



**QHD Port Achieves Stable Results for 1H 2015
Gross Profit Margin and Net Profit Margin Grew Steadily
Net Profit Attributable to Owners of the Parent
Reached RMB927 Million**

***Continue to Enhance Integrated Service Capacity and Core Competitiveness
Consolidate and Extend Client and Strategic Partner Relationship***

Financial Highlights (For the six months ended 30 June)			
	2015 (RMB '000)	2014 (RMB'000)	Change
Revenue	3,474,429	3,498,618	-0.69%
Gross Profit	1,534,833	1,539,533	-0.31%
Gross Profit Margin (%)	44.18	44.00	+0.18%
Net Profit Attributable to Owners of the Parent	927,466	911,936	+1.70%
Net Profit Margin (%)	26.76	26.10	+0.66%
Earnings per Share (RMB)	0.1844	0.1813	+1.71%

(20 August 2015, 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 2015 (the “Reporting Period”).

In the first half of 2015, the pace of development of ports shifted from slowed down to stable, and the growth in throughput of cargoes in ports slowed down. The revenue and profit remained stable during the Reporting Period. The revenue amounted to RMB3,474.4 million, representing a slight decrease of 0.69% compared to the corresponding period of 2014, mainly due to the decrease in the cargo throughput, the change in the cargo structure of the Group and the revenue growth of stacking business in Qinhuangdao Port. The gross profit was RMB 1,534.8 million, slightly decreased by 0.31% compared to the same period of 2014. Net profit attributable to owners of the parent amounted to RMB927.5 million, increased by 1.7% compared to the corresponding period of 2014. The gross profit margin and net profit margin was 44.18% and 26.76%, representing an increase of 0.18% and 0.66% respectively compared to the same period of last year. Earnings per share of the Group amounted to RMB0.1844, increased by 1.71% compared to the corresponding period of 2014.

During the Reporting Period, the Group recorded a total cargo throughput of 185.85 million tonnes, representing a slight decrease of 2.36% compared to the corresponding period last year. The throughput

of all major types of cargoes handled by the Group was stated below, including: 171.11 million tonnes of dry bulk, representing a decrease of 3.39% as compared to the corresponding period of 2014 mainly due to the slow down momentum of China's economy and a slight decrease of coal throughput, in which 114.87 million tonnes of Coal, representing a decrease of 5.19%; 56.24 million tonnes of metal ore, representing an increase of 0.52% compared to the corresponding period of 2014; 3.74 million tonnes of oil and liquefied chemicals, representing an increase of 7.16%; 5.85 million tonnes of container, representing an increase of 19.88% compared to the same period of 2014; 5.15 million tonnes of general and other cargoes, representing an increase of 5.97% compared to the same period of 2014. In addition, regarding ancillary port services and value-added services recorded the revenue of RMB103.28 million, a slight decrease of 1.02% compared to the corresponding period of 2014.

In the first half of 2015, affected by the shifting of macro economy from high level growth to medium-to-high level growth and heavy rain in southern China, there was a slight decrease of coal throughput. However, some signs of stability could be seen since May 2015. And the steady development of port industry in Bohai Rim, where the Group is located, helped to facilitate the advancement of the Group's business. During the Reporting Period, the Group actively adjusts its strategies to cope with market change and extend berths for coal and other commodities as to improve the capability in preventing market risks. Facing intensified competitions of cargo resources among different ports, the Group strived to diversify cargo resources, expanded and reconstructed the coal and other berths, actively developed new types of cargoes and stabilized the throughput to enhance the healthy and steady growth of operating performance.

In respect of oil and liquefied chemicals handling services, during the Reporting Period, focusing on crude oil from Daqing, the Group tried its utmost to transport more oil by proactively strengthening communication and coordination with relevant customers. At the same time, the Group proactively cooperated with other customers and fully capitalized on the opportunities from production commencement of their new oil wells to reduce the effect of the decrease in production output of old oil wells, so as to increase its throughput of marine oil.

In respect of container service and handling of general cargoes, the Group achieved better results in respect of the "dry bulk & general cargoes to containers" reform, expansion of imported cargo resources and stabilization and development of shipping lines. During the Reporting Period, the growth in general cargoes handling throughput was mainly attributable to the Group's effort in soliciting cargoes in the hinterland, active development of new types of cargoes, and improvement in the handling techniques which increased the handling efficiency.

In respect of major investment, in the first half of 2015, the Group entered into a capital contribution agreement with Tangshan Port Group Co., Ltd, Caofeidian Port Group Co., Ltd., Tangshan Fengnan Construction Investment Co., Ltd., Tangshan Haiyida Group Co., Ltd. and Luannan Zuidong Port Enterprise Co., Ltd., for the establishment of Tangshan Port Investment & Development Co., Ltd. ("Tangshan Port Investment"). As the controlling shareholder, the Group will benefit from the establishment of Tangshan Port Investment as it will further optimize the port resources allocation and generate synergistic effect with other ports and strengthen the Group's competitiveness in market.

Regarding the future development, the Group will continue to implement a series of strategies, as to grasp the growth opportunities of business, and consolidate its leading position in the industry:

1. Plan to continue to enhance the operating efficiency and integrated service capacities at Qinhuangdao Port to strengthen the leading position in coal handling and increase the investment in new terminals and double the designated annual throughput capacity in Caofeidian Port in the future. The Group plans to construct specialized berths in Huanghua Port timely and expects the terminals in Huanghua Port to reach a designated annual throughput capacity of over 100 million tonnes in the future;
2. Continue to enhance integrated port service capabilities, including to further promote the port logistics services capabilities, establish a business model that covers the entire coal logistics value chain, and further strengthen the sales network and information systems. Leveraging on the internet thinking, the Group will promote the development of the operation and management model of “Internet+Port” and find ways to realize service interworking with internet companies and electric business platforms in the next few years, so as to build an intelligent port integrated with innovation;
3. Improve capital operation capabilities through various channels and to develop gradually into a capital operator. The Group is going to speed up the pace of the A share listing application, and will strive for accomplishing A share listing and establishing the A+H dual financing platform at the beginning year of the 13th Five Year plan period, so as to secure the Group's medium to long term success in “Going-Out” development, business diversification and improvement of internationalization level of capital. The Group's domestic and overseas financing platforms will be made good use of to reduce financing costs;
4. Continue to strengthen the relationships with customers and partners to achieve mutual development. The Group is committed to building strong and long-term relationships with major customers through long-term contracts, jointly-owned entities in terminals and other strategic alliances and intends to develop relationships with new customers. Furthermore, the Group plans to further strengthen the strategic relationships with other coastal ports and the relevant railway departments.

Looking ahead, the Group will continue to benefit from the medium to high level growth brought by China economic reform. Building upon operations in Bohai Rim, the Group is going to enhance the leading position and enhance the throughput capability and port services in all dimensions. The Group will also strengthen the relationships with customers and partners, continue to focus on technology research and development and human resource development, and promote its international brand image to consolidate its position as the world-leading port operator and integrated logistics services provider, and bring satisfactory returns to the shareholders and society

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