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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)

2021 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 2021.

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 The responsible person of the Company, the principal in charge of accounting (主管會計工作負責人) and the head of accounting department (accounting officer) (會計機構負責人(會計主管人員)) guarantee the truthfulness, accuracy and completeness of the financial statements information in this quarterly report.

1.3 Whether the third quarterly financial statements have been audited

☐Yes ☒No

II. KEY FIANACIAL DATA

2.1 Key Accounting Information and Financial Indicators

Unit: Yuan Currency: RMB

Items	The reporting period	Increase/decrease as at the reporting period as compared with the corresponding period previous year (%)	From the beginning of the year to the end of the reporting period	Increase/decrease as at the beginning of the year to the end of the reporting period as compared with the corresponding period previous year (%)
Operating Revenue	4,218,638,111	22.19	12,151,719,764	27.58
Net profit attributable to shareholders of the listed company	909,725,189	-2.64	3,075,720,721	4.36
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	864,618,571	-4.33	2,954,544,396	4.31
Net cash flows generated from operating activities	Not Applicable	Not Applicable	1,382,319,270	-24.47
Basic earnings per share (Yuan/share)	0.14	0	0.47	4.44
Diluted earnings per share (Yuan /share)	0.14	0	0.47	4.44
Weighted average return on net assets (%)	2.69	decreased by 0.27 percentage point	9.10	decreased by 0.38 percentage point

	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	58,437,352,848	57,177,364,980	2.20
Owners' equity attributable to shareholders of the listed company	34,385,201,873	32,996,392,141	4.21

Note: "The reporting period" refers to the period of three months from the beginning of the third quarter to the end of the third quarter, same as below.

2.2 Non-recurring gains and losses projects and the amount

Unit: Yuan Currency: RMB			
Items	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period	Note
Net profit or loss from disposal of non-current assets (including provision for the offset part of losses on asset preparedness)	5,316,793	13,177,136	/
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)	42,013,776	125,156,011	Government grants recognized in profit or loss for the current period
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 and trading financial liabilities, as well as the investment income from the disposal of trading financial assets, trading financial liabilities, and financial assets for sales	12,152,594	33,788,474	Gains and losses from changes in fair value of financial assets held-for-trading
Net amount of other non-operating income and expenses other than the above items	6,111,840	6,875,665	Net amount of other non-operating income and expenses

Other items that meet the definition of non-recurring profit or loss	2,354,958	5,994,558	Net profit and loss arising from the disposal of long-term equity investments and other profit and loss items of recurring profit and loss
Less: Income tax effect	16,398,751	44,481,743	/
Non-recurring gains and losses attributable to minority shareholders (after tax)	6,444,592	19,333,776	/
Total	45,106,618	121,176,325	/

Explanation for determination of the non-recurring profit or loss items defined in the *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public-Extraordinary Profit and Loss* (《公開發行證券的公司信息披露解釋性公告第 1 號——非經常性損益》) as recurring items is as below

☐Applicable ☒Not Applicable

2.3 Details of and reasons for changes of major accounting data and financial indicators

Unit: Ten Thousand Yuan Currency: RMB

Items	Amount	Changing percentage (%)	Main reasons
Other receivables	298,140.74	31.16	Mainly due to the increase in receivables from agency procurement business.
Contact assets	52,050.59	728.43	Mainly due to the increase of unsettled port machinery projects on the stocks.
Other current assets	138,617.99	-55.29	Mainly due to the decrease in interbank negotiable certificate of deposit of Qingdao Port Finance Co., Ltd..
Current portion of non-current assets	65,750.80	1,012.01	Mainly due to the increase in current portion of medium and long-term loans and finance lease payments of Qingdao Port Finance Co., Ltd..
Short-term borrowings	128,955.18	854.28	Mainly due to the increase in demands of capital for agency procurement business resulted in the increase in the borrowings.
Assets for sale	129,958.14	100.00	Mainly due to the approval of the Board on 28 June 2021, the Company transferred its three subsidiaries, including Qingdao Port Tongbao Shipping Co., Ltd., Qingdao Port (Group) Engineering Co., Ltd. and Shandong Port Technology Group Qingdao Co., Ltd. (formerly known as Qingdao Port Technology Co., Ltd.).

Items	Amount	Changing percentage (%)	Main reasons
Current-portion of non-current liabilities	14,464.27	-93.68	Mainly due to the current portion of bonds payable have been cashed.
Operating costs	806,935.78	34.97	Mainly due to the increase in the business volume of the liquid bulk segment and the shipping agency business of the logistics segment was affected by the increased ocean freight resulted in the increase of operating costs; due to the increase of labor cost caused by implementing the welfare policy of supplementary medical insurance, and suspension of concession policies for social security contributions which is enjoyed in the same period in the prior year due to the demand of epidemic prevention and control, implementing nucleic acid test and buying epidemic prevention materials, resulted in the increase of the cost of epidemic prevention and control.
Selling and distribution expenses	4,292.59	75.24	Mainly to the increase in market exploring, the number of business personnel and salaries; the increase in customer visits, business trips, business promotion and other expenses increasing correspondingly.
General and administrative expenses	53,639.71	52.11	Mainly due to the increase of labor cost caused by implementing the welfare policy of supplementary medical insurance for employees, and suspension of concession policies for social security contributions which is enjoyed in the same period in the prior year.
Research and development expenses	3,329.83	212.90	Mainly due to the implementing in construction of intelligent green port, the increased investment and projects in research and development.

III. THE INFORMATION OF THE SHAREHOLDERS

Total number of shareholders of ordinary shares, the number of shareholders of preference shares with restored voting rights and the shareholding of top 10 shareholders.

Unit: Share

Total number of shareholders of ordinary shares at the end of the reporting period		58,600	Total number of shareholders of preference shares with restored voting rights at the end of the reporting period (if any)		0	
Shareholding of top 10 shareholders						
Name of shareholders	Nature of shareholders	Number of shareholdings	Sharehold-ing percentage (%)	Number of shares subject to trading restrictions	Number of shares pledged, marked or frozen	
					Share status	Number of shares
Shandong Port Qingdao Port Group Co., Ltd.	State-owned legal person	3,522,179,000	54.26	3,522,179,000	Nil	
HKSCC NOMINEES LIMITED	Foreign legal person	1,106,977,905	17.05	0	Unkn-own	
Shanghai China Shipping Terminal Development Co., Ltd.	Domestic non state-owned legal person	1,015,520,000	15.64	0	Nil	
Shenzhen Malai Storage Co., Ltd.	Domestic non state-owned legal person	112,000,000	1.73	0	Nil	
COSCO SHIPPING (Qingdao) Co., Ltd.	State-owned legal person	96,000,000	1.48	0	Nil	
China Shipping Terminal Development Co., Ltd.	Domestic non state-owned legal person	96,000,000	1.48	0	Nil	
Qingdao International Investment Co., Ltd.	State-owned legal person	40,834,000	0.63	0	Nil	

China Construction Bank Corporation - Zhongou New - Blue-Chip Flexible Allocation Hybrid Securities Investment Fund	Others	18,120,554	0.28	0	Nil	
Industrial Bank Co., Ltd. - Zhongou New Trend Equity Securities Investment Fund (LOF)	Others	16,346,407	0.25	0	Nil	
Industrial and Commercial Bank of China Limited - Zhongou Selected Flexible Allocation Regular Open Hybrid Sponsored Securities Investment Funds	Others	13,781,239	0.21	0	Nil	
Shareholding of top 10 shareholders not subject to trading restrictions						
Name of shareholders	Number of shares not subject to trading restriction	Class and Number of Shares				
		Class of Shares	Number of Shares			
HKSCC NOMINEES LIMITED	1,106,977,905	Foreign shares listed overseas	1,098,967,930			
		RMB ordinary shares	8,009,975			
Shanghai China Shipping Terminal Development Co., Ltd.	1,015,520,000	RMB ordinary shares	1,015,520,000			
Shenzhen Malai Storage Co., Ltd.	112,000,000	RMB ordinary shares	112,000,000			
COSCO SHIPPING (Qingdao) Co., Ltd.	96,000,000	RMB ordinary shares	96,000,000			
China Shipping Terminal Development Co., Ltd.	96,000,000	RMB ordinary shares	96,000,000			
Qingdao International Investment Co., Ltd.	40,834,000	RMB ordinary shares	40,834,000			

China Construction Bank Corporation - Zhongou New - Blue-chip Flexible Allocation Hybrid Securities Investment Fund	18,120,554	RMB ordinary shares	18,120,554
Industrial Bank Co., Ltd. -Zhongou New Trend Equity Securities Investment Fund (LOF)	16,346,407	RMB ordinary shares	16,346,407
Industrial and Commercial Bank of China Limited - Zhongou Selected Flexible Allocation Regular Open Hybrid Sponsored Securities Investment Funds	13,781,239	RMB ordinary shares	13,781,239
Pingan Fund - Pingan Life Insurance Company of China Limited - Dividend - Personal Insurance Dividend - Pingan Life Insurance - Pingan Fund Equity Entrustment Investment No.2 List - Asset Management Plan	8,885,597	RMB ordinary shares	8,885,597
Explanation on the related party relationship or acting in concerted relationship among the above shareholders	Shanghai China Shipping Terminal Development Co., Ltd., COSCO SHIPPING (Qingdao) Co., Ltd. and China Shipping Terminal Development Co., Ltd. are all controlled by CHINA COSCO SHIPPING CORPORATION LIMITED. Besides, the Company is not aware if other shareholders are related with each other or persons acting in concert under <i>The Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies</i> (《上市公司股東持股變動信息披露管理辦法》).		
Explanation on top 10 shareholders and top 10 shareholders not subject to trading restrictions involving in refinancing securities business	During the report period, Qingdao International Investment Co., Ltd. participated in the refinancing securities, lending business and lent its 7,166,000 shares not subject to trading restriction of the Company to China Securities Finance Corporation Limited.		

Notes:

1. HKSCC NOMINEES LIMITED holds H shares on behalf of multiple customers.
2. As at the end of the reporting period, Shandong Port Qingdao Port Group Co., Ltd. directly or indirectly held 83,153,000 H shares of the Company, approximately representing 1.28% of the total share capital of the Company and such shares had been contained in the total number of shares held by HKSCC NOMINEES LIMITED.

3. As at the end of the reporting period, COSCO SHIPPING Ports Development Co., Ltd. (中遠海運港口發展有限公司) held 173,313,000 H shares of the Company, representing approximately 2.67% of the total share capital of the Company and had been contained in the total number of shares held by HKSCC NOMINEES LIMITED. COSCO SHIPPING Ports Development Co., Ltd., Shanghai China Shipping Terminal Development Co., Ltd. (上海中海碼頭發展有限公司), China Shipping Terminal Development Co., Ltd. (中海碼頭發展有限公司) and COSCO SHIPPING (Qingdao) Co., Ltd. (中遠海運(青島)有限公司) are all controlled by CHINA COSCO SHIPPING CORPORATION LIMITED (中國遠洋海運集團有限公司).

IV. OTHER REMINDING ITEMS

Other important information about the Company's operation during the reporting period that need to be reminded of investors

☐Applicable ☒Not Applicable

V. QUARTERLY REPORT FINANCIAL STATEMENTS

5.1 The Type of the Audit Suggestion

☐Applicable ☒Not Applicable

5.2 Financial Statements

CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2021

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan Currency: RMB Audit status: Unaudited

Items	30 September 2021	31 December 2020
Current assets:		
Cash at bank and on hand	7,386,629,395	8,548,976,734
Financial assets held for trading	1,390,808,950	1,121,813,078
Notes receivable	4,003,023	52,322,799
Accounts receivable	2,591,052,569	2,982,613,568
Financing receivables	277,145,196	528,732,800
Advances to suppliers	175,145,979	102,314,994
Other receivables	2,981,407,398	2,273,191,624
Including: Interests receivable		
Dividends receivable	2,862,300	15,591,695
Inventories	186,263,930	137,327,278
Contract assets	520,505,898	62,830,443
Assets held for sale	1,299,581,383	
Current portion of non-current assets	657,507,968	59,127,841
Other current assets	1,386,179,853	3,100,048,118
Total current assets	18,856,231,542	18,969,299,277
Non-current assets:		
Long-term receivables	3,258,053,967	3,308,404,670
Long-term equity investments	10,306,648,269	9,871,753,951
Other non-current financial assets	681,127,567	586,308,466
Investment properties	166,948,083	170,522,903

Items	30 September 2021	31 December 2020
Fixed assets	15,957,529,281	16,168,130,367
Construction in progress	3,757,178,440	3,068,902,274
Right-of-use assets	159,633,369	311,822,056
Intangible assets	3,081,137,358	2,914,515,994
Development costs	11,548,719	
Goodwill	48,683,209	48,683,209
Long-term prepaid expenses	52,104,527	27,145,518
Deferred tax assets	922,236,878	920,319,850
Other non-current assets	1,178,291,639	811,556,445
Total non-current assets	39,581,121,306	38,208,065,703
TOTAL ASSETS	58,437,352,848	57,177,364,980
Current liabilities:		
Short-term borrowings	1,289,551,779	135,133,306
Notes payable	1,129,747,795	890,180,633
Accounts payable	1,882,413,017	1,197,290,688
Advances from customers	95,557,149	6,453,928
Contract liabilities	262,288,551	148,693,164
Employee benefits payable	386,539,807	440,016,032
Taxes payable	292,044,534	256,377,041
Other payables	8,052,988,662	9,421,058,097
Including: Interests payable	28,606,896	27,099,914
Dividends payable	206,528,646	110,535,373
Liabilities held for sale	1,373,106,275	
Current portion of non-current liabilities	144,642,677	2,288,917,202
Other current liabilities	2,249,740	8,474,375
Total current liabilities	14,911,129,986	14,792,594,466
Non-current liabilities:		

Items	30 September 2021	31 December 2020
Long-term borrowings	13,000,000	109,708,639
Leases liabilities	195,049,136	139,109,235
Long-term payables	163,632,068	40,973,544
Long-term employee benefits payable	2,231,382,409	2,326,560,000
Provisions	8,997,490	9,765,192
Deferred income	285,434,416	280,047,491
Deferred tax liabilities	39,443,234	54,031,756
Other non-current liabilities	2,531,266,692	2,683,842,524
Total non-current liabilities	5,468,205,445	5,644,038,381
TOTAL LIABILITIES	20,379,335,431	20,436,632,847
Owners' equity / shareholders' equity:		
Paid-in capital / share capital	6,491,100,000	6,491,100,000
Capital surplus	12,322,735,354	12,318,673,889
Less: Treasury shares		
Other comprehensive income	286,631,480	287,298,275
Specific reserve	15,939,948	4,279,187
Surplus reserve	1,617,193,102	1,617,193,102
General risk reserve	411,248,470	411,248,470
Undistributed profits	13,240,353,519	11,866,599,218
Total equity attributable to owners/ shareholders of the Company	34,385,201,873	32,996,392,141
Minority interests	3,672,815,544	3,744,339,992
Total owners' equity/shareholders' equity	38,058,017,417	36,740,732,133
TOTAL LIABILITIES AND OWNERS' EQUITY/SHAREHOLDERS' EQUITY	58,437,352,848	57,177,364,980

Legal representative: SU Jianguang Principal in charge of accounting: FAN Xiwei
Head of accounting department: HU Juan

CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan Currency: RMB Audit status: Unaudited

Items	First three quarters of 2021(January – September)	First three quarters of 2020 (January – September)
I. Revenue	12,151,719,764	9,524,631,063
Including: Operating Revenue	12,151,719,764	9,524,631,063
II. Cost of sales	8,678,801,961	6,319,001,758
Including: Operating costs	8,069,357,816	5,978,637,238
Taxes and surcharges	98,256,795	77,704,345
Selling and distribution expenses	42,925,909	24,495,432
General and administrative expenses	536,397,110	352,642,820
Research and development expenses	33,298,308	10,641,992
Financial expenses	-101,433,977	-125,120,069
Including: Interest expenses	105,447,290	154,914,282
Interest income	-295,353,483	-384,245,246
Add: Other income	125,156,011	52,291,157
Investment income/ (losses in “-”)	957,511,706	1,097,429,575
Including: Investment income from associates and joint ventures	867,968,408	973,735,864
Gains/ (losses in “-”) on changes in fair value	11,280,446	3,455,106
Losses/ (losses in “-”) on credit impairment	-175,655	-87,196,237
Losses/ (losses in “-”) on asset impairment	-17,812,093	
Gains/ (losses in “-”) on asset disposal	13,177,136	17,500,069
III. Operating profit/ (losses in “-”)	4,562,055,354	4,289,108,975
Add: Non-operating income	8,012,956	17,927,514
Less: Non-operating expenses	1,137,291	6,444,841

Items	First three quarters of 2021(January – September)	First three quarters of 2020 (January – September)
IV. Total profit/ (total losses in “-”)	4,568,931,019	4,300,591,648
Less: Income tax expenses	933,745,845	887,380,625
V. Net profit/ (net losses in “-”)	3,635,185,174	3,413,211,023
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net losses in “-”)	3,635,185,174	3,413,211,023
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 “-”)	3,075,720,721	2,947,202,163
2. Minority interests (net losses in “-”)	559,464,453	466,008,860
VI. Other comprehensive income, net of tax	-666,795	-1,585,700
(I) Attributable to shareholders of the Company, net of tax	-466,757	-1,109,990
1. Other comprehensive income items which will not be subsequently reclassified to profit or loss		
2. Other comprehensive income items which will be subsequently reclassified to profit or loss	-466,757	-1,109,990
(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	-466,757	-1,109,990
(II) Attributable to minority shareholders, net of tax	-200,038	-475,710
VII. Total comprehensive income	3,634,518,379	3,411,625,323
(I) Attributable to shareholders of the Company	3,075,253,964	2,946,092,173
(II) Attributable to minority interests	559,264,415	465,533,150
VIII. Earnings per share		
(I) Basic earnings per share (Yuan/share)	0.47	0.45
(II) Diluted earnings per share (Yuan/share)	0.47	0.45

Legal representative: SU Jianguang Principal in charge of accounting: FAN Xiwei
Head of accounting department: HU Juan

CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

Prepared by: QINGDAO PORT INTERNATIONAL CO., LTD.

Unit: Yuan Currency: RMB Audit status: Unaudited

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	12,029,580,896	9,313,000,398
Cash received relating to other operating activities	294,425,700	612,595,839
Sub-total of cash inflows	12,324,006,596	9,925,596,237
Cash paid for goods or receipt of service	5,424,368,955	5,281,215,488
Cash paid to and on behalf of employees	1,965,025,509	1,536,832,585
Payments of taxes and surcharges	1,288,928,792	1,062,951,953
Cash paid relating to other operating activities	2,263,364,070	214,333,852
Sub-total of cash outflows	10,941,687,326	8,095,333,878
Net cash flows from operating activities	1,382,319,270	1,830,262,359
2. Cash flows from investing activities:		
Cash received from disposal of investments	14,531,585,442	12,272,832,144
Cash received from returns on investments	858,244,914	516,427,532
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	22,243,029	53,654,823
Net cash received from the disposal of subsidiaries and other operating units	28,935,375	
Cash received relating to other investing activities	1,726,502,473	1,793,799,740
Sub-total of cash inflows	17,167,511,233	14,636,714,239
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,497,981,744	2,229,655,697
Cash paid to acquire investments	12,761,484,615	10,024,241,188

Items	First three quarters of 2021 (January – September)	First three quarters of 2020 (January – September)
Cash paid relating to other investing activities	1,129,301,023	4,281,473,549
Sub-total of cash outflows	15,388,767,382	16,535,370,434
Net cash flows from investing activities	1,778,743,851	-1,898,656,195
3. Cash flows from financing activities:		
Cash received from capital contributions		82,450,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries		82,450,000
Cash received from borrowings	2,883,599,624	519,287,620
Cash received relating to other financing activities		1,669,168,924
Sub-total of cash inflows	2,883,599,624	2,270,906,544
Cash repayments of borrowings	3,778,610,887	689,190,412
Cash payments for distribution of dividends, profits or interest expenses	2,305,656,088	1,469,630,010
Including: Cash payments for distribution of dividends or profit to minority shareholders by subsidiaries	544,958,422	32,717,338
Cash paid relating to other financing activities	428,517,856	163,368,416
Sub-total of cash outflows	6,512,784,831	2,322,188,838
Net cash flows from financing activities	-3,629,185,207	-51,282,294
4. Effect of foreign exchange rate changes on cash and cash equivalent	-5,474,068	-4,362,374
5. Net increase in cash and cash equivalent	-473,596,154	-124,038,504
Add: Cash and cash equivalent at the beginning of the period	6,076,037,331	3,998,246,081
6. Cash and cash equivalent at the end of the period	5,602,441,177	3,874,207,577

Legal representative: SU Jianguang Principal in charge of accounting: FAN Xiwei
Head of accounting department: HU Juan

5.3 Implementing adjustments of the new lease standard and relevant details of the financial statements at the beginning of the year for the first in 2021

☐Applicable ☒Not Applicable

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

Qingdao, the PRC, 29 October 2021

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. FENG Boming, Mr. WANG Jun and Ms. WANG Fuling; and the independent non-executive Directors are Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho.