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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)

ANNOUNCEMENT

CHANGES IN ACCOUNTING POLICIES

This announcement is made by Qingdao Port International Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Inside Information Provisions (as defined in the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. SUMMARY OF THE CHANGES IN ACCOUNTING POLICIES

(1) Reasons for Changes in Accounting Policies

On 30 November 2022, the Ministry of Finance of the People's Republic of China (the “**Ministry of Finance**”) promulgated *the Notice on Issuance of Interpretation No. 16 of Accounting Standards for Business Enterprises* (Cai Kuai [2022] No. 31) (《關於印發〈企業會計準則解釋第16號〉的通知》(財會[2022]31號)), which stipulates that “the accounting treatment for deferred income tax related to assets and liabilities arising from a single transaction is not applicable to the initial recognition exemption”.

(2) Accounting Policies Adopted Prior to the Changes

Prior to the changes in accounting policies, the Company implemented *the Accounting Standards for Business Enterprises – Basic Standards* (《企業會計準則—基本準則》) and various specific accounting standards, application guidance of *the Accounting Standards for Business Enterprises*, interpretation announcements to *the Accounting Standards for Business Enterprises* and other related regulations issued by the Ministry of Finance.

(3) Accounting Policies Adopted Subsequent to the Changes

After the changes in accounting policies, the Company shall comply with the relevant provisions of *the Interpretation No. 16 of Accounting Standards for Business Enterprises* (《企業會計準則解釋第16號》). Other parts that remain unchanged are still subject to the *Accounting Standards for Business Enterprises – Basic Standards* and various specific accounting standards, application guidance of *the Accounting Standards for Business Enterprises*, interpretation announcements to *the Accounting Standards for Business Enterprises* and other related regulations issued by the Ministry of Finance.

(4) Date of Changes

According to the requirements of *the Interpretation No. 16 of Accounting Standards for Business Enterprises*, the provision that “the accounting treatment for deferred income tax related to assets and liabilities arising from a single transaction is not applicable to the initial recognition exemption” has been implemented since 1 January 2023.

The Company made corresponding changes to accounting policies in accordance with *the Interpretation No. 16 of Accounting Standards for Business Enterprises* and the implementation commenced on the effective date stipulated thereunder.

II. Main Content of Changes in Accounting Policies

According to *the Interpretation No. 16 of Accounting Standards for Business Enterprises* promulgated by the Ministry of Finance, the accounting treatment for deferred income tax related to assets and liabilities arising from a single transaction is not applicable to the initial recognition exemption. If a transaction is not a business combination and affects neither the accounting profit

nor taxable income (or deductible losses) at the time of the transaction, and such transaction is a single transaction (including the lease transaction in which the lessee initially recognizes a lease liability and includes the right-of-use asset at the beginning of the lease term, and the transaction in which the lessee recognizes an estimated liability and includes the cost of the related asset due to the existence of abandonment obligations for fixed assets, etc.) in which the initial recognition of assets and liabilities results in an equal amount of taxable temporary differences and deductible temporary differences, such transaction is not applicable to the provisions of Article 11(2) and Article 13 of *the Accounting Standards for Business Enterprises No. 18 – Income Tax* (《企業會計準則第18號—所得稅》) on exemption from initial recognition of deferred income tax liabilities and deferred income tax assets. Enterprises shall, at the time of the transaction, separately recognize corresponding deferred income tax liabilities and deferred income tax assets for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in accordance with the provisions of *the Accounting Standards for Business Enterprises No. 18 – Income Tax* and other regulations.

III. THE IMPACT OF THE CHANGES IN ACCOUNTING POLICIES ON THE COMPANY

The changes in accounting policies are reasonable changes made in accordance with the requirements of relevant documents of the Ministry of Finance, which are in compliance with *the Accounting Standards for Business Enterprises* and relevant regulations. The changes in accounting policies will not have a significant impact on the Company's financial position, operating results and cash flows, and will not be detrimental to the interests of the Company and its shareholders.

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

Qingdao, the PRC, 25 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. SU Jianguang and Mr. ZHANG Baohua; the non-executive directors are Mr. LI Wucheng, Mr. ZHU Tao, Ms. WANG Fuling and Mr. XUE Baolong; and the independent non-executive directors are Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho.