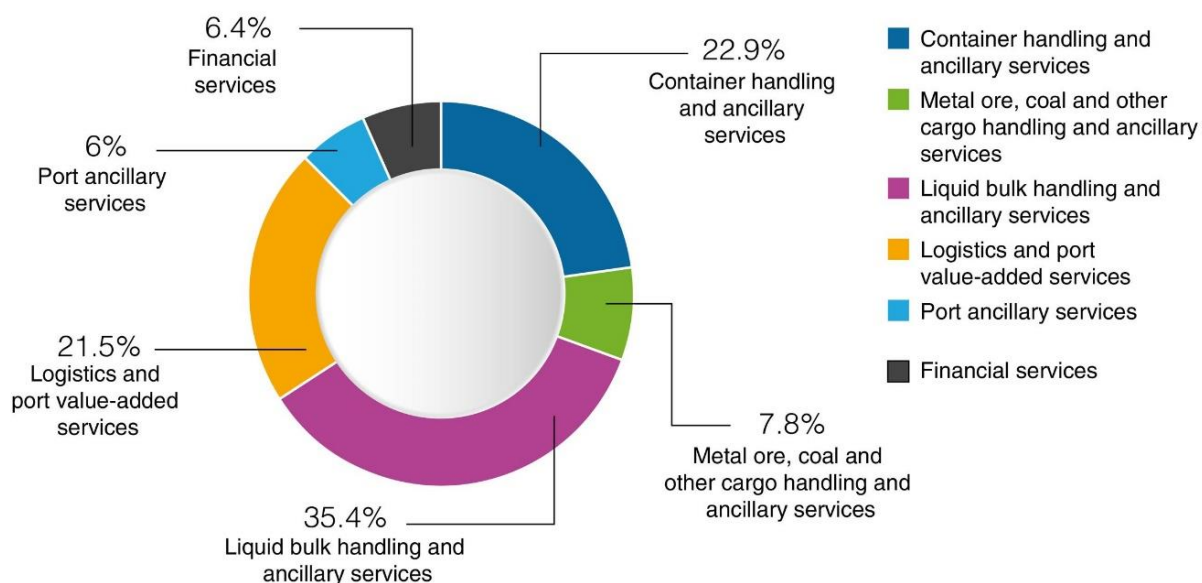
Comparison of Each Business Segment Results

Unit: RMB'000



Breakdown of each business segment for the six months ended 30 June 2022

Unit: RMB'000



The business segment results were specifically as follows:

(1) Container handling and ancillary services

Unit: RMB'000

Item	For the six months ended 30 June		Amount Changed	Percentage Changed
	2022	2021 (restated)		
Consolidated Group Companies				
Revenue	534,367	261,453	272,914	104.4%
Cost of sales	162,541	103,241	59,300	57.4%
Gross profit	371,826	158,212	213,614	135.0%
Profit of Consolidated Group Companies	337,925	116,571	221,354	189.9%
A joint venture and an associate				
Revenue	2,494,164	2,119,239	374,925	17.7%
Cost of sales	1,000,551	852,911	147,640	17.3%
Investment income from a joint venture	463,790	423,396	40,394	9.5%
Segment result	801,715	539,967	261,748	48.5%

Note: Amount of revenue and cost of sales of a joint venture and an associate represent the total amount of revenue and cost of sales in the financial information of QQCT and Weihai Hailian Container Co., Ltd.(威海海联集装箱有限公司), without taking into account the shareholding percentages held by the Company and its subsidiary in the joint venture and the associate.

For the six months ended 30 June 2022, the Group adhered to the land-sea linkage, seawards, to open shipping routes and promote transshipment services; landwards, to open more freight trains and expand cargo categories, accelerating the construction of the “International Hub Port in Northeast Asia”. The main breakthroughs achieved were as follows:

- a. the Group continued to promote the expansion of seaward market, cooperated with shipping companies to expand the route network, actively promoted the “highway to water transportation” of hinterland cargo sources, vigorously promoted the supporting development pattern of main and feeder networks, and opened up 15 new container routes, recorded a year-on-year increase of 18.9% in transit shipment volume, accelerating to build an international hub port. In view of the shortage of shipping space and other conditions caused by port congestion, delayed vessels and other factors, the Group proactively strived for more than 400 additional voyages with shipping companies to meet the demand of foreign trade companies in sea transportation; and

- b. the Group leveraged on the advantages of the land-sea linkage, actively promoted the “highway to rail transportation” of hinterland cargo sources, continued to expand land channels, added up 4 inland ports, opened 2 sea-rail intermodal trains in Anhui and Henan Province.

For the six months ended 30 June 2022, the revenue of container handling and ancillary services was RMB534 million, representing an increase of RMB273 million, or 104.4%, as compared with the same period in the prior year. The segment recorded results of RMB802 million, representing an increase of RMB262 million, or 48.5%, as compared with the same period in the prior year, mainly due to the adjustment of business policies to increase revenue and profit in the current period. The investment income from the joint venture and the associate amounted to RMB464 million, representing an increase of RMB40 million, or 9.5%, as compared with the same period in the prior year, mainly due to the increase of business volume and rising proportion of the high-rate containers.

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

Unit: RMB'000

QQCT				
For the six months				
ended 30 June				
Item	2022	2021	Amount Changed	Percentage Changed
Revenue	2,456,004	2,119,239	336,765	15.9%
Cost of sales	968,353	852,911	115,442	13.5%
Investment income	51,407	25,803	25,604	99.2%
Total profit	1,197,546	1,121,957	75,589	6.7%
Income tax expenses	256,859	285,482	-28,623	-10.0%
Net profit attributable to				
shareholders of the joint venture	926,593	829,585	97,008	11.7%
Shareholding percentage held by				
the Company	51%	51%	-	-
Investment income of the Group	465,455	417,077	48,378	11.6%

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

Unit: RMB'000

Item	For the six months ended 30 June		Amount Changed	Percentage Changed
	2022	2021 (restated)		
Consolidated Group Companies				
Revenue	2,048,236	2,024,631	23,605	1.2%
Cost of sales	1,600,207	1,466,049	134,158	9.2%
Gross profit	448,029	558,582	-110,553	-19.8%
Profit of Consolidated Group Companies				
	277,721	375,611	-97,890	-26.1%
Joint Ventures				
Revenue	1,087,988	919,195	168,793	18.4%
Cost of sales	976,865	811,528	165,337	20.4%
Investment income from joint ventures				
	-5,065	-10,714	5,649	52.7%
Segment result	272,656	364,897	-92,241	-25.3%

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

For the six months ended 30 June 2022, the Group actively responded to changes in the macro situation, innovated marketing, deepened strategic cooperation with key customers, proactively expanded new hinterland markets and conducted value-added services. The main breakthroughs achieved were as follows:

- a. the Group leveraged joint marketing to expand the customer group of dry bulk cargo, and developed a total of 19 new customers in the first half of 2022, achieving an increase of cargo supply of more than 1 million tons;
- b. Guided by the customer demand, the Group innovated the mixed ore formats for key mine customers and increased new ore varieties, achieving an increase of more than 500,000 tons; and

- c. the Group vigorously expanded the markets in Henan and Shanxi Province. In the first half of 2022, the import volume of bauxite from customers in these regions increased by 34.3% year on year; at the same time, the net increase of bauxite business exceeded 1 million tons by meeting the personalized needs of customers in the hinterland.

For the six months ended 30 June 2022, metal ore, coal and other cargo handling and ancillary services recorded revenue of RMB2,048 million, representing an increase of RMB24 million, or 1.2%, as compared with the same period in the prior year, mainly due to the increase of revenue arising from the increase in business volume of bauxite, coal and other cargoes, and the adjustment of business policies. The segment recorded results of RMB273 million, representing a decrease of RMB92 million, or 25.3%, as compared with the same period in the prior year, mainly due to the increase in operating cost affected by the factors such as rising fuel prices and escalation of epidemic prevention and control.

(3) Liquid bulk handling and ancillary services

Unit: RMB'000

	For the six months			
	ended 30 June			
Item	2022	2021	Amount	Percentage
		(restated)	Changed	Changed
Consolidated Group Companies				
Revenue	1,832,636	1,663,445	169,191	10.2%
Cost of sales	643,260	541,789	101,471	18.7%
Gross profit	1,189,376	1,121,656	67,720	6.0%
Profit of Consolidated Group				
Companies	1,091,969	989,632	102,337	10.3%
Joint Ventures				
Revenue	838,057	814,509	23,548	2.9%
Cost of sales	386,445	273,593	112,852	41.2%
Investment income from joint ventures	151,113	181,381	-30,268	-16.7%
Segment result	1,243,082	1,171,013	72,069	6.2%

Note: Amount of revenue and cost of sales of joint ventures represents the total amount of revenue and cost of sales in the financial information of joint ventures of the Company such as Qingdao Shihua and Haiwan Liquid Chemical without taking into account the respective shareholding percentages held by the Company in those joint ventures.

For the six months ended 30 June 2022, the Group continued to improve the efficiency of terminals, storage tanks and oil pipelines and other resources, enrich business formats and make effort in futures, mixing, bunkering and other businesses. The main breakthroughs achieved were as follows:

- a. From the second half of the year 2021, the newly-built crude oil terminal released capacity, and the liquid chemical terminal and supporting commercial crude oil commercial reserve tanks in Dongjiakou port area were put into operation, which increased capacity of approximately 30 million tons;
- b. the only designated futures delivery warehouse for low-sulfur bunker oil in northern China was put into operation, accounting for 50% of the delivery volume among the nationwide, and the business of bonded bunker oil blending was successfully started to operate; and
- c. with the advantages of empowerment of the free trade zone and other national policies, the service capacity of Qingdao's bunkering market has been further improved. The Group achieved the volume of bunkering for vessels with 2.135 million tons in the first half of 2022, representing a year-on-year increase of 10.5%.

For the six months ended 30 June 2022, liquid bulk handling and ancillary services business recorded revenue of RMB1,833 million, representing an increase of RMB169 million, or 10.2%, as compared with the same period in the prior year. The segment recorded results of RMB1,243 million, representing an increase of RMB72 million, or 6.2%, as compared with the same period in the prior year, mainly because as the new crude oil terminal, liquid chemical terminal and the supporting crude oil commercial reserve tanks in Dongjiakou port area released capacity, the income and profit in stevedoring and storage business increased.

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 Port Lianhua		
	For the six months ended 30 June			For the six months ended 30 June			For the six months ended 30 June		
	2022	2021	Percentage Changed	2022	2021	Percentage Changed	2022	2021	Percentage Changed
Revenue	752,891	781,637	-3.7%	379,350	280,884	35.1%	878,060	868,723	1.1%
Cost of sales	340,800	251,806	35.3%	133,357	121,220	10.0%	281,056	223,215	25.9%
Net profit	282,299	361,459	-21.9%	158,032	89,614	76.3%	431,584	458,799	-5.9%
Shareholding percentage held by the Company	50%	50%	-	71%	71%	-	51%	51%	-
Investment income of the Group	143,554	183,060	-21.6%	-	-	-	-	-	-

(4) Logistics and port value-added services

Unit: RMB'000

	For the six months ended 30 June			
Item	2022	2021 (restated)	Amount Changed	Percentage Changed
Consolidated Group Companies				
Revenue	4,275,870	3,216,115	1,059,755	33.0%
Cost of sales	3,416,775	2,468,729	948,046	38.4%
Gross profit	859,094	747,386	111,708	14.9%
Profit of Consolidated Group Companies				
	716,792	640,221	76,571	12.0%
Joint ventures and associates				
Revenue	359,738	314,459	45,279	14.4%
Cost of sales	275,686	236,239	39,447	16.7%
Investment income from joint ventures and associates	36,942	31,620	5,322	16.8%
Segment result	753,734	671,841	81,893	12.2%

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

For the six months ended 30 June 2022, the Group vigorously developed its modern logistics business, firmly promoted the deep integration of “terminal + logistics”, accelerated the construction of a value-added service system incorporating services such as terminal stevedoring, transportation, CFS business, agency, bonded services, warehousing and storage, and inspection, and expanded its modern logistics industry clusters. The main breakthroughs achieved were as follows:

- the Group continued to strengthen the deployment of inland ports and sea-rail intermodal transport. In the first half of 2022, the Group opened 2 new lines, and the container volume of sea-rail intermodal transportation increased by 9.0% year-on-year;
- the Group strengthened the market development, and attracted shipping companies to add new routes and vessels, and the business volume of liner agency in the first half of 2022 increased by 11.0% year-on-year;

- c. the Group adhered to market innovation, actively developed customer resources, and extended the logistics service chain, and the business volume of bulk cargo agency in the first half of 2022 increased by 6.2% year-on-year; and
- d. the Group proactively explored the supply of shipping companies, promoted the coordinated development of CFS business in an orderly manner, and the operation volume in the first half of 2022 increased by 2.2% year-on-year.

For the six months ended 30 June 2022, the revenue of logistics and port value-added services business amounted to RMB4,276 million, representing an increase of RMB1,060 million, or 33.0%, as compared with the same period in the prior year, mainly due to the increased revenue of freight forwarding business arising from the increase of business volume and freight rate, and the increased revenue of CFS business arising from the increase of the operation volume of containers and the prolonged storage time during the reporting period. The segment recorded results of RMB754 million, representing an increase of RMB82 million, or 12.2%, as compared with the same period in the prior year, mainly due to the increase of profits in CFS and freight forwarding businesses.

(5) Port ancillary services

Unit: RMB'000

	For the six months ended 30 June			
Item	2022	2021 (restated)	Amount Changed	Percentage Changed
Consolidated Group Companies				
Revenue	1,255,230	1,220,053	35,177	2.9%
Cost of sales	958,733	878,890	79,843	9.1%
Gross profit	296,497	341,163	-44,666	-13.1%
Profit of Consolidated Group Companies				
	197,554	236,524	-38,970	-16.5%
Joint ventures and associates				
Revenue	953,016	34,481	918,535	2663.9%
Cost of sales	833,961	29,901	804,060	2689.1%
Investment income from joint ventures and associates				
	14,099	475	13,624	2868.2%
Segment result	211,653	236,999	-25,346	-10.7%

Note: Amounts of revenue and cost of sales of the joint ventures and associates represent the amount of those in the financial statement of Qingdao Port Engineering, Qingdao Port Technology, Ocean Bridge International Ports Management Co., Ltd. (海路國際港口運營管理有限公司), Shandong Port Energy Co., Ltd.(山東港口能源有限公司) and other joint ventures and associates of the Company, without taking into account of the respective shareholding percentages held by the Company in the joint ventures and associates.

For the six months ended 30 June 2022, the revenue of port ancillary services amounted to RMB1,256 million, representing an increase of RMB35 million, or 2.9%, as compared with the same period in the prior year, mainly due to the increased fuel price resulting in an increase of sales revenue. The revenue, cost of sales and investment income of joint ventures and associates increased significantly, as compared with the same period in the prior year, mainly due to Qingdao Port Engineering and Qingdao Port Technology changed to associates from subsidiaries in the second half of 2021. The segment recorded results of RMB212 million, representing a decrease of RMB25 million, or 10.7%, as compared with the same period in the prior year, mainly due to Qingdao Port Engineering and Qingdao Port Technology changed to associates from subsidiaries.

(6) Financial services

Unit: RMB'000

	For the six months ended 30 June			
Item	2022	2021 (restated)	Amount Changed	Percentage Changed
Consolidated Group Companies				
Revenue	173,831	183,654	-9,823	-5.3%
Cost of sales	35,873	37,274	-1,401	-3.8%
Gross profit	137,958	146,380	-8,422	-5.8%
Profit of Consolidated Group Companies				
	218,498	264,525	-46,027	-17.4%
An Associate				
Revenue	487,770	361,417	126,353	35.0%
Cost of sales	252,200	186,046	66,154	35.6%
Investment income from an associate	7,703	6,499	1,204	18.5%
Segment result	226,201	271,024	-44,823	-16.5%

Note: Amounts of revenue and cost of sales of an associate represent the amount of those in the financial statement of Qingdao Qingyin Financial Leasing Co., Ltd. (青島青銀金融租賃有限公司), without taking into account of the shareholding percentage held by the Company in the associate.

The Group strengthened finance and capital services, optimized and upgraded the functions of the bill system to meet the diversified service needs of its member units. The Group deepened service innovation, expanded new modes of foreign exchange operation, and provided convenient settlement services. The Group detailed business classification and customized individualized financing schemes to provide financing support for member units, improving the ability of financial services for real economy.

For the six months ended 30 June 2022, financial services recorded segment results of RMB226 million, representing a decrease of RMB45 million, or 16.5%, as compared with the same period in the prior year, among which, the profit of Consolidated Group Companies was RMB218 million, representing a decrease of RMB46 million, or 17.4%, as compared with the same period in the prior year, mainly due to the reduced scale of financial investment, and the decreased interest rate of external loans and interbank deposits affected by the national macro policies and regulatory policies, resulting in a decrease in interest income and investment income for Qingdao Port Finance.

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 business of Qingdao Port Finance.

Unit: RMB'000

Balance sheet	Nature	30 June 2022	31 December 2021 (restated)
Other receivables	Granting short-term loans	2,225,980	2,633,157
Current portion of non-current assets	Current portion of long-term loans	535,182	663,671
Long-term receivables	Granting long-term loans	1,831,251	2,302,084
Other payables	Absorbing deposit	5,792,812	7,193,108

Unit: RMB'000

Income statement	Nature	For the six months ended 30 June	
		2022	2021 (restated)
Finance expenses – interest income	Interest income interbank deposits – granting loans	173,831	183,654
Finance expenses – interest expenses	Interest expenses interbank borrowings – absorbing deposit	35,873	37,274

3. Financial Position Analysis

Unit: RMB'000

Item	As at 30 June 2022	As at 31 December 2021 (restated)	Amount Changed	Percentage Changed
Financial assets held for trading	1,434,779	837,190	597,589	71.4%
Accounts receivable	2,695,385	2,001,660	693,725	34.7%
Financing receivables	262,163	384,876	-122,713	-31.9%
Other current assets	2,071,023	1,248,827	822,196	65.8%
Short-term borrowings	888,930	1,498,398	-609,468	-40.7%
Contract liabilities	372,535	216,344	156,191	72.2%
Taxes payable	385,760	271,675	114,085	42.0%

As at 30 June 2022, the Group's financial assets held for trading increased by RMB598 million, or 71.4%, as compared to the beginning of this year, mainly due to the increase of structured deposits.

As at 30 June 2022, the Group's accounts receivable increased by RMB694 million, or 34.7%, as compared to the beginning of this year, mainly due to the increase of accounts receivable arising from the prolonged recovery period of the fund in liquid bulk cargo and ancillary services segment affected by the price fluctuation of crude oil, and the increased business scale of agency business in logistics and port value-added services segment.

As at 30 June 2022, the Group's financing receivables decreased by RMB123 million, or 31.9%, as compared to the beginning of this year, mainly due to the increasing bank acceptance notes due and paid in the current period.

As at 30 June 2022, the Group's other current assets increased by RMB822 million, or 65.8%, as compared to the beginning of this year, mainly due to the increase in financial assets held under resale agreement by Qingdao Port Finance.

As at 30 June 2022, the Group's short-term borrowings decreased by RMB609 million, or 40.7%, as compared to the beginning of this year, mainly due to the decrease in demand of the fund for procurement agency business and the repayment of short-term borrowings.

As at 30 June 2022, the Group's contract liabilities increased by RMB156 million, or 72.2%, as compared to the beginning of this year, mainly due to the increase in advanced receivable from agency business.

As at 30 June 2022, the Group's taxes payable increased by RMB114 million, or 42.0%, as compared to the beginning of this year, mainly due to the increase in enterprise income tax payable and value-added tax.

4. Cash Flow Analysis

For the six months ended 30 June 2022, the Group's net cash outflow amounted to RMB448 million, among which:

- (1) the net cash inflow from operating activities amounted to RMB3,187 million, which was mainly derived from the operating profit of the Consolidated Group Companies and net cash inflow from agency procurement business;
- (2) the net cash outflow from investing activities amounted to RMB1,267 million, which mainly comprised of the net inflow of RMB1,028 million arising from the provision of loans and financial leasing to member units, the interest income of RMB221 million arising from the external loans and wealth management and investment, the net outflow of RMB1,544 million arising from the purchase of wealth management products, and the net outflow of RMB1,183 million arising from the purchase and construction of fixed assets and construction in progress; and
- (3) the net cash outflow from financing activities amounted to RMB2,417 million, which mainly comprised of receiving borrowings of RMB1,261 million, the repayment of borrowings of RMB1,940 million, the repayment of borrowing interests of RMB78 million, the net cash outflow of RMB1,397 million arising from deposits-absorbing business of Qingdao Port Finance, the payment of RMB226 million arising from the distribution of dividends for subsidiaries.

In order to facilitate the understanding of shareholders of the Company and investors, after eliminating the impact of Qingdao Port Finance and the Group's net outflow on purchasing of financial investment products on the cash flow, the net cash inflow of the Group amounted to RMB1,465 million.

5. Liquidity and Financial Resources

As at 30 June 2022, the Group's cash at bank and on hand amounted to RMB8,603 million, financial products including structural deposits and interbank deposits amounted to RMB3,927 million. After eliminating the impact of the deposit and loan business of Qingdao Port Finance, the self-owned cash at bank and on hand and financial products of the Group amounted to RMB11,389 million. After eliminating the impact of Qingdao Port Finance, the Group's total interest-bearing liabilities amounted to RMB1,494 million, which were all fixed interest rates. The Group continued to optimize its financial policies to ensure continuous operation with best capital structure to provide favorable returns for the shareholders of the Company.

As at 30 June 2022, the Group's cash at bank and on hand exceeded interest bearing liabilities. After eliminating the impact of Qingdao Port Finance, the Group's cash at bank and on hand exceeded interest bearing liabilities.

6. Capital Structure

As at 30 June 2022, the total shareholders' equity of the Group amounted to RMB39,915 million, representing a decrease of RMB102 million as compared to the beginning of this year, among which, the equity interest attributable to the shareholders of the Company decreased by RMB310 million and the equity interest of minority shareholders increased by RMB208 million. The decrease in the equity interest attributable to the shareholders of the Company was mainly due to the increase of RMB2,311 million in operating profit for the current period, the decrease of RMB1,664 million in declared dividends for the year 2021, and the decrease of RMB984 million paid consideration for the business merge of Weihai Port Development under the same control.

As at 30 June 2022, the Company had 6,491,100,000 issued shares, comprising of 5,392,075,000 A shares and 1,099,025,000 H shares, representing 83.07% and 16.93% of the total issued shares of the Company, respectively. The A share market capitalization and H share market capitalization of the Company were RMB29,495 million and HKD4,044 million, respectively (which were calculated based on the closing price of RMB5.47 per share on the Shanghai Stock Exchange and the closing price of HKD3.68 per share on the Hong Kong Stock Exchange as at 30 June 2022).

7. Interest Rate and Exchange Rate Risks

As at 30 June 2022, cash at bank and on hand, receivables and payables of the Group which were calculated at floating rates amounted to RMB8,594 million, RMB766 million and RMB4,593 million, respectively. The Group assessed the interest rate risk and anticipated that interest rate fluctuation would have no material impact on the Group.

The Group's main business activities are conducted in the PRC and settled mainly in RMB. As at 30 June 2022, the Group's USD deposits were approximately USD131 million, and changes in exchange rates do not have material impact on the Group. The Group will continue to closely monitor interest rate and exchange rate risks. The Group did not enter into any hedging arrangements to hedge against exposures to interest rate and exchange rate risks for the six months ended 30 June 2022.

8. Financial Indicators

Indicators	For the six months ended 30 June		Change (+/-)
	2022	2021 (restated)	
Return on total assets	4.31%	4.24%	+0.07 percentage point
Weighted average return on net assets	6.34%	6.30%	+0.04 percentage point
Interest coverage ratio	44.43	35.52	+8.91 times
Current ratio	1.16	1.27	-0.11

For the six months ended 30 June 2022, the return on total assets of the Group was 4.31%, representing an increase of 0.07 percentage point, as compared to the same period in the prior year; the weighted average return on net assets was 6.34%, representing an increase of 0.04 percentage point, as compared to the same period in the prior year, mainly due to the new terminals, warehouses and other assets put into production, and business policies adjusted to improve asset utilization. The interest coverage ratio of the Group was 44.43 times, representing an increase of 8.91 times, as compared to the same period in the prior year, mainly due to the decrease in interest expense, as compared to the same period in the prior year and the increase in profit before interest and tax. The current ratio of the Group was 1.16, representing a decrease of 0.11, as compared to the same period in the previous year, mainly due to the increase range in equity acquisition payable, dividend payable and other current liabilities.

III. CAPITAL INVESTMENT

For the six months ended 30 June 2022, the significant capital investment of the Group was RMB1,279 million, mainly used for the Dongjiakou bulk cargo berth and stacking yard projects, Dongjiakou crude oil commercial reserve tanks project and other projects.

IV. SIGNIFICANT ENTRUSTED WEALTH MANAGEMENT

As at 30 June 2022, the details of the Group's major entrusted wealth management were as follows:

Unit: RMB'000

Trustee	Product Type	Balance	Value Date	Due Date	Expected Annualized Rate of Return	Source of Funds
Bank of Communications Co., Ltd.	Structured deposit	500,000	2022/1/13	2022/7/20	3.12%	Raised funds

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

V. SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

On 25 January 2022, the Company entered into the absorption and merger agreement with Shandong Port Group, Qingdao Port Finance, Rizhao Port Finance and RZP, pursuant to which, Rizhao Port Finance will merge with Qingdao Port Finance by way of absorption and merger. After completion of the above-mentioned absorption and merger, Qingdao Port Finance (as the surviving merging party) shall remain subsist and undertake and inherit all the assets, liabilities, personnel and businesses of Rizhao Port Finance, and Rizhao Port Finance (as the merged party) will be dissolved and deregistered. At the same day, the Company entered into the capital increase agreement with Shandong Port Group, RZP and Financial Holdings, and Shandong Port Group, and Financial Holdings agreed to subscribe for RMB490.6325 million and RMB77.0299 million of the registered capital of Qingdao Port Finance at the considerations of RMB797.0865 million and RMB125.1435 million, respectively, to increase the registered capital of Qingdao Port Finance from RMB2,000 million to RMB2,567.6624 million. The above transaction has been considered and approved on the first extraordinary general meeting of 2022 of the Company on 25 February 2022. As of 30 June 2022, the transaction has not been completed. For further details, please refer to the announcements of the Company dated 25 January 2022 and 25 February 2022, and the circular of the Company dated 7 February 2022.

On 16 May 2022, the Company entered into the equity transfer agreement with Weihai Port, pursuant to which, the Company acquired 51% equity interests in Weihai Port Development from Weihai Port at a consideration of RMB984.4466 million. For further details, please refer to the announcement of the Company dated 16 May 2022. On 30 May 2022, Weihai Port Development completed industrial and commercial change registration, and the Company and Weihai Port holds 51% and 49% equity interests in Weihai Port Development, respectively, and the financial statements of Weihai Port Development have been consolidated into the consolidated financial statements of the Company.

Since the Company, Weihai Port Development and Weihai Qingwei are all controlled by Qingdao Port Group before and after the merger, and the control is not temporary, therefore, the transaction is a business combination under the same control. The assets and liabilities of Weihai Port Development and Weihai Qingwei are merged into the consolidated financial statements of the Group according to their book values on the merger date, and it is deemed that the reporting entity after the merger has existed in the previous years. Therefore, the comparative data of the Group in the previous year was also restated to include the financial situation and operating results of the merged party.

VI. MORTGAGE AND PLEDGE OF ASSETS

As at 30 June 2022, none of the Group's assets was mortgaged or pledged.

VII. CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any significant contingent liabilities.

VIII. EMPLOYEES

As at 30 June 2022, the Company engaged 3,974 employees, and the Company's principal subsidiaries engaged 6,354 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.

IX. DESCRIPTION OF OTHER OPERATING MATTERS

As the Company plans to transform and upgrade Dagang Port Area into an international 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 at 30 June 2022, the construction of international port for cruise liners had no effect on the main business of Dagang Port Area.

The government of Qingdao Economic and Technological Development Zone is in the process of adopting a new urban planning scheme that may relocate the port operations in Huangdao Oil Port Area and operations of certain clients around Huangdao Oil Port Area to Dongjiakou Port Area. As at 30 June 2022, 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, hence the operation of Huangdao Oil Port Area was not affected.

X. SUBSEQUENT EVENTS

On 10 August 2022, Qingdao Port Logistics, a wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Land-Sea International Logistics, pursuant to which, Qingdao Port Logistics transferred 11% equity interests in Qingdao Port International Trade to Land-Sea International Logistics. The transaction has been completed on 18 August 2022. After the completion of the transaction, Qingdao Port International Trade ceased to be a subsidiary of the Company, and the financial statements of Qingdao Port International Trade were not be consolidated into the consolidated financial statements of the Company. For further details, please refer to the announcement of the Company dated 10 August 2022.

Save as disclosed above, there is no material subsequent event undertaken by the Group after 30 June 2022.

XI. OUTLOOK FOR THE SECOND HALF OF 2022

In the second half of 2022, the global epidemic trend is complex, and the external environment is still unstable and uncertain, however, the fundamentals sustaining the strong resilience, sufficient potential and long-term growth of the Chinese economy remain unchanged. With series of policies and measures to stabilize foreign trade and foreign investment became effective gradually, and the policies such as Shandong Free Trade Zone, RCEP pilot demonstration zone and Shanghai Cooperation Demonstration Zone to empower economy, Chinese foreign trade is expected to maintain a stable growth trend and provide favorable support for port development. At present, with the coexisted business development opportunities and challenges, the Group will take the opportunity of Shandong port integration reform, aim at accelerating “International Hub Port in Northeast Asia”, seize policy benefits, continue to deepen reforms and stay focused on performance to create greater value for shareholders of the Company and society.

Firstly, the Group will continuously improve its operating performance. With the construction of “Northeast Asia international shipping hub” as the goal, we will maximize the advantage of Shandong port integration reform, continue to expand and strengthen the container business, and focus on building five advantageous shipping groups including Japan, South Korea, Southeast Asia, European and the United States; We will continue to increase the sea-rail intermodal trains, expand inland ports, and continue to consolidate the status of the largest port in terms of sea-rail intermodal transportation in China. We will adhere to the equal importance to domestic and foreign trade, seize the strategic opportunity of double circulation, continue to expand its advantages in the hinterland of inland goods sources based on the unified domestic market, and accelerate the construction of a domestic trade hub port in northern China. We will vigorously develop port industries, promote the construction of chain industrial parks including mixed ore, chosen ore and grain processing, strive to create advantageous industrial clusters, and comprehensively promote the construction of domestic bulk commodity storage and transportation and national strategic material reserve bases

Secondly, the Group will continuously increase its development potential. It will accelerate the construction of an intelligent and green port, speed up the construction of the third phase of the fully automated terminal, accelerate the transformation of the traditional terminal, and accelerate the transformation to a digital, automated and intelligent port. We will implement the “carbon peak and carbon neutrality” strategy, increase the application of new energy such as hydrogen energy and LNG, vigorously implement the integrated demonstration project of wind and light, and strive to build a hydrogen energy port and a green demonstration port of “carbon peak and carbon neutrality”. We will accelerate the construction of key projects including liquid chemical terminals, multi-purpose berths and grain silos to further boost port handling capacity.

Thirdly, the Group will continuously promote management efficiency. We will optimize the internal control operation system, improve risk prevention and control mechanism, improve essential safety management standards, fortify epidemic prevention networks and reduce operation risks. The Group will improve its modern corporate governance system to improve the standardization and refinement of management. We will innovate human-oriented management, expand career development channels and strengthen the training for employees to build a young and versatile talent management team, a professional and high-end technical team, and a skilled and efficient industry worker team.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value.

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 for the six months ended 30 June 2022.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code of Appendix 10 to the Hong Kong Listing Rules as its own code of conduct for securities transactions by Directors and Supervisors. Specific enquiry has been made to all the Directors and Supervisors and each of the Directors and Supervisors has confirmed that he/she has complied with the Model Code for the six months ended 30 June 2022.

REVIEW OF FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE

The audit committee of the Board has reviewed the unaudited interim results and the interim report of the Company for the six months ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

No purchase, sale and redemption of any listed securities of the Company were made by the Company or any of its subsidiaries for the six months ended 30 June 2022.

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 2021, approximately HKD574 million of net proceeds were carried over to this year. 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 2020 annual general meeting of the Company 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 Qingdao Haiye Oil Terminal Co., Ltd. (青島海業油碼頭有限公司). For the six months ended 30 June 2022, the Company did not use proceeds of H Shares Placing in the above-mentioned acquisition. 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 to the investment projects within 6 months.

The net proceeds from the Company's issuance of the Domestic Shares to Shanghai China Shipping Terminal were approximately RMB2,600 million, and had been used towards the investment projects in the way as disclosed in the announcement dated 20 January 2017, which was mainly used for domestic terminals investment and acquisition. As at the date of this announcement, the 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 2021, approximately RMB857 million of net proceeds were 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. For the six months ended 30 June 2022, approximately RMB214 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 24 May 2021 and circulars dated 26 May 2020 and 26 May 2021, which was mainly used for the Dongjiakou Port Area Datang Terminal Phase II Project, Qingdao Port Area Equipment Procurement Project and other projects. The Company will use the remaining proceeds in accordance with the progress of the investment projects and business development. As at the date of announcement, the remaining proceeds are expected to be fully used to the investment projects by 2024.

DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2022.

PUBLICATION OF INTERIM REPORT

The interim report for the six months ended 30 June 2022 of the Company will be published on the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.qingdao-port.com), and will be dispatched to shareholders of the Company in due course.

By order of the Board
Qingdao Port International Co., Ltd.
SU Jianguang
Chairman

Qingdao, the PRC, 30 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. SU Jianguang and Mr. WANG Xinze; the non-executive directors are Mr. LI Wucheng, Mr. ZHANG Dayu, 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

The following expressions have the meanings set out below unless the context requires otherwise:

“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
“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 refers to the location designated by carriers for de-vanning of containerized cargo
“China Shipping Terminal Development”	China Shipping Terminal Development Co., Ltd.* (中海碼頭發展有限公司), a company established on 21 March 2001 in the PRC with limited liability and a wholly-owned subsidiary of COSCO Shipping Ports Development Co., Ltd.* (中遠海運港口發展有限公司)
“Company”	Qingdao Port International Co., Ltd.* (青島港國際股份有限公司), a joint stock company established on 15 November 2013 in the PRC with limited liability
“Consolidated Group Companies”	the Company (including its branches) and its subsidiaries which are consolidated into the consolidated financial statements of the Company
“COSCO SHIPPING Ports”	COSCO SHIPPING Ports Limited* (中遠海運港口有限公司), a joint stock company established in Bermuda with its shares listed on the main board of the Hong Kong Stock Exchange (Stock Code: 1199), indirectly holding approximately 20% equity interests in the Company as at 30 June 2022
“Director(s)”	the director(s) of the Company

“Domestic Shares”	the ordinary domestic share(s) of the Company with a nominal value of RMB1.00 each in the share capital of the Company, which were converted into A shares on 21 January 2019
“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 wholly-owned subsidiary of Shandong Port Group as at 30 June 2022
“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
“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 main board of the Stock Exchange (stock code: 06198) 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 main board of the Hong Kong Stock Exchange
“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 on 26 August 2011 in the PRC with limited liability and a joint venture in which the Company holds 50% equity interests, which is mainly engaged in the business of providing liquid bulk handling and ancillary services
“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

“Land-Sea International Logistics”	Shandong Port Land-Sea International Logistics Group Co., Ltd.* (山東港口陸海國際物流集團有限公司), a company established on 27 December 2019 in the PRC with limited liability and a wholly-owned subsidiary of the Shandong Port Group, which is mainly engaged in domestic and international freight forwarding, road transportation, import and export agency, bonded logistics center operation and international shipping agency
“LNG”	liquefied natural gas
“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 on 23 May 2011 in the PRC with limited liability and a subsidiary in which the Company holds 71% equity interests, which is mainly engaged in the business of 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
“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 on 9 January 2014 in the PRC with limited liability 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
“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 on 13 May 1992 in the PRC with limited liability and an associate in which the Company holds 49% equity interests, which is mainly engaged in the business of construction engineering, architectural decoration and engineering design services, etc.

“Qingdao Port Finance”	Qingdao Port Finance Co., Ltd.* (青島港財務有限責任公司), a company established on 22 July 2014 in the PRC with limited liability 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 and relevant consulting and agency services; trade receivables collection and payment services; internal fund transfer and settlement and formulation of proposals for the corresponding settlement and clearing services and other financial services to Qingdao Port Group and its member companies
“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 on 12 August 1988 in the PRC with limited liability, the controlling shareholder of the Company, holding approximately 55.77% equity interests in the Company as at 30 June 2022
“Qingdao Port International Trade”	Qingdao Port International Trade Logistics Co., Ltd.* (青島港國際貿易物流有限公司), a company established on 15 September 2014 in the PRC with limited liability and a non-wholly-owned subsidiary of Qingdao Port Logistics as at 30 June 2022, which is mainly engaged in the business of port bulk spot trading and agency services for import and export
“Qingdao Port Logistics”	Qingdao Port International Logistics Co., Ltd.* (青島港國際物流有限公司), a company established on 2 February 2004 in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is mainly engaged in the business of logistics and port value-added services, such as transportation, agency and warehousing services
“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)), a company established in the PRC with limited liability on 15 December 2014 and an associate in which the Company holds 49% equity interests, 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

“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 on 23 February 2006 in the PRC with limited liability 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
“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 on 17 May 2000 in the PRC with limited liability and a joint venture in which the Company holds 51% equity interests (it 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
“Rizhao Port Finance”	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, as at 30 June 2022
“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 on 24 February 2004 in the PRC with limited liability and a wholly-owned subsidiary of Shandong Port Group
“RMB”	Renminbi, the lawful currency of the PRC
“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
“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 on 2 August 2019 in the PRC with limited liability with Shandong SASAC as the actual controller, holding 100% equity interests in Qingdao Port Group as at 30 June 2022
“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 on 9 December 2015 in the PRC with limited liability 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 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)
“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 on 18 February 2008 in the PRC with limited liability and a wholly-owned subsidiary of China Shipping Terminal Development
“Shanghai Cooperation Demonstration Zone”	China-Shanghai Cooperation Organization Local Economic and Trade Cooperation Demonstration Zone
“Supervisor(s)”	the supervisor(s) 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 8 feet and a height of 8 feet and 6 inches, also known as the international unit of standard container
“USD”	the United States of America dollars
“Weihai Port”	Shandong Port Weihai Port Co., Ltd.* (山東港口威海港有限公司), a company established on 7 November 1997 in the PRC with limited liability and a wholly-owned subsidiary of Qingdao Port Group

“Weihai Port Development”	Shandong Port Weihai Port Development Co., Ltd.* (山東威海港發展有限公司), a company established on 19 December 2001 in the PRC with limited liability, which is owned as to 51% equity interests by the Company and 49% equity interests by Weihai Port, respectively, as at 30 June 2022
“Weihai Qingwei”	Weihai Qingwei Container Terminal Co., Ltd.* (威海青威集裝箱碼頭有限公司), a company established on 31 December 2005 in the PRC with limited liability, which is owned as to 49% equity interests by the Company and 51% equity interests by Weihai Port Development, respectively, which is mainly engaged in the business of container handling and ancillary services
“West United”	Qingdao Qianwan West Port United Terminal Co., Ltd.* (青島前灣西港聯合碼頭有限責任公司), a company established on 9 June 2010 in the PRC with limited liability and a joint venture in which the Company holds 51% equity interests (it 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

* *The Chinese name(s) of the PRC entities have been translated into English in this interim results 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.*

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