



QHD Port Achieves Stable and Healthy 2014 Interim Results

Steady Growth in the Cargo Throughput Continues to Enhance Port Services and Core Competitiveness

(22 August 2014, Hong Kong) **Qinhuangdao Port Co., Ltd.** (“**QHD Port**” or the “**Company**”, together with its subsidiaries, the “**Group**”, stock code: 3369), the world’s largest independent port operator for major dry bulk cargo, today announced its interim results for the six months ended 30 June 2014 (the “period under review”).

Attributable to the growth of port industry in China, in particular, the port industry in Bohai Rim, where the Group based, the operating income of the Group recorded a steady increase during the period under review. For the six months ended 30 June 2014, the operating income of the Group amounted to RMB3,481,201 thousand, representing an increase of 2.8% as compared with the corresponding period of 2013. The gross profit was RMB1,541,488 thousand, representing an increase of 0.99% as compared with the corresponding period of 2013. The net profit attributable to owners of the parent company amounted to RMB932,366 thousand, representing a decrease of 21.56% as compared with the corresponding period of 2013. The decrease was attributable to an one-off the government grants of RMB294,843 thousand received by Cangzhou Bohai for the transfer of public infrastructures during the corresponding period of 2013. If such factor were neglected, the profit of the year attributable to the owners of the parent for the first half of 2014 would have been increased 2.9% as compared with that of the corresponding period of 2013. The gross profit margin and net profit are 44.28% and 26.82% respectively. And the earnings per share amounted to RMB0.19.

During the period under review, the Group achieve total cargo throughput of 190.34 million tonnes, representing an increase of approximately 4.26%, as compared with the corresponding period of 2013. And the throughput of all major types of cargoes handled by the Group achieved steady growth, including: 177.11 million tonnes of dry bulk, representing an increase of 3.52% for the corresponding period of 2013, and accounted for the 93.05% of total throughput; in which 121.16 million tonnes of coal, representing an increase of 0.96% for the corresponding period of 2013, accounted for 63.66% of total throughput; 55.95 million tonnes of metal ore, representing an increase of 9.53% for the corresponding period of 2013, accounted for 29.39% of total throughput; 3.49 million tonnes of oil and liquefied chemicals, representing a decrease of 12.31% for the corresponding period of 2013, accounted for 1.84% of total throughput; 4.88 million tonnes of container, representing an increase of 30.83% for the corresponding period of 2013, accounted for 2.56% of total throughput; 4.86 million tonnes of general and other cargoes, representing an increase of 29.26% for the corresponding period of 2013, accounted for 2.55% of total throughput. Besides, the revenue from ancillary port services and value added services was RMB147,331 thousand, representing an increase of 16.57% for the corresponding period of 2013.

Mr. XING Luzhen, Chairman and Executive Director of the Qinhuangdao Port Co., Ltd., remarked: “In the first half of 2014, the macroeconomic in China moved forward steadily. The continuous

- Cont'd -

博達浩華國際財經傳訊集團

Porda Havas International Finance Communications Group

Units 2009-2018, 20/F, Shui On Centre, 6-8 Harbour Road, Wanchai, HK 香港灣仔港灣道6-8號瑞安中心20樓2009-2018室
T: (852) 3150 6788 F: (852) 3150 6728

www.pordahavas.com

development of the port industry, especially the port industry in Bohai Rim where our Group locates, is helpful for our business development. Our Group continue to take previous strategies such as continuous upgrading of integrated port service capabilities, enhancement of operational efficiency and core competitive strengths, strengthening relationships with customers and further promoting the steady growth of the throughput of business, in order to achieve a continuous growth of the operating income.”

In respect of coal, the Group provides coal stevedoring service through 21 coal berths in Qinhuangdao Port. Besides, two of coal berths in Qinhuangdao Port are currently under renovation and other five coal berths in Caofeidian Port are under construction, which are expected to be completed by the second half of 2014. During the Reporting Period, faced with a substantial increase in the hydro power supply in the South China, weakened market demand for the domestic coal and the impact of the imported coal, the Group achieved steady growth in coal throughput by further developing medium and large scale coal transportation customers and further expanding long term strategic cooperation with such customers.

In respect of metal ores and handling of general cargo, the Group operates 17 general cargo berths in Qinhuangdao Port, 6 general cargo berths in Huanghua Port, as well as 4 ore berths and 2 general bulk berths in Caofeidian Port through its associate company, Caofeidian Shiye. Most of these berths (except for designated grain berths) are also able to handle metal ores. The Group are constructing two 200,000-tonne ore berths in Huanghua Port. As at 30 June 2014, the constructions were in smooth progress as scheduled and are expected to conduct a trial run in the second half of 2014.

In respect of stevedoring services of oil and liquefied chemicals, the Group operates four crude oil berths, one refined oil berth and two liquefied chemical berths in Qinhuangdao Port.

In respect of container service, the Group provides stevedoring and depot services to container shipping company engaged in both international and domestic container trade. The Group operates 3 container berths in Qinhuangdao Port and 4 multipurpose berths in Huanghua Port which may handle containers. By actively carrying out “dry bulk & general cargoes to container” (i.e. transport dry bulk and general cargoes by container), the Group successfully expand grains container business during the Reporting Period.

In respect of handling of general cargoes, the Group operates 17 general cargo berths in Qinhuangdao Port and 6 general cargo berths in Huanghua Port, which can be used for handling general cargoes. The Group’s associate company, Caofeidian Shiye, operates two general cargo berths in Caofeidian Port. Significant growth in general cargo handling throughput was mainly benefited from the Group’s optimization of the structure of cargo-source, which ensured synchronized growth in the throughput of various cargoes.

In respect of ancillary port services and value-added services, the Group provides a variety of ancillary port services and value-added services. The Group’s ancillary port services include tugging, tallying, trans-shipping, and shipping agency services. Its value-added services mainly include coal blending, providing coal trading service platform and tariff-free warehouse and export supervisory warehouse services to be provided soon.

Looking forward to the second half of 2014, the Group will continue to grasp the growth opportunities of business in the future, and further develop its business. In respect of coal, the Group will strengthen business communication with the relevant railway departments, increase the proportion of bulky railway cargoes among the cargoes its handle and will strive to promote the management model of “Qinhuangdao-Caofeidian integration”, while catering the demands of small and medium-size costumers, so as to better achieve the complementary advantages between Qinhuangdao Port and Caofeidian Port, and enhance the Group’s market share in the ports of the North. The Group will continue to improve

- Cont’d -

博達浩華國際財經傳訊集團

Porda Havas International Finance Communications Group

Units 2009-2018, 20/F, Shui On Centre, 6-8 Harbour Road, Wanchai, HK 香港灣仔港灣道6-8號瑞安中心20樓2009-2018室
T : (852) 3150 6788 F : (852) 3150 6728

www.pordahavas.com

customer satisfaction by establishing a comprehensive logistical service platform and providing high quality “one on one” services to its customers. Meanwhile, taking into account of the harbor freight quality and environmental protection requirements, the Group promoted the development of “green and low-carbon” of the port, so as to enhance its industry reputation and status. At the same time, the Group intends to actively promote capital market transactions and services for coal related financial derivative products and carry out electronic trading, medium to long term coal futures trading. It strive to build Qinhuangdao Seaborne Coal Trading Market into the most influential coal trading market in Northern China with the most comprehensive functions and a focus on logistical services.

In respect of other business segment, the early phase of construction of the eastward expansion of Qinhuangdao Port has fully commenced on 16 June 2014. Following the completion of renovation project of “relocation operation of the western port”, the Group will take full advantage of the specified equipment and facilities as well as the service platform for the eastward expansion of the ports, to strengthen mechanism of cargo collection, perfect management system, intensify service concepts, and facilitate the achievement of growth in throughput of general cargoes and containers. The Group will implement refined management system on business soliciting to further expand advantages in the competitive position for local logistics resources based on the solid existing cargoes resources; and will also implement refined management system on the production planning to master accurate knowledge of the whole process of job information, and improve the operational efficiency and service quality. The Group intends to optimize stevedoring process by streamlining the operation process and reduce non-production operation hours, so as to improve productivity and operational efficiency in all manner of ways. In addition, the Group proposes to further intensify awareness of service, and strive to provide better services to each of its customers.

Mr. XING Luzhen concluded: “Looking ahead, our Group will continue to benefit from the growth of the China’s economy and the continuous rapid growth of the economy of the Bohai Rim. We will continue to increase the throughput capability of the ports, refine the management system, strive to provide better services to customers, further consolidate our position as the largest independent port operator for major dry bulk cargo in the world, and dedicate to become the leading port operator and comprehensive logistical service provider in the world, to bring satisfactory returns to our shareholders and society.”

- End -

About Qinhuangdao Port Co., Ltd.

The Group is the world's largest independent port operator for major dry bulk cargo in terms of throughput in 2012, according to Drewry, an independent industry advisor. The Group operates Qinhuangdao Port, the world's largest coal port by throughput in 2012 which accounted for approximately 31.9% of the total volume of seaborne coal loaded by the coastal ports in China in the same year. The Group is also one of the most important ore port operators in the Bohai Rim of China. The Group provides high-quality and highly efficient integrated port services, including stevedoring, stacking, warehousing, transportation and logistics, and handle various types of cargo including coal, metal ores, oil and liquefied chemicals, containers and general cargo. The Group operates Qinhuangdao Port, terminals in Caofeidian Port through an associate company, and terminals in Huanghua Port, all of which are located in the Bohai Rim. Among them, Qinhuangdao Port has over 100 years of operating history, while Caofeidian Port and Huanghua Port are undergoing significant development and experiencing rapid growth.

For more information, please visit: <http://www.portqhd.com/html/index.php>

Issued by **Porda Havas International Finance Communications Group** for and on behalf of **Qinhuangdao Port Co., Ltd.** For further information, please contact:

Porda Havas International Finance Communications Group

Keely Chan	Tel: +852 3150 6760	Email: keely.chan@pordahavas.com
Kelly Fung	Tel:+852 3150 6763	Email: kelly.fung@pordahavas.com
Angie An	Tel:+852 3150 6736	Email: angie.an@pordahavas.com
Kit Ng	Tel:+852 3150 6705	Email: kit.ng@pordahavas.com
Victoria Huang	Tel:+852 3150 6731	Email: victoria.huang@pordahavas.com

Fax: +852 3150 6728