
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR HISTORY

Our Company was established on March 31, 2008, pursuant to the approvals issued by the People's Government of Hebei Province on February 28, 2008 and Hebei SASAC on March 26, 2008, respectively. QPG, the principal Promoter, was authorized to establish our Company by way of injection of its core port business and assets together with nine other Promoters, namely, Qinhuangdao Industrial, Hebei Communications, Daqin Railway, China Shipping, China Life Investment, Shougang Group, Beijing Enterprises, Datong Mine and Hebei SA Holdings by way of capital injection. At the time of our establishment, the registered capital of our Company was RMB4.275 billion, consisting of 4,275,000,000 Shares with a nominal value of RMB1.00 per Share. QPG, Qinhuangdao Industrial, Hebei Communications and Hebei SA Holdings held approximately 82.75%, 5.63%, 5.06% and 0.56% equity interest in our Company, respectively, and the other six Shareholders, namely, Daqin Railway, China Shipping, China Life Investment, Shougang Group, Beijing Enterprises and Datong Mine, each held 1% equity interest in our Company. For further details, please refer to the sub-section headed "Background of and Changes Relating to Our Existing Shareholders" in this prospectus.

Pursuant to the Reorganization Plan and the Reorganization Agreement, QPG undertook a reorganization in respect of its port business and transferred its core port business into our Company, which formed the core business of our Company (the "Reorganization"). For further details, please refer to the sub-section headed "Reorganization" in this section of the prospectus.

OUR MILESTONES

We operate Qinhuangdao Port, terminals in Caofeidian Port through an associate company, and terminals in Huanghua Port. Qinhuangdao Port has over 100 years of operating history while Caofeidian Port and Huanghua Port are newly developed ports in Bohai Rim which are expected to become the main driver of our future growth. Milestones of the core business of our Group and its predecessor are as follows:

<u>Year</u>	<u>Event</u>
1898	Qinhuangdao Port commenced operations as a commercial and trading port.
1974	The throughput of Qinhuangdao Port exceeded 10 million tonnes for the first time, ranking third among coastal ports in China.
1985	The throughput of Qinhuangdao Port exceeded 40 million tonnes, ranking second among coastal ports in China.
2001	The throughput of Qinhuangdao Port exceeded 100 million tonnes for the first time, becoming one of the largest ports with hundred million tonnes of annual throughput.
2002	According to the reform of the port administration system of the State Council, Qinhuangdao Port Bureau (秦皇島港務局) was assigned under the administration of Hebei Province instead of the central government and was restructured as QPG. QPG started to participate in the development and construction of Caofeidian Port in Tangshan, marking a milestone for the commencement of the cross port business expansion.
2006	The total throughput of Qinhuangdao Port exceeded 200 million tonnes for the first time.
2007	The coal throughput of Qinhuangdao Port exceeded 200 million tonnes for the first time. With the development of Huanghua Port in Cangzhou, the foundation of our current footprint covering Qinhuangdao, Tangshan and Cangzhou was initially established.
2008	Our Company was established by QPG, the principal Promoter, together with nine other Promoters with a registered capital of RMB4.275 billion.

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<u>Year</u>	<u>Event</u>
2010	Qinhuangdao Coal Market released Bohai-Rim Steam-Coal Price Index.
2011	The total throughput of Qinhuangdao Port hit a record high of 279 million tonnes, among which the coal throughput hit the record high of 253 million tonnes.

REORGANIZATION

In December 2008, QPG, the then Controlling Shareholder of our Company injected its core port business and assets into our Company as its capital injection, which formed the core business of our Company upon its establishment. Pursuant to the Reorganization Agreement entered into between QPG and our Company on December 25, 2008, QPG injected its core port business which were operated through Qinhuangdao Port and other ports, including stevedoring, stacking, storage and transportation of port cargoes such as coal, oil and liquefied chemicals, ore and other bulk cargo as well as containers; and port ancillary services, which are closely related to our principal businesses, including towing and railway transportation services, together with the relevant assets (including cash) and liabilities of QPG and 14 branch companies, the entire equity interests in five subsidiaries and four companies with equity participation (the “**Core Business**”) into our Company. The Reorganization Agreement has also clearly set out the provisions in relation to each party’s rights and obligations applicable to the Reorganization.

Our PRC legal advisor confirmed that, as at the Latest Practicable Date, we had obtained the necessary approvals from the relevant government authorities with respect to the Reorganization and all procedures required for the Reorganization had been completed.

Pursuant to the Reorganization, the following assets, equity interests, land use rights and buildings as well as personnel and liabilities relating to our Core Business were injected into our Company by QPG:

1. Assets injected into our Company

Assets relating to the Core Business of our Company held by QPG:

- Assets of the following eight branches which engage in businesses in relation to coal, oil and liquefied chemicals as well as other cargoes: First Port Branch, Second Port Branch, Third Port Branch, General Cargo Port Branch, Sixth Port Branch, Seventh Port Branch, Eighth Port Branch and Ninth Port Branch; and
- Assets of the following six branches which engage in ancillary port businesses closely relating to the Core Business of our Company: Rail Transportation Branch, Mobile Machinery Branch, Logistics Branch, Ship Branch, Labor Service Branch and Power Branch.

2. Equity interests injected into our Company

The entire equity interests held by QPG in the following nine companies:

- 55% equity interest in Xin’gangwan Container Company;
- 90% equity interest in Cangzhou Bohai;
- 60% equity interest in Shanhaiguan Terminal;
- 35% equity interest in Caofeidian Shiye Port Company;
- 15% equity interest in SDIC Caofeidian Port Company;
- 90% equity interest in Ruigang Tech;
- 80% equity interest in Qinyun Energy;

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- 40% equity interest in Huazheng Inspection; and
- 40% equity interest in Qinhuangdao Coal Market.

For further details of the abovementioned companies and the changes of our equity interests in some of these companies subsequent to the Reorganization, please refer to the sub-section headed “Our Principal Subsidiaries”.

3. Land use rights and buildings injected into our Company

Pursuant to the Reorganization Plan and the Reorganization Agreement, our Company obtained land use rights with a total area of 6,169,743.09 square meters through land grants or acquisitions, and obtained relevant operational facilities and buildings in relation to our Core Business as injected by QPG, with the exception of the operational facilities and properties which QPG decided to retain for the reasons that the legal titles of some properties were defective, or it was anticipated that our Company’s relevant business operations would eventually be relocated from the western zone to the eastern zone of Qinhuangdao Port. It was agreed that our Company could lease such retained operational facilities and properties from QPG in accordance with our operational needs. Our Company entered into a lease agreement (“Lease Agreement”) and a general services agreement (“General Services Agreement”) with QPG in December 2008. After QPG was renamed to HPG, our Company renewed the Lease Agreement and the General Services Agreement with HPG on March 28, 2011 and entered into the supplemental agreements to these two agreements on July 11, 2013. Please refer to the sections headed “Business – Leased Buildings”, “Connected Transactions – Lease Agreement” and “Connected Transactions – General Services Agreement” for further details.

4. Employees transferred into our Company

Pursuant to the Reorganization Plan and the Reorganization Agreement, the management team, technical support staff and other employees involved in the operation of our business were also transferred into our Company from QPG based on the principle of “Transfer of Employees with the Assets” (人員隨資產走) and become the employees of our Company.

5. Liabilities injected into our Company

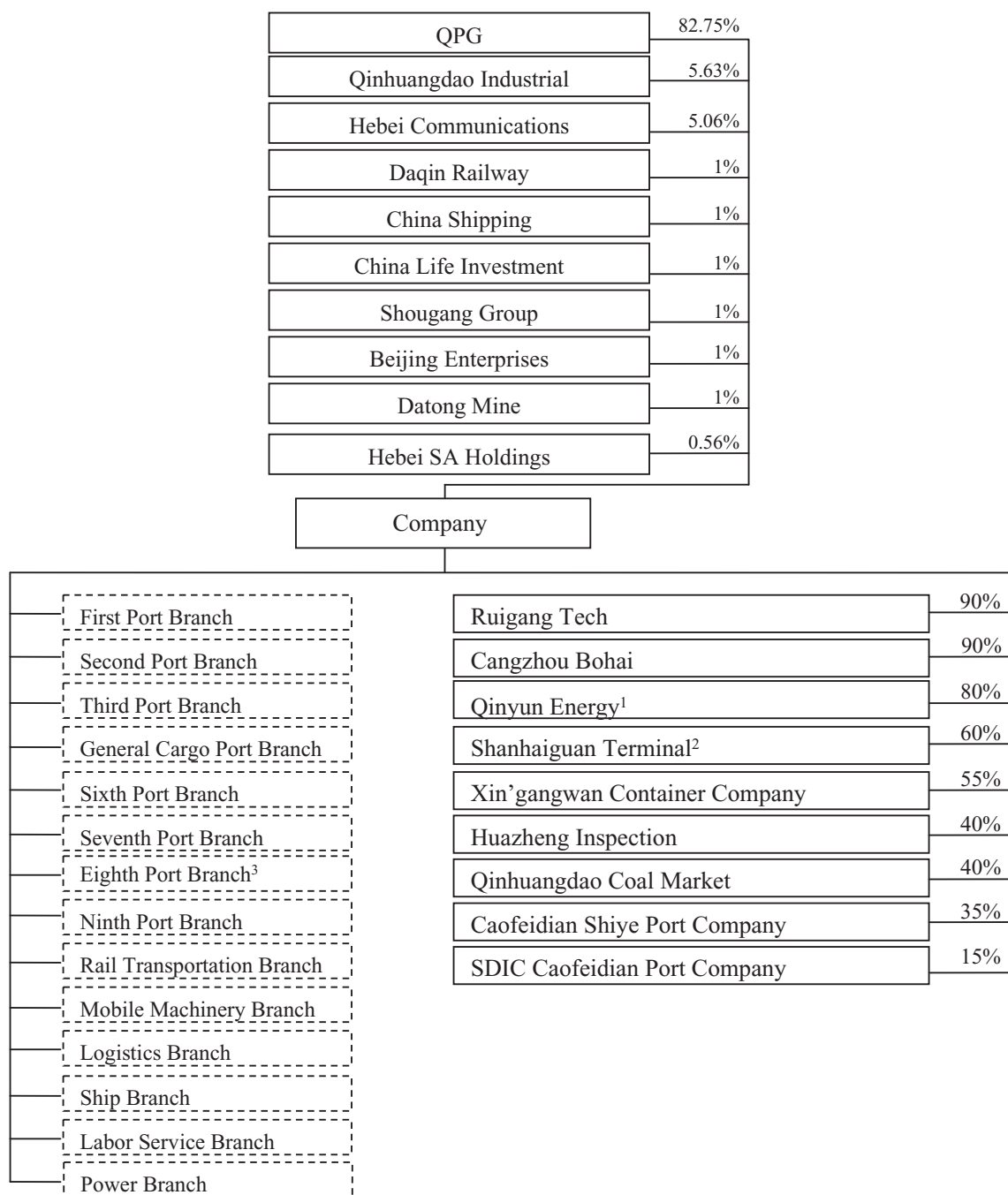
Pursuant to the Reorganization Plan and the Reorganization Agreement, QPG injected liabilities relating to the Core Business and assets into our Company, while other liabilities shall be borne by QPG.

In order to keep a clear delineation of business between that of our Group and that of QPG after the Reorganization, QPG decided to focus on its non-port core businesses (the “**Retained Business**”) going forward and as such, retained the relevant assets held by QPG relating to the Retained Business, the equity interests in the companies which engage in the Retained Business, the departments or branch companies which provide administrative and societal services, as well as buildings, infrastructure (such as roads, bridges, pipelines, storing houses) and machinery.

As a result of the Reorganization, our Core Business and the Retained Business are distinctive from each other and have different focuses. Save for the Excluded Business Interests (for the definition of the Excluded Business Interests, please refer to the section headed “Relationship with the Controlling Shareholder – Excluded Business Interests” in this prospectus), we believe that the business which would continue to be undertaken by QPG does not, or is not likely to compete, directly or indirectly with our Core Business. For further details, please refer to the section headed “Relationship with the Controlling Shareholder – Delineation of Business” in this prospectus. In addition, we entered into a non-competition agreement (“Non-Competition Agreement”) with QPG on December 25, 2008. After QPG was renamed to HPG, we re-entered into the Non-Competition Agreement with HPG on September 12, 2010, and further amended on July 11, 2013. For further details, please refer to the section headed “Relationship with the Controlling Shareholder – Non-Competition Agreement and Undertakings by the Controlling Shareholder” in this prospectus.

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The following chart sets out the equity interests and corporate structure of our Group immediately upon completion of the Reorganization (the entities shown in dotted lines below are the branches of the Company):



Note: 1. Qinyun Energy, established on February 20, 1998, was one of the nine companies transferred into our Company pursuant to the Reorganization Agreement. Due to the expiration of the joint venture agreement between our Company and Datong Railway Wantong Industrial Corporation Limited (大同鐵路萬通實業有限責任公司) (“Wantong Industrial”), Wantong Industrial and our Company agreed to liquidate Qinyun Energy pursuant to the shareholders’ resolutions dated March 25, 2010. The liquidation was completed and Qinyun Energy was deregistered on December 24, 2012.

2. Shanhaiguan Terminal, established on May 25, 2007, was one of the nine companies transferred into our Company pursuant to the Reorganization Agreement. Immediately upon completion of the transfer, we held 60% equity interest in Shanhaiguan Terminal, and Qinhuangdao Development Zone Company, the non-controlling shareholder of

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Shanhaiguan Terminal, held the remaining 40% interest. Due to changes in the development environment of Shanhaiguan port zone and the Qinhuangdao Development Zone Company deciding not to continue sharing the ownership in Shanhaiguan Terminal with us, we decided to transfer our entire interest in Shanhaiguan Terminal to Qinhuangdao Development Zone Company. Pursuant to our Board resolutions dated June 28, 2010 and the approval issued by Hebei SASAC dated August 6, 2010, we entered into an equity transfer agreement dated August 27, 2010 with Qinhuangdao Development Zone Company to transfer our 60% interest in Shanhaiguan Terminal to Qinhuangdao Development Zone Company for a consideration of RMB120,000,600. Such consideration was based upon the valuation conducted by Qinhuangdao Zhengyuan Assets Appraisal Co., Ltd. (秦皇島正源資產評估有限責任公司), an Independent Third Party. Following completion of the registration with the relevant bureau of administration for industry and commerce regarding such transfer on September 16, 2010, we no longer held any interest in Shanhaiguan Terminal. As of June 30, 2013, RMB56 million of the said consideration had not been collected. Please refer to “Risk Factors” section for details. Other than the uncollected consideration, the transfer of Shanhaiguan Terminal had no material effect our Company’s businesses.

3. Eighth Port Branch was deregistered on December 17, 2012 as a result of the Company’s business integration.

BACKGROUND OF AND CHANGES TO OUR EXISTING SHAREHOLDERS

HPG

HPG is the Controlling Shareholder of our Company. The origin of HPG can be traced back to the Port Authority of Qinhuangdao of the Ministry of Transport (交通部秦皇島港務局). The commencement of port operation of Qinhuangdao can be traced back to 1898. After the establishment of the PRC, the construction of Qinhuangdao Port was funded directly by the Ministry of Transport. China Central Work Committee for Large-Sized Enterprises (中央大型企業工委) decentralized the management of Qinhuangdao Port to Hebei provincial authorities in 2002, and pursuant to the approval of Hebei People’s Government, QPG was established in August 2002. From June 2006, QPG was held as to 50% by Qinhuangdao SASAC, as to 45% by Hebei Construction & Investment Group Co., Ltd. and as to 5% by Hebei SA Holdings. Pursuant to the approval issued by Hebei People’s Government dated June 29, 2009, QPG changed its name to HPG, and became a wholly state-owned company directly under Hebei SASAC. The registered and paid up capital of HPG was RMB8 billion.

Pursuant to the approval issued by Hebei SASAC dated June 8, 2013, Hebei SA Holdings transferred its 24,057,073 Shares representing approximately 0.56% interest in our Company to HPG at nil consideration. Upon completion of the transfer, HPG holds 73.94% interest in our Company, and Hebei SA Holdings ceased to hold any interest in our Company.

Qinhuangdao SASAC

Qinhuangdao SASAC was formed in March 2004 and is mainly responsible for promoting state-owned enterprise reform and implementing the supervision of state-owned assets.

Pursuant to the approval issued by Hebei SASAC dated December 4, 2009, (i) HPG transferred its 400,567,500 Shares representing approximately 9.37% interest in our Company to Qinhuangdao SASAC at nil consideration, and (ii) Qinhuangdao Industrial transferred its 240,570,734 Shares representing approximately 5.63% interest in our Company to Qinhuangdao SASAC at nil consideration, respectively. Upon completion of these transfers, Qinhuangdao SASAC held 15% interest in our Company, and Qinhuangdao Industrial ceased to hold any interest in our Company.

Hebei Communications

Hebei Communications was established on June 26, 2007, with a registered capital of approximately RMB10.61 billion as at the Latest Practicable Date, and is principally engaged in the business of investment in railways, ports, highways and aviation and related consultancy business in Hebei Province. Hebei Communications is majority-owned by Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司).

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Daqin Railway

Daqin Railway was established on October 28, 2004, with a registered capital of approximately RMB14.87 billion as at the Latest Practicable Date, and is principally engaged in the business of railway transportation (including Daqin Line), manufacturing, installation and maintenance of railway transport equipment and facilities and related management services. Daqin Railway is majority-owned by the Taiyuan Railway Administration (太原鐵路局).

China Shipping

China Shipping was established on October 7, 1997, with a registered capital of approximately RMB6.92 billion as at the Latest Practicable Date, and is principally engaged in the business of shipping, cargo and container transport, import and export operations, international freight agent business, vessel chartering and maintenance and related consultancy business. China Shipping is wholly-owned by the SASAC.

China Life Investment

China Life Investment was established on June 1, 1994, with a registered capital of approximately RMB134 million, and is principally engaged in the business of investment and investment management, asset management. China Life Investment is wholly-owned by the China Life Insurance (Group) Company (中國人壽保險(集團)公司).

Shougang Group

Shougang Group was established on May 13, 1981, with a registered capital of approximately RMB7.26 billion, and is engaged in a wide range of businesses involving industrial business, construction, geological exploration, transportation and logistics, foreign trade, telecommunications, finance, insurance, scientific research and comprehensive technological services and property development. Shougang Group is wholly-owned by the Beijing State-owned Capital Operation and Management Center (北京國有資本經營管理中心).

Beijing Enterprises

Beijing Enterprises was established on January 18, 2005 with a registered capital of approximately RMB8.22 billion, and is principally engaged in investment and investment management. Beijing Enterprises is wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會).

Datong Mine

Datong Mine was established on August 4, 1985 with a registered capital of approximately RMB17.03 billion, and is engaged in a wide range of businesses involving production and processing of coal, machinery manufacturing, engineering construction, industrial equipment installation, leasing, and building materials production. Datong Mine is majority-owned by the State-owned Assets Supervision and Administration Commission of People's Government of Shanxi Province (山西省人民政府國有資產監督管理委員會).

As at the Latest Practicable Date, HPG, Qinhuangdao SASAC and Hebei Communications hold approximately 73.94%, 15% and 5.06% interest in our Company, respectively and the other six Shareholders, namely, Daqin Railway, China Shipping, China Life Investment, Shougang Group, Beijing Enterprises and Datong Mine, each holds 1% equity interest in our Company.

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OUR PRINCIPAL SUBSIDIARIES

1. Ruigang Tech

Ruigang Tech was established on March 22, 2006, with a registered capital of RMB10 million. Its main business scope includes sales of shipping equipment, vessel parts, electronic equipment and parts and communications equipment. Pursuant to the Reorganization Agreement, 90% interest in Ruigang Tech was injected by QPG to our Company. According to the share transfer agreement dated July 2, 2009, QPG Seaman Labor Committee agreed to transfer its 10% interest in Ruigang Tech to our Company for a consideration of RMB979,400, which was settled by our Company on October 10, 2009. Such consideration was based upon the valuation conducted by Beijing Jianhexin Asset Appraisal Co., Ltd. (北京建和信資產評估有限責任公司), an Independent Third Party. As a result of the transfer, Ruigang Tech became our direct, wholly-owned subsidiary.

2. Cangzhou Bohai

Cangzhou Bohai was established on October 31, 2007, with a registered capital of RMB500 million. Its business scope includes integrated port construction, engineering, stevedoring, storage, mechanics maintenance, warehousing, trade and logistics related businesses. QPG injected its 90% interest in Cangzhou Bohai into our Company pursuant to the Reorganization Agreement.

Pursuant to the shareholders' resolution of Cangzhou Bohai dated July 16, 2009, our Company and Hebei Bohai Investment Co., Ltd. (河北渤海投資有限公司) (its name was subsequently changed to Hebei Bohai Investment Group Co., Ltd. (河北渤海投資集團有限公司), "Hebei Bohai Investment"), as Cangzhou Bohai's shareholders, decided to adjust their respective proportion of the capital contribution. Following the adjustment, Cangzhou Bohai's capital contributed by our Company and Hebei Bohai Investment amounted to RMB400 million and RMB100 million, respectively and as such, Cangzhou Bohai is held as to 80% by us and 20% by Hebei Bohai Investment. Hebei Bohai Investment is an Independent Third Party (apart from its interest in Cangzhou Bohai).

Pursuant to the resolution of Cangzhou Bohai's shareholders meeting dated December 12, 2011, we decided to increase the registered capital of Cangzhou Bohai from RMB500 million to RMB2.3 billion through a capital injection of RMB1.8 billion, solely contributed by our Company. Following our capital injection, our capital contribution in Cangzhou Bohai amounted to RMB2.2 billion, representing an interest of approximately 95.65%, and the capital contribution of Hebei Bohai Investment, remained at RMB100 million, representing an interest of approximately 4.35%.

Pursuant to the resolution of Cangzhou Bohai's shareholders meeting dated December 11, 2012, we decided to further increase the registered capital of Cangzhou Bohai from RMB2.3 billion to RMB2.46 billion through a capital injection of RMB0.16 billion, solely contributed by our Company. Following our capital injection, our capital contribution in Cangzhou Bohai amounted to RMB2.36 billion, representing an interest of approximately 95.93%, and the capital contribution of Hebei Bohai Investment remained at RMB100 million, representing an interest of approximately 4.07%.

3. Qinhuangdao OSTC

Qinhuangdao OSTC was established on June 10, 2008, with a registered capital of RMB6,740,400. Its business scope includes provision of agency service for vessels, freight forwarding, port cargo handling operations and cargo weighing operations. QPG agreed to transfer its 84% interest in Qinhuangdao OSTC to our Company for a consideration of RMB6,550,200 pursuant to a share transfer agreement dated December 15, 2008. Our Company settled the payment on January 5, 2009. The consideration was determined based on the appraisal conducted by Hebei Hengxin Asset Appraisal Co., Ltd. (河北衡信資產評估有限公司), an Independent Third Party. Our

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Company currently holds 84% interest in Qinhuangdao OSTC, and the remaining 16% interest is held by China Ocean Shipping Tally Company (中國外輪理貨總公司), an Independent Third Party (apart from its interest in Qinhuangdao OSTC).

4. Cangzhou Mineral

Cangzhou Mineral was established on April 10, 2012, with a registered capital of RMB100 million. Its business scope includes integrated port construction and project construction, loading and unloading cargo, stockpiling, mechanics maintenance, storage and port related operations. At that time, our Company held 70% interest in Cangzhou Mineral, and the remaining 30% interest was held by Hebei Iron & Steel Group International Logistics Co., Ltd. (河北鋼鐵集團國際物流有限公司), an Independent Third Party (apart from its interest in Cangzhou Mineral).

Pursuant to the resolution of Cangzhou Mineral's shareholders meeting dated June 29, 2013, the shareholders of Cangzhou Mineral decided to increase the registered capital of Cangzhou Mineral from RMB100 million to RMB925 million through a capital injection of RMB825 million, solely contributed by our Company. Following our capital injection, our capital contribution in Cangzhou Mineral amounted to RMB895 million, representing an interest of approximately 96.76%, and the capital contribution of Hebei Iron & Steel Group International Logistics Co., Ltd., remained at RMB30 million, representing an interest of approximately 3.24%.

5. Qinhuangdao Coal Market

Qinhuangdao Coal Market was established on April 26, 2007, with an initial registered capital of RMB2 million upon establishment. Its business scope includes coal information consulting, design, production, publication of various forms of domestic advertising, computer software development, convention and exhibition services. QPG injected its 40% interest in Qinhuangdao Coal Market into our Company pursuant to the Reorganization Agreement. In February, 2012, our Company, by way of sole capital injection, increased the registered capital of Qinhuangdao Coal Market to RMB3.75 million, following which our shareholding in Qinhuangdao Coal Market increased from 40% to 68%. As of the Latest Practicable Date, the remaining 32% interest is held as to 8% each by Taiyuan Railway Auxiliaries State-owned Assets Management Center (太原鐵路輔業國有資產管理中心), China Shipping Bulk Carrier Co., Ltd. (中海散貨運輸有限公司), China Coal Transport and Marketing Association (中國煤炭運銷協會) and Zhong Neng Power Industry Fuel Co., Ltd. (中能電力工業燃料公司), all of which are Independent Third Parties (apart from its interest in Qinhuangdao Coal Market).

6. Xin'gangwan Container Company

Xin'gangwan Container Company was established on October 30, 2007, with a registered capital of RMB400 million. Its business scope includes stevedoring and storage services for containers. QPG injected its 55% interest in Xin'gangwan Container Company into our Company pursuant to the Reorganization Agreement. Our Company currently owns 55% interest in Xin'gangwan Container Company, and the remaining 45% interest is held as to 30% by China Shipping Terminal Development Co., Ltd. (中海碼頭發展有限公司), which is the indirect subsidiary of China Shipping, one of our existing Shareholders, and as to 15% by Dalian Port Shipping Container Development Company Limited (大連港集裝箱發展有限公司), an Independent Third Parties (apart from its interest in Xin'gangwan Container Company).

7. Caofeidian Coal

Caofeidian Coal was established on October 29, 2009, with a registered capital of RMB1.8 billion. Its business scope includes investment and construction of port development engineering projects. Our Company currently holds 51% equity interest in Caofeidian Coal, and the remaining 49% interest is held as to 21% by Tangshan Caofeidian Port Co., Ltd. (唐山曹妃甸港口有限公司), as to 7% by China Huaneng Group, as to 6% by Hebei Communications, as to 5% by China Coal Energy Co., Ltd.

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(中國中煤能源股份有限公司), as to 5% by Datong Mine, as to 4% by Inner Mongolia Yitai Coal Co., Ltd. (內蒙古伊泰煤炭股份有限公司), and as to 1% by SDIC Communications Company (國投交通公司). Apart from Hebei Communications and Datong Mine, being two of our Shareholders, all the other shareholders of Caofeidian Coal are Independent Third Parties (apart from their respective interests in Caofeidian Coal).

8. Cangzhou OSTC

Cangzhou OSTC was established on August 30, 2011, with a registered capital of RMB1 million. Its business scope includes cargo and container handling, cargo measuring, loading and unloading inspection, cargo damage survey and inspection. Cangzhou OSTC is held as to 33% by Cangzhou Bohai, 23% by Qinhuangdao OSTC, 22% by China Ocean Shipping Tally Company (中國外輪理貨總公司) and 22% by Huanghua Port Qinyu Labor Service Co., Ltd. (黃驛港勤裕勞動服務有限公司). Apart from Cangzhou Bohai and Qinhuangdao OSTC, which are both non-wholly owned subsidiaries of our Company, the other two shareholders of Cangzhou OSTC are Independent Third Parties (apart from their respective interests in Cangzhou OSTC and/or Qinhuangdao OSTC).

OUR PRINCIPAL BRANCHES

As of the Latest Practicable Date, the Company has 18 branches. Set out below are seven principal branches, which primarily engage in the stevedoring, stacking, storage and transport of cargoes such as coal, oil and liquefied chemicals, ores and other general cargoes. The other 11 branches include Rail Transportation Branch, Logistics Branch, Mobile Machinery Branch, Ship Branch, Labor Service Branch, Power Branch, Technique Center, Capital Settlement Center, Security Center, S&EP Center and Material Supply Center. These branches mainly engage in port ancillary services, such as ship towing, railway transportation services and material supply, which are closely related to our principal businesses.

1. First Port Branch

First Port Branch was established on May 30, 2008. The major cargo type handled by it is oil. Its business scope includes cargo loading and unloading and warehousing operations; leasing and maintenance of port machineries, facilities and equipment.

2. Second Port Branch

Second Port Branch was established on May 30, 2008. The major cargo type handled by it is coal. Its business scope includes provision of port facilities to vessels; provision of cargo loading and unloading, warehousing operations, lease and maintenance of port facilities and equipment as well as port machineries; provision of electricity to vessels, crew transfer and collection of wastage services.

3. Third Port Branch

Third Port Branch was established on May 30, 2008. The major cargo type handled by it is coal. Its business scope includes cargo loading and unloading and warehousing operations; lease and maintenance of port machineries, facilities and equipment; port services to vessels and other businesses. Pursuant to the requirements of the government and in line with the overall planning of relocating our Company's relevant operations from the western zone to the eastern zone of Qinhuangdao Port, the ship loading operation of the three coal berths of Third Port Branch has stopped. Please see the section headed "Risk Factors" for details.

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4. General Cargo Port Branch

General Cargo Port Branch was established on May 30, 2008. The major cargo type handled by it is general cargoes. Its business scope includes cargo loading and unloading and warehousing operations; lease of port machineries, facilities and equipment and other related businesses.

5. Sixth Port Branch

Sixth Port Branch was established on May 30, 2008. The major cargo type handled by it is coal. Its business scope includes the provision of port facilities to vessels; provision of cargo loading and unloading and warehousing operations; lease and maintenance of port machineries, facilities and equipment; provision of electricity to vessels, crew transfer and collection of wastage services.

6. Seventh Port Branch

Seventh Port Branch was established on May 30, 2008. The major cargo type handled by it is coal. Its business scope includes the provision of port facilities services to vessels; provision of cargo loading and unloading and warehousing operations; lease and maintenance of port machineries, facilities and equipment; provision of electricity to vessels, crew transfer and collection of wastage services.

7. Ninth Port Branch

Ninth Port Branch was established on May 30, 2008. The major cargo type handled by it is coal. Its business scope includes cargo loading and unloading and warehousing operations; lease and maintenance of port machineries, facilities and equipment; port services for vessels.

OUR PRINCIPAL ASSOCIATE COMPANY

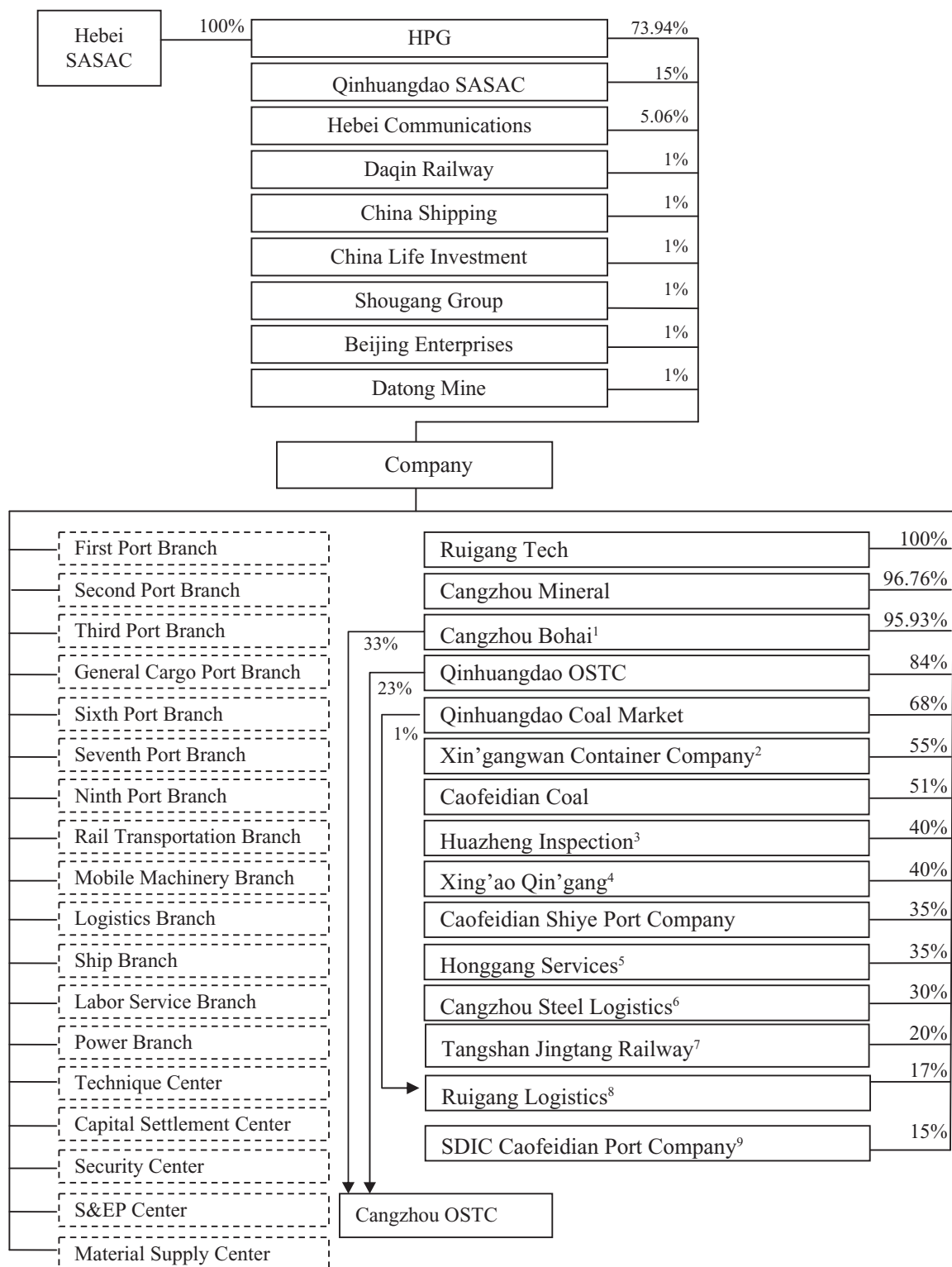
Caofeidian Shiye Port Company

Caofeidian Shiye Port Company was established on September 4, 2002, with a registered capital of RMB2,000 million. Its business scope includes port operations, land development, investment in infrastructure and property leasing. Pursuant to the Reorganization Agreement, its 35% equity interest held by QPG was injected into the Company. The remaining 30%, 15%, 10% and 10% equity interests were held by Shougang Group, Tangshan Iron and Steel Co., Ltd. (唐山鋼鐵集團有限責任公司), Hebei Communications and Tangshan Port Industrial Co., Ltd. (唐山港口實業集團有限公司), respectively. Apart from Shougang Group and Hebei Communications, being two of our existing Shareholders, all other shareholders are Independent Third Parties (apart from their respective interests in Caofeidian Shiye Port Company).

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CORPORATE STRUCTURE

The following chart sets out our equity interests and corporate structure as at the Latest Practicable Date (the entities shown in dotted lines below are the branches of the Company):



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Note: 1. During the Track Record Period, Cangzhou Bohai had two wholly-owned subsidiaries, namely Cangzhou Bohai Mineral Terminal Co., Ltd. (滄州渤海礦石碼頭有限公司) (“**Bohai Mineral**”) and Cangzhou Bohai Container Terminal Co., Ltd. (滄州渤海集運碼頭有限公司) (“**Bohai Shipping**”). Bohai Mineral was established on September 12, 2008 and its scope of business mainly includes integrated port construction and port stevedoring. Pursuant to the shareholder resolution on July 18, 2011, Cangzhou Bohai decided to deregister Bohai Mineral, and the deregistration was completed on November 16, 2011. Bohai Shipping was established on March 11, 2009 and its scope of business mainly includes port stevedoring of containers. Pursuant to the shareholder resolution on March 5, 2012, Cangzhou Bohai decided to deregister Bohai Shipping, and the deregistration was completed on May 23, 2012.

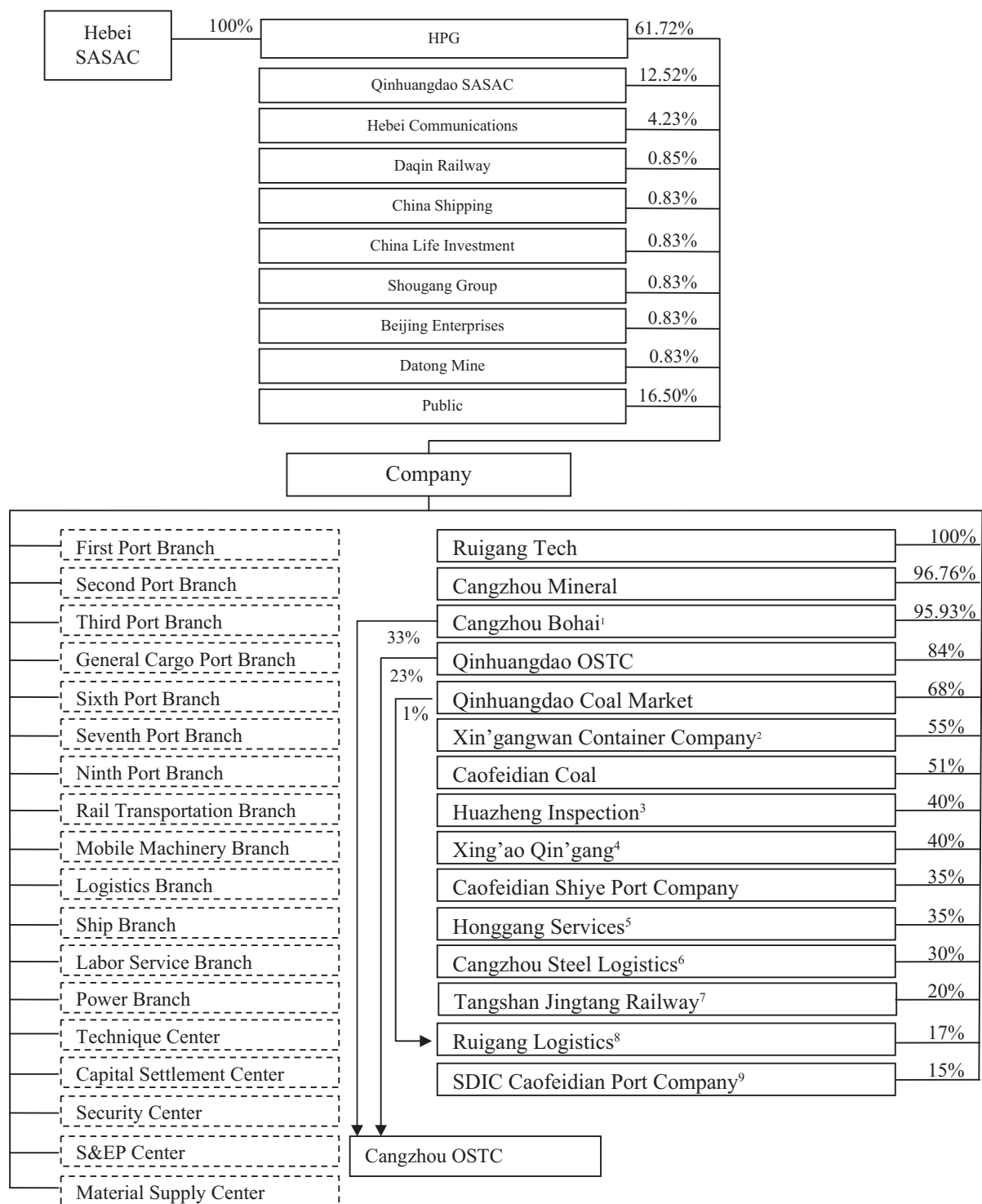
In addition, Handan International Land Port Co., Ltd. (邯鄲國際陸港有限公司), an associate of our Company, is held as to 20% by Cangzhou Bohai. The other equity interest is held as to 60% by HPG, as to 10% each by Handan Transportation Construction Co., Ltd. (邯鄲市交通建設有限公司) and Handan Hanshan Investment Co., Ltd. (邯鄲市邯山投資有限公司). Apart from HPG being one of our Existing Shareholders, the others are Independent Third Parties. Handan International Land Port Co., Ltd. is principally engaged in cargo handling and weighing, steel storage, dispatch, import and export and real estate.

2. Xin'gangwan Container Company owns 49% equity interest in Qinhuangdao Wanhui Logistics Co., Ltd. (秦皇島萬匯物流有限公司) which is a joint venture of our Company. The remaining 51% interest of Qinhuangdao Wanhui Logistics Co., Ltd is held by China Shipping Group Logistics Co., Ltd. (中海集團物流有限公司), which is a subsidiary of China Shipping, one of our existing Shareholders. Qinhuangdao Wanhui Logistics Co., Ltd. is principally engaged in provision of logistic services.
3. Huazheng Inspection is held as to 40% by our Company and as to 30% each by Energy Quality Supervision and Inspection Institute of Shaanxi Province (陝西省能源質量監督檢驗所) and Zhong Neng Power Industry Fuel Co. (中能電力工業燃料公司), both of which are Independent Third Parties. Huazheng Inspection is principally engaged in the examination and inspection of energy products, such as coal and its add-ons.
4. Xing'ao Qin'gang is held as to 40% by our Company and 60% by Qinhuangdao Dongao Fuel Sales Co., Ltd. (秦皇島東奧燃料銷售有限公司) which is an Independent Third Party. Xing'ao Qin'gang is principally engaged in the sale of steel and construction materials.
5. Honggang Services is held as to 35% by our Company, as to 60% by the Tenth Construction and Engineering Co., Ltd. of Qinhuangdao Haigang District (秦皇島市海港區第十建築工程公司) and as to 5% by Qinhuangdao Lijia Human Resources Service Co., Ltd. (秦皇島力佳人力資源服務有限公司), both of which are Independent Third Parties. Honggang Services is principally engaged in labor dispatch and cargo loading and unloading services.
6. Cangzhou Steel Logistics is held as to 30% by our Company and 70% by Hebei Iron & Steel Group International Logistics Co., Ltd. (河北鋼鐵集團國際物流有限公司), an Independent Third Party. Cangzhou Steel Logistics is principally engaged in general cargo services, cargo import and export, warehousing, sale of mineral products, and the development and construction of port, railway and related facilities.
7. Tangshan Jingtang Railway, established on March 7, 2013, is held as to 20% by our Company and 80% by Beijing Shougang Resource Recycling Technology Co., Ltd. (北京首鋼資源再利用科技有限公司), an Independent Third Party. Tangshan Jingtang Railway is principally engaged in the railway investment and construction.
8. Ruigang Logistics is held as to 17% by our Company, as to 51% by HPG, and as to 10% each by China Guodian Corporation Fuel Co., Ltd. (國電燃料有限公司), China Huaneng Group Fuel Co., Ltd. (中國華能集團燃料有限公司) and Shanxi Coal International Energy Group Co., Ltd. (山煤國際能源集團股份有限公司), respectively, and as to 1% each by Qinhuangdao Coal Market and Zhonglian Coal Sales Co., Ltd. (中聯煤炭銷售有限責任公司), respectively. Ruigang Logistics is principally engaged in coal wholesale, transportation, freight forwarding, cargo storage and logistics information management and consulting. Apart from HPG and Qinhuangdao Coal Market, being our Controlling Shareholder and our 68% subsidiary, respectively, all the other shareholders of Ruigang Logistics are Independent Third Parties.
9. SDIC Caofeidian Port Company is held as to 15% by our Company, as to 51% by SDIC Communications Company (國投交通公司), as to 20% by Hebei Communications, as to 10% by Shenzhen Zhujiang Port Development Co., Ltd. (深圳珠江港口發展有限公司) and as to 4% by Tangshan Construction & Investment Co., Ltd. (唐山建設投資有限責任公司). SDIC Caofeidian Port Company is engaged in the business of providing terminal facilities services for vessels, cargo loading and unloading, cargo storage, investment and construction of harbor engineering development projects, towing services and property management. Apart from Hebei Communications, being one of our existing Shareholders, all the other shareholders of SDIC Caofeidian Port Company are Independent Third Parties.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

The following chart sets out our equity interests and corporate structure immediately after the Global Offering (assuming the Over-allotment Option is not exercised) (the entities shown in dotted lines below are the branches of the Company):



Note: 1. For notes 1 to 9, please refer to the notes 1 to 9 stated in "Our equity interests and corporate structure as at the Latest Practicable Date" of this prospectus.