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## **Qingdao Port International Co., Ltd.**

## **青島港國際股份有限公司**

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

**(Stock Code: 06198)**

### **2019 THIRD QUARTERLY REPORT**

This announcement is made by Qingdao Port International Co., Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited quarterly results of the Company and its subsidiaries for the nine months ended 30 September 2019.

#### **I. IMPORTANT NOTICE**

- 1.1 The Board, the supervisory committee, the directors, supervisors and senior management of the Company hereby warrant that the contents of this quarterly report are true, accurate and complete, and there are no false representations, misleading statements or material omissions, and are jointly and severally responsible for the legal liabilities of the Company.
- 1.2 All directors of the Company have attended the Board meeting to review and consider this quarterly report.
- 1.3 Mr. LI Fengli, the responsible person of the Company, Ms. JIANG Chunfeng, the principal in charge of accounting of the Company, and Mr. LIU Yongxia, the head of accounting department (accounting officer), warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

1.4 The third quarterly report of the Company is unaudited.

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Key Financial Data

Unit: Yuan Currency: RMB

	As at the end of the reporting period	As at the end of the previous year	Increase/decrease as at the end of the reporting period as compared with the end of the previous year (%)
Total assets	52,014,800,522	48,765,782,933	6.66
Net assets attributable to shareholders of the listed company	29,539,258,663	26,979,659,259	9.49
	From the beginning of the year to the end of the reporting period (January – September)	From the beginning of previous year to the end of the reporting period in previous year (January – September)	Increase/decrease as compared with the corresponding period of previous year (%)
Net cash flows generated from operating activities	1,592,923,501	1,654,668,119	-3.73
	From the beginning of the year to the end of the reporting period (January – September)	From the beginning of previous year to the end of the reporting period in previous year (January – September)	Increase/decrease as compared with the corresponding period of previous year (%)
Revenue	8,943,155,774	8,618,779,779	3.76
Net profit attributable to shareholders of the listed company	2,945,087,296	2,844,621,320	3.53
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	2,852,738,645	2,748,399,998	3.80
Weighted average return on net assets (%)	10.26	11.41	decreased by 1.15 percentage points
Basic earnings per share (Yuan/share)	0.46	0.47	-2.13
Diluted earnings per share (Yuan/share)	0.46	0.47	-2.13

Item and amounts of non-recurring profit or loss

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for this reporting period (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Explanation
Net profit or loss from disposal of non-current assets	3,818,665	2,605,249	
Government grants recognized in profit or loss for the current period (except for government grants which are closely related to the normal operations of the Company, in compliance with national policies and subject to constant or fixed amount based on certain standards)	16,714,499	97,281,340	
In addition to the effective hedging business related to the normal operation of the Company, gains and losses from changes in fair value of financial assets held-for-trading, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as the investment income from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investment	476,932	3,140,290	
Profit or loss from external entrusted loans of entities	2,542,296	8,958,022	
Net amount of other non-operating income and expenses	7,337,994	18,057,952	
Other items that meet the definition of non-recurring profit or loss		522,168	
Non-recurring gains and losses attributable to minority shareholders (after tax)	-1,229,995	-5,575,115	
Income tax effect	-7,722,596	-32,641,255	
Total	21,937,795	92,348,651	

2.2 Total number of shareholders, the shareholding of top 10 shareholders and the top 10 shareholders of circulating shares (or shareholders not subject to trading restrictions) as at the end of the reporting period

Unit: Share

Total number of shareholders				92,071		
Shareholding of top 10 shareholders						
Name of shareholders (Full name)	Number of shares held at the end of the reporting period	Shareholding percentage (%)	Number of shares subject to trading restrictions	Number of shares pledged or frozen		Nature of shareholders
				Share status	Number	
Qingdao Port (Group) Co., Ltd.	3,522,179,000	54.26	3,522,179,000	Nil		State-owned legal person
HKSCC NOMINEES LIMITED	1,103,715,774	17.00	Nil	Unknown		Foreign legal person
Shanghai China Shipping Terminal Development Co., Ltd.	1,015,520,000	15.64	1,015,520,000	Nil		Domestic non state-owned legal person
Shenzhen Malai Storage Co., Ltd.	112,000,000	1.73	112,000,000	Nil		Domestic non state-owned legal person
COSCO SHIPPING (Qingdao) Co., Ltd.	96,000,000	1.48	96,000,000	Nil		State-owned legal person
China Shipping Terminal Development Co., Ltd.	96,000,000	1.48	96,000,000	Nil		Domestic non state-owned legal person
Everbright (Qingdao) Financial Leasing Co., Ltd.	48,000,000	0.74	48,000,000	Nil		Domestic non state-owned legal person
Qingdao International Investment Co., Ltd.	48,000,000	0.74	48,000,000	Nil		State-owned legal person
Wen Xiaoyu	6,815,000	0.10	0	Nil		Domestic natural person
Liu Zhaoyang	2,530,550	0.04	0	Nil		Domestic natural person
Shareholding of top 10 shareholders not subject to trading restrictions						
Name of shareholders		Number of shares not subject to trading restriction	Class of Shares		Number of Shares	
HKSCC NOMINEES LIMITED		1,103,715,774	Foreign shares listed overseas		1,098,809,930	
			RMB ordinary shares		4,905,844	

Wen Xiaoyu	6,815,000	RMB ordinary shares	6,815,000
Liu Zhaoyang	2,530,550	RMB ordinary shares	2,530,550
Liu Yuntao	2,332,900	RMB ordinary shares	2,332,900
Linghang Investment Australia Co., Ltd.-Linghang Emerging Market Equity Fund (Exchange)	1,543,300	RMB ordinary shares	1,543,300
Yunze Investment Management (Tianjin) Co., Ltd. -Yunze Investment No.1 Private Equity Investment Fund	1,378,642	RMB ordinary shares	1,378,642
Industrial and Commercial Bank of China Limited - Huatai Bairui CSI 300 Exchange Traded Index Securities Investment Fund	1,313,000	RMB ordinary shares	1,313,000
Zhao Jing	1,273,100	RMB ordinary shares	1,273,100
Shen Yongxiang	1,196,500	RMB ordinary shares	1,196,500
Song Diantao	1,193,100	RMB ordinary shares	1,193,100
Explanation on the related party relationship or acting in concerted relationship among the above shareholders	Shanghai China Shipping Terminal Development Co., Ltd., China Shipping Terminal Development Co., Ltd., and COSCO SHIPPING (Qingdao) Co., Ltd. are all controlled by China COSCO Shipping Corporation Limited.		
Explanation on shareholders of preference shares with restored voting rights and the number of shares they held	Nil		

Notes:

1. HKSCC NOMINEES LIMITED holds H shares on behalf of multiple customers.
2. As at the end of the reporting period, Qingdao Port Financial Holdings Limited, a wholly-owned subsidiary of Qingdao Port (Group) Co., Ltd., held 13,739,000 H shares of the Company, representing 0.21% of the total share capital of the Company and had been contained in the total number of shares held by HKSCC NOMINEES LIMITED.

2.3 The total number of holders of preference shares, shareholding of top 10 shareholders of preference shares and top 10 shareholders of preference shares who are not subject to trading restrictions as at the end of the reporting period

☐ Applicable ☒ Not Applicable

### III. MATERIAL MATTERS

#### 3.1 Details of and reasons for significant changes of major accounting statement items and financial indicators of the Company

√ Applicable ☐ Not Applicable

In the consolidated balance sheet, the item current portion of non-current liabilities increased by 197% as compared to the beginning of this year, and the item long-term receivables decreased by 33% as compared to the beginning of this year, mainly due to RMB1,138 million of entrusted loans to the joint ventures, which will be due before 30 September 2020, was reclassified from long-term receivables to current portion of non-current liabilities.

#### 3.2 Progress of material matters and analysis of the related effects and solutions

√ Applicable ☐ Not Applicable

##### **i. Receiving Gratuitous Transfer of the State-owned Property Rights by the Controlling Shareholder of the Company**

On 9 July 2019, Qingdao Port (Group) Co., Ltd. (“QDP”), the controlling shareholder of the Company entered into the Gratuitous Transfer Agreement of the State-owned Property Rights, pursuant to which, the State-owned Assets Supervision & Administration Commission of Weihai Municipal Government (“Weihai SASAC”) has agreed to gratuitously transfer the 100% equity interests (excluding non-operating assets and the corresponding liabilities) in Weihai Port Group Co., Ltd. held by it to QDP. On 9 July 2019, QDP issued the undertaking letter to solve and avoid horizontal competition. On 29 August 2019, QDP received the Decision Regarding No Prohibition for the Review on the Anti-monopoly Concentration of Business Undertakings (《經營者集中反壟斷審查不予禁止決定書》) issued by the State Administration for Market Regulation. On 30 August 2019, Weihai Port Group Co., Ltd. completed the change of industrial and commercial registration and became a wholly-owned subsidiary of QDP. Please refer to the announcements of the Company dated 9 July 2019, 29 August 2019 and 30 August 2019 for detailed information.

##### **ii. Gratuitous Transfer of Equity Interests in the Controlling Shareholder of the Company**

On 22 August 2019, QDP, Shandong Port Group Co., Ltd. (the “Shandong Port Group”), the State-owned Assets Supervision & Administration Commission of Qingdao Municipal Government (“Qingdao SASAC”), and Weihai SASAC entered into 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 (the “**Gratuitous Transfer Agreement**”), pursuant to which, Qingdao SASAC shall gratuitously transfer 100% equity interests in QDP, including 100% equity interests in Weihai Port Group Co., Ltd. to be held by QDP, to Shandong Port Group, and QDP will become a wholly-owned subsidiary of Shandong Port Group (the “**Gratuitous Transfer**”). The closing of the Gratuitous Transfer is subject to (i) the taking effect of the Gratuitous Transfer Agreement, (ii) A shares of the Company having being listed for one year, (iii) the approval from the State Administration for Market Regulation on the declaration of concentration of business undertakings involved in the Gratuitous Transfer, and (iv) the exemption from the China Securities Regulatory Commission and the waiver from Hong Kong Securities and Futures Commission on the obligation of making a general offer regarding the shares of the Company by Shandong Port Group triggered by the Gratuitous Transfer. As at the end of the reporting period, the closing of the Gratuitous Transfer has not been completed. Upon completion of the Gratuitous Transfer, QDP will remain as the controlling shareholder of the Company, while the ultimate controller of the Company will change from Qingdao SASAC to the State-owned Assets Supervision & Administration Commission of Shandong Provincial Government. The Gratuitous Transfer may not be implemented due to potential violations of the Relevant Undertaking and the Business Rules, and there exists significant uncertainty. Please refer to the announcements of the Company dated 22 August 2019, 23 August 2019 and 28 August 2019 for detailed information. Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as defined in such announcements.

### 3.3 Undertakings due but not completely performed during the reporting period

☐ Applicable ☒ Not Applicable

### 3.4 Warning of projection on cumulative net profit for the period from the beginning of the year to the end of the next reporting period to be at a loss or expected to have material changes as compared to the corresponding period of last year and its explanation

☐ Applicable ☒ Not Applicable

## IV. APPENDIX

### 4.1 Financial Statements

**CONSOLIDATED BALANCE SHEET**  
AS AT 30 SEPTEMBER 2019

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan    Currency: RMB    Audit status: Unaudited

Items	30 September 2019	31 December 2018
<b>Current assets:</b>		
Cash at bank and on hand	10,896,138,672	8,077,972,498
Deposit reservation for balance		
Placements with and loans to banks and other financial institutions		
Financial assets held for trading	1,135,357,788	875,000,000
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	80,750,437	65,198,592
Accounts receivable	2,486,612,843	2,068,535,326
Financing receivables	509,548,036	670,396,485
Advances to suppliers	243,161,057	81,694,054
Insurance receivable		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	1,902,802,658	1,782,762,150
Including: Interests receivable	46,526,681	32,463,344
Dividends receivable	292,889,894	
Financial assets held under resale agreements		
Inventories	191,768,986	174,723,066
Contract assets	521,456,569	280,972,522
Assets held for sale		
Current portion of non-current assets	1,147,028,153	385,744,736
Other current assets	1,982,367,244	3,903,247,154
<b>Total current assets</b>	<b>21,096,992,443</b>	<b>18,366,246,583</b>
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables	1,088,768,772	1,606,080,481
Long-term equity investments	9,271,026,530	8,825,256,813
Other equity instruments investments		
Other non-current financial assets	361,606,639	268,580,567
Investment properties	186,587,171	188,836,576



Fixed assets	13,205,599,756	14,040,859,577
Construction in progress	2,681,830,473	2,097,812,840
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	669,512,084	
Intangible assets	1,983,386,287	2,069,854,074
Development costs		
Goodwill	25,373,323	25,373,323
Long-term prepaid expenses	63,667,136	26,894,955
Deferred tax assets	881,566,299	908,858,376
Other non-current assets	498,883,609	341,128,768
<b>Total non-current assets</b>	<b>30,917,808,079</b>	<b>30,399,536,350</b>
<b>TOTAL ASSETS</b>	<b>52,014,800,522</b>	<b>48,765,782,933</b>
<b>Current liabilities:</b>		
Short-term borrowings	466,121,727	166,712,204
Due to central banks		
Placements from banks and other financial institutions		
Financial Liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	1,365,571,109	957,024,876
Accounts payable	1,901,318,835	1,581,607,319
Advances from customers	209,298,850	209,454,071
Financial assets sold under repurchase agreements		
Deposits from customers, banks and non-bank financial institutions		
Acting trading securities		
Acting underwriting securities		
Employee benefits payable	212,910,981	251,347,940
Taxes payable	282,135,576	209,314,607
Other payables	6,843,640,565	5,954,949,541
Including: Interests payable	76,371,499	81,730,280
Dividends payable	2,747,769	1,976,706
Fee and commission payable		
Dividend payable for reinsurance		
Contract liabilities	176,148,159	134,964,090
Liabilities held for sale		
Current portion of non-current liabilities	113,370,922	3,595,928,706
Other current liabilities		
<b>Total current liabilities</b>	<b>11,570,516,724</b>	<b>13,061,303,354</b>
<b>Non-current liabilities:</b>		
Reserve fund for insurance contracts		

Long-term borrowings	184,303,599	160,792,988
Bonds payable	2,153,114,684	
Including: Preference shares		
Perpetual bonds		
Leases liabilities	548,048,977	
Long-term payables	44,050,384	530,779,311
Long-term employee benefits payable	2,367,010,000	2,497,630,000
Provisions	7,170,404	5,718,045
Deferred income	211,830,550	205,830,431
Deferred tax liabilities		
Other non-current liabilities	2,725,949,218	2,884,204,561
<b>Total non-current liabilities</b>	<b>8,241,477,816</b>	<b>6,284,955,336</b>
<b>Total liabilities</b>	<b>19,811,994,540</b>	<b>19,346,258,690</b>
<b>Owners' equity / Shareholders' equity:</b>		
Paid-in capital / Share capital	6,491,100,000	6,036,724,000
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital surplus	12,314,665,757	10,777,968,793
Less: Treasury shares		
Other comprehensive income	217,002,911	133,694,188
Specific reserve	8,201,040	3,399,949
Surplus reserve	986,974,314	986,974,314
General risk reserve	298,283,806	298,283,806
Undistributed profits	9,223,030,835	8,742,614,209
<b>Total equity attributable to owners/shareholders of the Company</b>	<b>29,539,258,663</b>	<b>26,979,659,259</b>
Minority interests	2,663,547,319	2,439,864,984
<b>Total owners' equity/Shareholders' equity</b>	<b>32,202,805,982</b>	<b>29,419,524,243</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY/SHAREHOLDERS' EQUITY</b>	<b>52,014,800,522</b>	<b>48,765,782,933</b>

Legal representative: LI Fengli Principal in charge of accounting: JIANG Chunfeng  
Head of accounting department: LIU Yongxia

**BALANCE SHEET OF THE PARENT COMPANY**  
AS AT 30 SEPTEMBER 2019

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan Currency: RMB Audit status: Unaudited

Items	30 September 2019	31 December 2018
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<b>Current assets:</b>		
Cash at bank and on hand	8,371,765,628	8,444,554,600
Financial asset held for trading		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	81,822,623	
Accounts receivable	839,300,898	726,398,006
Financing receivables	266,893,523	357,958,050
Advances to suppliers	161,753,673	9,103,345
Other receivables	328,071,559	126,080,867
Including: Interests receivable	33,967,138	7,639,021
Dividends receivable	298,889,894	
Inventories	154,311,248	98,846,642
Contract assets	231,382,246	124,030,811
Assets held for sale		
Current portion of non-current assets	638,520,509	921,632,329
Other current assets	22,356,939	19,905,966
<b>Total current assets</b>	<b>11,096,178,846</b>	<b>10,828,510,616</b>
<b>Non-current assets:</b>		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables	1,798,134,111	1,901,808,894
Long-term equity investments	13,703,376,459	13,353,136,972
Other equity instruments investments		
Other non-current financial assets	71,421,487	71,421,487
Investment properties	1,296,889,548	1,343,775,935
Fixed assets	7,850,051,702	8,125,917,130
Construction in progress	1,235,776,181	1,216,355,400
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	100,386,909	
Intangible assets	2,135,914,441	2,160,102,681
Development costs		
Goodwill		
Long-term prepaid expenses	17,114,526	7,047,125
Deferred tax assets	5,066,461	37,483,036
Other non-current assets	200,255,482	164,722,808
<b>Total non-current assets</b>	<b>28,414,387,307</b>	<b>28,381,771,468</b>

<b>TOTAL ASSETS</b>	39,510,566,153	39,210,282,084
<b>Current liabilities:</b>		
Short-term borrowings	285,000,000	159,000,000
Financial Liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	250,468,912	207,039,615
Accounts payable	434,011,974	578,764,979
Advances from customers	256,641,840	205,757,187
Contract liabilities	75,138,467	62,705,460
Employee benefits payable	181,340,447	192,317,443
Taxes payable	78,243,144	63,650,616
Other payables	370,258,565	543,085,697
Including: Interests payable	36,325,399	69,056,398
Dividends payable		
Liabilities held for sale		
Current portion of non-current liabilities	25,927,561	3,525,843,957
Other current liabilities		
<b>Total current liabilities</b>	1,957,030,910	5,538,164,954
<b>Non-current liabilities:</b>		
Long-term borrowings		
Bonds payable	2,153,114,684	
Including: Preference shares		
Perpetual bonds		
Leases liabilities	88,687,773	
Long-term payables	44,050,384	136,212,372
Long-term employee benefits payable	2,055,440,000	2,162,150,000
Provisions	7,170,404	5,718,045
Deferred income	138,089,403	136,336,251
Deferred tax liabilities		
Other non-current liabilities	2,726,301,311	2,884,200,855
<b>Total non-current liabilities</b>	7,212,853,959	5,324,617,523
<b>Total liabilities</b>	9,169,884,869	10,862,782,477
<b>Owners' equity / Shareholders' equity:</b>		
Paid-in capital / Share capital	6,491,100,000	6,036,724,000
Other equity instruments		
Including: Preference shares		
Perpetual bonds		

Capital surplus	16,243,463,432	14,706,766,468
Less: Treasury shares		
Other comprehensive income	219,420,000	137,710,000
Specific reserve		
Surplus reserve	986,974,314	986,974,314
Undistributed profits	6,399,723,538	6,479,324,825
<b>Total owners'/Shareholders' equity</b>	<b>30,340,681,284</b>	<b>28,347,499,607</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY/SHAREHOLDERS' EQUITY</b>	<b>39,510,566,153</b>	<b>39,210,282,084</b>

Legal representative: LI Fengli Principal in charge of accounting: JIANG Chunfeng  
Head of accounting department: LIU Yongxia

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan Currency: RMB Audit status: Unaudited

Items	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
I. Revenue	2,943,373,794	2,879,911,382	8,943,155,774	8,618,779,779
Including: Operating Revenue	2,943,373,794	2,879,911,382	8,943,155,774	8,618,779,779
Interest income				
Earned premium				
Fee and commission income				
II. Cost of sales	2,030,746,341	2,061,799,338	6,182,119,390	5,965,002,313
Including: Operating costs	1,966,821,408	1,982,645,799	5,887,542,047	5,753,375,746
Interest expenses				
Fee and commission expenses				
Surrender value				
Compensation expenses, net				
Drawing reserves for insurance contracts, net				
Policyholder dividends				
Reinsurance expenses				
Taxes and surcharges	24,551,590	28,833,296	76,869,745	88,812,421

Selling and distribution expenses	4,463,539	3,569,210	14,078,851	11,159,080
General and administrative expenses	113,280,542	113,524,396	375,081,603	313,810,995
Research and development expenses	843,109	802,961	13,840,523	13,181,450
Financial expenses	-79,213,847	-67,576,324	-185,293,379	-215,337,379
Including: Interest expenses	58,751,926	56,074,992	174,755,852	165,464,214
Interest income	70,519,458	106,015,941	331,458,614	400,617,861
Add: Other income	16,384,152	10,942,611	94,009,439	26,386,833
Investment income/(losses in “-”)	329,645,995	363,343,217	1,104,449,923	1,050,721,085
Including: Investment income from associates and joint ventures	358,615,325	335,335,022	1,072,901,967	996,600,237
Gains/(losses in “-”) on derecognise of financial assets measured at amortized cost				
Exchange gains/(losses in “-”)				
Net exposure hedging income/(losses in “-”)				
Gains/(losses in “-”) on changes in fair value	476,932	-1,480,456	3,140,290	179,150
Losses/(losses in “-”) on credit impairment	10,803,181	13,162,348	-10,416,617	36,844,099
Losses/(losses in “-”) on asset impairment				
Gains/(losses in “-”) on disposal of assets	3,818,665	5,116,416	2,605,249	33,762,894
III. Operating profit/(losses in “-”)	1,273,756,378	1,209,196,180	3,954,824,668	3,801,671,527
Add: Non-operating income	16,118,549	11,659,597	26,858,432	21,350,611
Less: Non-operating expenses	7,400,090	1,043,021	9,888,038	20,671,944
IV. Total profit/(total losses in “-”)	1,282,474,837	1,219,812,756	3,971,795,062	3,802,350,194
Less: Income tax expenses	242,380,096	223,477,484	753,714,059	746,131,366

V. Net profit/(net losses in “-”)	1,040,094,741	996,335,272	3,218,081,003	3,056,218,828
(I) Classified by continuity of operations				
1. Net profit from continuing operations (net losses in “-”)	1,040,094,741	996,335,272	3,218,081,003	3,056,218,828
2. Net profit from discontinued operations (net losses in “-”)				
(II) Classified by ownership of the equity				
1. Attributable to shareholders of the Company (net losses in “-”)	937,066,077	936,698,511	2,945,087,296	2,844,621,320
2. Minority interests (net losses in “-”)	103,028,664	59,636,761	272,993,707	211,597,508
VI. Other comprehensive income, net of tax	-5,467,200	64,345,652	78,815,431	-72,931,331
Attributable to shareholders of the Company, net of tax	-3,827,040	66,670,882	83,308,723	-72,797,635
(I) Other comprehensive income items which will not be subsequently reclassified to profit or loss		72,529,923	93,986,921	-72,904,706
1. Changes in remeasurement of defined benefit plan obligations		72,529,923	93,986,921	-72,904,706
2. Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss				
3. Changes in fair value of other equity instruments investments				
4. Changes in fair value of company credit risk				
(II) Other comprehensive income items which will be subsequently reclassified to profit or loss	-3,827,040	-5,859,041	-10,678,198	107,071
1. Shares of other comprehensive income of the investee accounted for using equity method that will be subsequently reclassified to profit or loss				

2. Changes in fair value of other debt investments	-3,827,040	-5,859,041	-10,678,198	107,071
3. Changes in fair value of available-for-sale financial assets				
4. The amount of financial assets reclassified into other comprehensive income				
5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets				
6. Credit impairment losses of other debt investments				
7. Effective portion of gains or losses on hedging instrument in a cash flow hedge				
8. Translation differences on translation of foreign currency financial statements				
9. Others				
Attributable to minority shareholders, net of tax	-1,640,160	-2,325,230	-4,493,292	-133,696
VII. Total comprehensive income	1,034,627,541	1,060,680,924	3,296,896,434	2,983,287,497
Attributable to shareholders of the Company	933,239,037	1,003,369,393	3,028,396,019	2,771,823,685
Attributable to minority interests	101,388,504	57,311,531	268,500,415	211,463,812
VIII. Earnings per share:				
(I) Basic earnings per share (Yuan/share)	0.15	0.15	0.46	0.47
(II) Diluted earnings per share (Yuan/share)	0.15	0.15	0.46	0.47

For long-term equity investments acquired through a business combination involving enterprises under common control during this period, the net profit realized by the merged party before the business combination is RMB0, last period is RMB0.

Legal representative: LI Fengli    Principal in charge of accounting: JIANG Chunfeng  
Head of accounting department: LIU Yongxia



**INCOME STATEMENT OF THE PARENT COMPANY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan    Currency: RMB    Audit status: Unaudited

Items	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
I. Revenue	1,465,332,206	1,392,857,681	4,293,969,019	4,213,037,430
Less: Cost of sales	1,060,854,584	989,803,317	2,962,390,499	2,983,280,069
Taxes and surcharges	19,242,647	21,997,756	60,304,196	62,780,048
Selling and distribution expenses	4,163,870	3,569,210	13,179,843	11,159,080
General and administrative expenses	72,329,988	64,099,665	221,022,289	183,918,928
Research and development expenses	2,458,535	2,341,462	10,543,058	10,041,007
Financial expenses	-27,922,337	-39,107,450	-87,027,244	-107,284,611
Including: Interest expenses	96,632,103	30,994,549	158,387,561	89,356,640
Interest income	63,660,323	60,768,337	222,516,820	222,573,956
Add: Other income	5,940,914	978,612	11,607,122	2,935,833
Investment income/(losses in “-”)	630,649,131	375,206,500	1,591,460,789	1,766,893,966
Including: Investment income from associates and joint ventures	342,914,865	327,853,368	1,062,461,615	989,325,228
Gains/(losses in “-”) on derecognise of financial assets measured at amortized cost				
Net exposure hedging income/(losses in “-” ”)				
Gains /(losses in “-”) on changes in fair value				
Losses/(losses in “-”) on credit impairment	1,497,287	6,952,713	-15,390,742	51,884,406
Losses/(losses in “-”) on asset impairment				
Gains /(losses in “-”) on disposal of assets	2,729,666	2,372,581	1,677,794	5,287,269
II. Operating profit/(losses in “-”)	975,021,917	735,664,127	2,702,911,341	2,896,144,383

Add: Non-operating income	10,382,057	10,659,358	17,786,256	19,632,997
Less: Non-operating expenses	7,248,823	366,903	7,407,548	19,872,503
III.Total profit/(losses in “-”)	978,155,151	745,956,582	2,713,290,049	2,895,904,877
Less: Income tax expenses	99,311,319	88,773,556	328,220,666	289,757,485
IV.Net profit/(losses in “-”)	878,843,832	657,183,026	2,385,069,383	2,606,147,392
(I) Net profit/(losses in “-”) from continuing operations	878,843,832	657,183,026	2,385,069,383	2,606,147,392
(II) Net profit from discontinued operations/(losses in “-”)				
V.Other comprehensive income, net of tax		66,739,454	81,710,000	-67,130,546
(I) Other comprehensive income items that will not be subsequently reclassified to profit or loss		66,739,454	81,710,000	-67,130,546
1. Changes in remeasurement of defined benefit plan obligations		66,739,454	81,710,000	-67,130,546
2. Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss				
3. Changes in fair value of other equity instruments investments				
4. Changes in fair value of company credit risk				
(II) Other comprehensive income items which will be subsequently reclassified to profit or loss				
1. Shares of other comprehensive income of the investee accounted for using equity method that will be subsequently reclassified to profit or loss				
2. Changes in fair value of other debt investments				
3. Changes in fair value of available-for-sale financial assets				
4. The amount of financial assets reclassified into other comprehensive income				

5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets				
6. Credit impairment losses of other debt investments				
7. Effective portion of gains or losses on hedging instrument in a cash flow hedge				
8. Translation differences on translation of foreign currency financial statements				
9. Others				
VI. Total comprehensive income	878,843,832	723,922,480	2,466,779,383	2,539,016,846
VII. Earnings per share:				
(I) Basic earnings per share (Yuan/share)				
(II) Diluted earnings per share (Yuan/share)				

Legal representative: LI Fengli Principal in charge of accounting: JIANG Chunfeng  
Head of accounting department: LIU Yongxia

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan Currency: RMB Audit status: Unaudited

Items	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
<b>1.Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	8,450,794,478	8,035,753,668
Increase in customer deposits and interbank deposits		
Increase in balances with central banks		
Increase in placements with and loans to banks and non-bank financial institutions		
Cash received from the premiums of the original insurance contract		
Cash received from reinsurance		

Cash received from the increase of household savings and investment funds		
Cash received from interest charges and commissions		
Increase in placements with and loans from banks and non-bank financial institutions		
Cash received from repurchase funds		
Cash received from the agent of buying and selling securities		
Refund of taxes and surcharges		
Cash received relating to other operating activities	327,336,870	245,697,992
<b>Sub-total of cash inflows</b>	<b>8,778,131,348</b>	<b>8,281,451,660</b>
Cash paid for goods and services	4,351,544,568	3,862,603,197
Increase in loans and advances to customers		
Increase in deposits with banks and non-bank financial institutions		
Cash paid for a claim under an original insurance contract		
Increase in placements with and loans to banks and non-bank financial institutions		
Cash paid relating to interest charges and commissions		
Cash paid to the policy dividend		
Cash paid to and on behalf of employees	1,628,709,155	1,426,094,904
Payments of taxes and surcharges	956,806,856	1,049,043,941
Cash paid relating to other operating activities	248,147,268	289,041,499
<b>Sub-total of cash outflows</b>	<b>7,185,207,847</b>	<b>6,626,783,541</b>
<b>Net cash flows from operating activities</b>	<b>1,592,923,501</b>	<b>1,654,668,119</b>
<b>2.Cash flows from investing activities</b>		
Cash received from disposal of investments	10,429,494,986	10,315,277,953
Cash received from returns on investments	816,725,026	525,943,786
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	13,205,177	355,576,553
Net cash received from the disposal of subsidiaries and other operating units		3,218,118
Cash received relating to other investing activities	2,784,967,244	5,025,696,106
<b>Sub-total of cash inflows</b>	<b>14,044,392,433</b>	<b>16,225,712,516</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	998,300,702	2,432,819,186

Cash paid to acquire investments	11,454,724,456	13,067,033,294
Net increase in pledged loans		
Cash paid to acquire subsidiaries and other operating units		23,035,440
Cash paid relating to other investing activities	2,605,803,934	3,726,379,701
<b>Sub-total of cash outflows</b>	<b>15,058,829,092</b>	<b>19,249,267,621</b>
<b>Net cash flows from investing activities</b>	<b>-1,014,436,659</b>	<b>-3,023,555,105</b>
<b>3.Cash flows from financing activities</b>		
Cash received from capital contributions	1,984,929,768	717,050,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries	6,000,000	717,050,000
Cash received from borrowings	955,677,757	2,359,581,240
Cash received relating to other financing activities	1,692,222,150	
<b>Sub-total of cash inflows</b>	<b>4,632,829,675</b>	<b>3,076,631,240</b>
Cash repayments of borrowings	2,064,992,683	2,298,729,457
Cash payments for distribution of dividends, profits or interest expenses	2,749,514,717	263,497,989
Including: Cash payments for distribution of dividend or profit to minority shareholders of subsidiaries	55,155,857	80,335,612
Cash paid relating to other financing activities	102,655,225	3,121,109,471
<b>Sub-total of cash outflows</b>	<b>4,917,162,625</b>	<b>5,683,336,917</b>
<b>Net cash flows from financing activities</b>	<b>-284,332,950</b>	<b>-2,606,705,677</b>
<b>4.Effect of foreign exchange rate change cash and cash equivalent</b>	<b>32,401,744</b>	<b>58,547,515</b>
<b>5.Net increase in cash and cash equivalent</b>	<b>326,555,636</b>	<b>-3,917,045,148</b>
Add: Cash and cash equivalent at the beginning of the year	4,014,278,650	6,362,939,502
<b>6.Cash and cash equivalent at the end of the year</b>	<b>4,340,834,286</b>	<b>2,445,894,354</b>

Legal representative: LI Fengli    Principal in charge of accounting: JIANG Chunfeng  
Head of accounting department: LIU Yongxia

**CASH FLOW STATEMENT OF THE PARENT COMPANY**  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan    Currency: RMB    Audit status: Unaudited		
Items	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	2,904,894,615	3,062,982,801
Refund of taxes and surcharges		
Cash received relating to other operating activities	397,897,177	226,909,823
<b>Sub-total of cash inflows</b>	3,302,791,792	3,289,892,624
Cash paid for goods and services	1,179,441,868	753,661,611
Cash paid to and on behalf of employees	969,652,856	962,132,546
Payments of taxes and surcharges	467,508,315	469,195,006
Cash paid relating to other operating activities	71,235,092	78,336,473
<b>Sub-total of cash outflows</b>	2,687,838,131	2,263,325,636
<b>Net cash flows from operating activities</b>	614,953,661	1,026,566,988
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	3,351,867	3,138,623,185
Cash received from returns on investments	1,074,490,822	1,078,466,579
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	6,514,774	229,742,986
Net cash received from the disposal of subsidiaries and other operating units	5,990,993	3,218,117
Cash received relating to other investing activities	1,048,000,000	2,811,934,948
<b>Sub-total of cash inflows</b>	2,138,348,456	7,261,985,815
Cash paid to acquire fixed assets, intangible assets and other long-term assets	266,720,177	1,204,339,774
Cash paid to acquire investments	4,155,818,171	6,548,610,451
Cash paid to acquire subsidiaries and other operating units		

Cash paid relating to other investing activities	659,000,000	1,942,100,000
<b>Sub-total of cash outflows</b>	5,081,538,348	9,695,050,225
<b>Net cash flows from investing activities</b>	-2,943,189,892	-2,433,064,410
<b>3.Cash flows from financing activities</b>		
Cash received from capital contributions	1,978,929,768	
Cash received from borrowings	253,000,000	72,000,000
Cash received relating to other financing activities		
<b>Sub-total of cash inflows</b>	2,231,929,768	72,000,000
Cash repayments of borrowings	1,473,801,712	265,000,000
Cash payments for interest expenses and distribution of dividends or profits	2,589,704,739	116,760,549
Cash paid relating to other financing activities	4,425,266	7,244,319
<b>Sub-total of cash outflows</b>	4,067,931,717	389,004,868
<b>Net cash flows from financing activities</b>	-1,836,001,949	-317,004,868
<b>4.Effect of foreign exchange rate changes on cash and cash equivalent</b>	22,784,360	45,549,163
<b>5.Net increase in cash and cash equivalent</b>	-4,141,453,820	-1,677,953,127
Add: Cash and cash equivalent at the beginning of the year	6,819,212,991	4,285,781,741
<b>6.Cash and cash equivalent at the end of the year</b>	2,677,759,171	2,607,828,614

Legal representative: LI Fengli Principal in charge of accounting: JIANG Chunfeng  
Head of accounting department: LIU Yongxia

4.2 Adjustments of relevant items of financial statements at the beginning of the year for implementation of new accounting standards for financial instruments, new accounting standards for revenue and new accounting standards for leases for the first time  
√Applicable □ Not Applicable

# CONSOLIDATED BALANCE SHEET

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
<b>Current assets:</b>			
Cash at bank and on hand	8,077,972,498	8,077,972,498	
Deposit reservation for balance			
Placements with and loans to banks and other financial institutions			
Financial asset held for trading	875,000,000	875,000,000	
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	65,198,592	65,198,592	
Accounts receivable	2,068,535,326	2,068,535,326	
Financing receivables	670,396,485	670,396,485	
Advances to suppliers	81,694,054	81,694,054	
Insurance receivables			
Reinsurance accounts receivable			
Provision of cession receivable			
Other receivables	1,782,762,150	1,782,762,150	
Including: Interests receivable	32,463,344	32,463,344	
Dividends receivable			
Financial assets held under resale agreements			
Inventories	174,723,066	174,723,066	
Contract assets	280,972,522	280,972,522	
Assets held for sale			
Current portion of non-current assets	385,744,736	385,744,736	
Other current assets	3,903,247,154	3,903,247,154	
<b>Total current assets</b>	<b>18,366,246,583</b>	<b>18,366,246,583</b>	
<b>Non-current assets:</b>			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets			
Other debt investments			
Held-to-maturity investments			
Long-term receivables	1,606,080,481	1,606,080,481	
Long-term equity investments	8,825,256,813	8,825,256,813	
Other equity instruments investments			



Other non-current financial assets	268,580,567	268,580,567	
Investment properties	188,836,576	188,836,576	
Fixed assets	14,040,859,577	13,548,722,113	-492,137,464
Construction in progress	2,097,812,840	2,041,219,210	-56,593,630
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		659,803,671	659,803,671
Intangible assets	2,069,854,074	2,069,854,074	
Development costs			
Goodwill	25,373,323	25,373,323	
Long-term prepaid expenses	26,894,955	26,894,955	
Deferred tax assets	908,858,376	908,858,376	
Other non-current assets	341,128,768	341,128,768	
<b>Total non-current assets</b>	<b>30,399,536,350</b>	<b>30,510,608,927</b>	<b>111,072,577</b>
<b>TOTAL ASSETS</b>	<b>48,765,782,933</b>	<b>48,876,855,510</b>	<b>111,072,577</b>
<b>Current liabilities:</b>			
Short-term borrowings	166,712,204	166,712,204	
Due to central banks			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	957,024,876	957,024,876	
Accounts payable	1,581,607,319	1,581,607,319	
Advances from customers	209,454,071	209,454,071	
Financial assets sold under repurchase agreements			
Deposits from customers, banks and non-bank financial institutions			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	251,347,940	251,347,940	
Taxes payable	209,314,607	209,314,607	
Other payables	5,954,949,541	5,954,949,541	
Including: Interests payable	81,730,280	81,730,280	
Dividends payable			
Fee and commission payable			
Dividend payable for reinsurance			
Contract liabilities	134,964,090	134,964,090	
Liabilities held for sale			

Current portion of non-current liabilities	3,595,928,706	3,625,909,154	29,980,448
Other current liabilities			
<b>Total current liabilities</b>	13,061,303,354	13,091,283,802	29,980,448
<b>Non-current liabilities:</b>			
Reserve fund for insurance contracts			
Long-term borrowings	160,792,988	160,792,988	
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Leases liabilities		569,808,507	569,808,507
Long-term payables	530,779,311	42,062,933	-488,716,378
Long-term employee benefits payable	2,497,630,000	2,497,630,000	
Provisions	5,718,045	5,718,045	
Deferred income	205,830,431	205,830,431	
Deferred tax liabilities			
Other non-current liabilities	2,884,204,561	2,884,204,561	
<b>Total non-current liabilities</b>	6,284,955,336	6,366,047,465	81,092,129
<b>Total liabilities</b>	19,346,258,690	19,457,331,267	111,072,577
<b>Owners' equity / Shareholders' equity:</b>			
Paid-in capital / Share capital	6,036,724,000	6,036,724,000	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital surplus	10,777,968,793	10,777,968,793	
Less: Treasury shares			
Other comprehensive income	133,694,188	133,694,188	
Specific reserve	3,399,949	3,399,949	
Surplus reserve	986,974,314	986,974,314	
General risk reserve	298,283,806	298,283,806	
Undistributed profits	8,742,614,209	8,742,614,209	
<b>Total equity attributable to owners/shareholders of the Company</b>	26,979,659,259	26,979,659,259	
Minority interests	2,439,864,984	2,439,864,984	
<b>Total owners'/Shareholders' equity</b>	29,419,524,243	29,419,524,243	
<b>TOTAL LIABILITIES AND OWNERS' EQUITY /SHAREHOLDERS' EQUITY</b>	48,765,782,933	48,876,855,510	111,072,577

Explanation on the adjustment of items

√Applicable □ Not Applicable

According to the New Lease Standards, the Group (referring to the Company and its subsidiaries, the same below) and the Company recognized the cumulative effect of initial adoption of the standard as adjustment to the related items in the financial statements as at 1 January 2019. The comparatives in financial statements for 2018 were not restated.

(i) The nature and the reasons of the changes in accounting policies

For the operating lease contracts that have already existed prior to the initial implementation of the New Lease Standards, the Group and the Company distinguish different transitional methods based on the remaining lease term:

Unit: Yuan Currency: RMB

	The line items affected	1 January 2019	
		The Group	The Company
If the remaining lease term is more than 1 year, the Group and the Company recognise lease liabilities based on the remaining lease payments and the incremental borrowing rate as at 1 January 2019, and determine the carrying amount of the right-of-use assets based on the lease liabilities.	Right-of-use assets	111,072,577	-
	Lease liabilities	81,092,129	-
	The current portion of long-term liabilities	29,980,448	-

If the remaining lease term is less than 1 year, the Group and the Company adopt a simplified method and do not recognize right-of-use assets and lease liabilities, which has no significant impact on the financial statements.

For the operating leases of low-value assets contracts that have already existed prior to the initial implementation of the New Lease Standards, the Group and the Company adopt a simplified method and do not recognize right-of-use assets and lease liabilities, which has no significant impact on the financial statements.

The line items affected	1 January 2019	
	The Group	The Company

Due to the implementation of the New Lease Standards, the Group and the Company reclassify fixed assets held under finance leases originally recognised in fixed assets to right-of-use assets, and reclassify payables for finance lease originally recognised in long-term payables to lease liabilities.	Right-of-use assets	548,731,094	99,283,159
	Fixed assets	-492,137,464	-99,283,159
	Construction in progress	-56,593,630	-
	Long-term payables	-488,716,378	-94,202,439
	Lease liabilities	488,716,378	94,202,439
	Current portion of non-current liabilities	-68,548,706	-25,843,958
	-long-term payables		
	Current portion of non-current liabilities	68,548,706	25,843,958
	-lease liabilities		

As at 1 January 2019, when measuring lease liabilities, the Group and the Company adopted the same discount rate for lease contracts with similar characteristics, and the weighted average of incremental borrowing rates adopted was 4.75%.

- (ii) As at 1 January 2019, the adjustment from the unpaid minimum operating lease payments disclosed under the original lease standards to the lease liabilities recognised under the New Lease Standards is as follows:

Unit: Yuan Currency: RMB

	The Group	The Company
Operating lease commitments for minimum lease payments disclosed as at 31 December 2018	122,029,345	-
Discounted using the lessee's incremental borrowing rate of at the date of initial application	111,072,577	-
Add: Financial lease liabilities on 31 December 2018	557,265,084	120,046,397
Lease liabilities recognised as at 1 January 2019 (Including current portion of non-current liabilities)	668,337,661	120,046,397

## BALANCE SHEET OF THE PARENT COMPANY

Unit: Yuan    Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
<b>Current assets:</b>			
Cash at bank and on hand	8,444,554,600	8,444,554,600	
Financial asset held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	726,398,006	726,398,006	
Financing receivables	357,958,050	357,958,050	
Advances to suppliers	9,103,345	9,103,345	
Other receivables	126,080,867	126,080,867	
Including: Interests receivable	7,639,021	7,639,021	
Dividends receivable			
Inventories	98,846,642	98,846,642	
Contract assets	124,030,811	124,030,811	
Assets held for sale			
Current portion of non-current assets	921,632,329	921,632,329	
Other current assets	19,905,966	19,905,966	
<b>Total current assets</b>	<b>10,828,510,616</b>	<b>10,828,510,616</b>	
<b>Non-current assets:</b>			
Debt investments			
Available-for-sale financial assets			
Other debt investments			
Held-to-maturity investments			
Long-term receivables	1,901,808,894	1,901,808,894	
Long-term equity investments	13,353,136,972	13,353,136,972	
Other equity instruments investments			
Other non-current financial assets	71,421,487	71,421,487	
Investment properties	1,343,775,935	1,343,775,935	
Fixed assets	8,125,917,130	8,026,633,971	-99,283,159
Construction in progress	1,216,355,400	1,216,355,400	

Bearer biological assets			
Oil and gas assets			
Right-of-use assets		99,283,159	99,283,159
Intangible assets	2,160,102,681	2,160,102,681	
Development costs			
Goodwill			
Long-term prepaid expenses	7,047,125	7,047,125	
Deferred tax assets	37,483,036	37,483,036	
Other non-current assets	164,722,808	164,722,808	
<b>Total non-current assets</b>	28,381,771,468	28,381,771,468	
<b>TOTAL ASSETS</b>	39,210,282,084	39,210,282,084	
<b>Current liabilities:</b>			
Short-term borrowings	159,000,000	159,000,000	
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	207,039,615	207,039,615	
Accounts payable	578,764,979	578,764,979	
Advances from customers	205,757,187	205,757,187	
Contract liabilities	62,705,460	62,705,460	
Employee benefits payable	192,317,443	192,317,443	
Taxes payable	63,650,616	63,650,616	
Other payables	543,085,697	543,085,697	
Including: Interests payable	69,056,398	69,056,398	
Dividends payable			
Liabilities held for sale			
Current portion of non-current liabilities	3,525,843,957	3,525,843,957	
Other current liabilities			
<b>Total current liabilities</b>	5,538,164,954	5,538,164,954	
<b>Non-current liabilities</b>			
Long-term borrowings			

Bonds payable			
Including: Preference shares			
Perpetual bonds			
Leases liabilities		94,202,439	94,202,439
Long-term payables	136,212,372	42,009,933	-94,202,439
Long-term employee benefits payable	2,162,150,000	2,162,150,000	
Provisions	5,718,045	5,718,045	
Deferred income	136,336,251	136,336,251	
Deferred tax liabilities			
Other non-current liabilities	2,884,200,855	2,884,200,855	
<b>Total non-current liabilities</b>	5,324,617,523	5,324,617,523	
<b>Total liabilities</b>	10,862,782,477	10,862,782,477	
<b>Owners' equity / Shareholders' equity:</b>			
Paid-in capital / Share capital	6,036,724,000	6,036,724,000	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital surplus	14,706,766,468	14,706,766,468	
Less: Treasury shares			
Other comprehensive income	137,710,000	137,710,000	
Specific reserve			
Surplus reserve	986,974,314	986,974,314	
Undistributed profits	6,479,324,825	6,479,324,825	
<b>Total owners' /Shareholders' equity</b>	28,347,499,607	28,347,499,607	
<b>TOTAL LIABILITIES AND OWNERS' EQUITY/SHAREHOLDERS' EQUITY</b>	39,210,282,084	39,210,282,084	

Explanation on the adjustment of items

√ Applicable □ Not Applicable

Refer to 4.2 Adjustments of relevant items of financial statements at the beginning of the year for implementation of new accounting standards for financial instruments, new accounting standards for revenue and new accounting standards for leases for the first time.

4.3 Explanations on retrospective adjustments of previously comparative figures due to implementation of new accounting standards for financial instruments and new accounting standards for leases for the first time

☐ Applicable ☒ Not applicable

4.4 Audit report

☐ Applicable ☒ Not applicable

By order of the Board

**Qingdao Port International Co., Ltd.**

**LI Fengli**

*Chairman*

Qingdao, the PRC, 29 October 2019

*As at the date of this announcement, the executive Directors of the Company are Mr. LI Fengli, Mr. ZHANG Jiangnan and Ms. JIANG Chunfeng; the non-executive Directors are Mr. JIAO Guangjun, Mr. ZHANG Wei and Mr. CHU Xiaozhong; and the independent non-executive Directors are Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho.*