

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**青島港國際股份有限公司**  
QINGDAO PORT INTERNATIONAL CO., LTD.

## **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**

## **CONNECTED TRANSACTIONS IN RELATION TO THE EQUITY ACQUISITIONS**

### **EQUITY ACQUISITIONS**

On 25 August 2023 (after trading hours), Qingdao Port Logistics, a wholly-owned subsidiary of the Company, (i) entered into the Weihai Port Development Equity Transfer Agreements with Weihai Port Development Company, pursuant to which, Qingdao Port Logistics agreed to acquire 90% equity interests in Gangfeng Vessel Agency, 55% equity interests in Weihai Foreign Agency, 34% equity interests in Weihai Hailian and 51% equity interests in Weihai Logistics Park Company held by Weihai Port Development Company, respectively, by cash, and (ii) entered into the Shichang Logistics Equity Transfer Agreement with Shichang Logistics, pursuant to which, Qingdao Port Logistics agreed to acquire 10% equity interests in Gangfeng Vessel Agency held by Shichang Logistics, by cash.

### **HONG KONG LISTING RULES IMPLICATIONS**

Weihai Port Development Company is a non-wholly owned subsidiary with 51% equity interests held by the Company, and Weihai Port Company, a wholly-owned subsidiary of Qingdao Port Group, holds 49% equity interests in Weihai Port Development Company. As Qingdao Port Group is the controlling shareholder of the Company, Weihai Port Development Company is the connected subsidiary of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Shichang Logistics, as a wholly-owned subsidiary of Weihai Port Development Company, is also the connected subsidiary of the Company. Thus, the Equity Acquisitions constitute connected transactions of the Company.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the Equity Acquisitions exceeds 0.1% but is less than 5%, the Equity Acquisitions are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## I. EQUITY ACQUISITIONS

### 1. Introduction

On 25 August 2023 (after trading hours), Qingdao Port Logistics, a wholly-owned subsidiary of the Company, (i) entered into the Weihai Port Development Equity Transfer Agreements with Weihai Port Development Company, pursuant to which, Qingdao Port Logistics agreed to acquire 90% equity interests in Gangfeng Vessel Agency, 55% equity interests in Weihai Foreign Agency, 34% equity interests in Weihai Hailian and 51% equity interests in Weihai Logistics Park Company held by Weihai Port Development Company, respectively, by cash, and (ii) entered into the Shichang Logistics Equity Transfer Agreement with Shichang Logistics, pursuant to which, Qingdao Port Logistics agreed to acquire 10% equity interests in Gangfeng Vessel Agency held by Shichang Logistics, by cash.

### 2. The Equity Transfer Agreements

The principal terms of the Weihai Port Development Equity Transfer Agreements and the Shichang Logistics Equity Transfer Agreement are substantially the same. The principal terms of the Equity Transfer Agreements are summarized as below:

<b>Date</b>	25 August 2023 (after trading hours)
<b>Parties</b>	Weihai Port Development Equity Transfer Agreements: (1) Qingdao Port Logistics, as the purchaser; and (2) Weihai Port Development Company, as the vendor  Shichang Logistics Equity Transfer Agreement: (1) Qingdao Port Logistics, as the purchaser; and (2) Shichang Logistics, as the vendor

**Target Equity Interests** Weihai Port Development Equity Transfer Agreements: 90% equity interests in Gangfeng Vessel Agency, 55% equity interests in Weihai Foreign Agency, 34% equity interests in Weihai Hailian and 51% equity interests in Weihai Logistics Park Company held by Weihai Port Development Company

Shichang Logistics Equity Transfer Agreement: 10% equity interests in Gangfeng Vessel Agency held by Shichang Logistics

**Consideration** The total consideration for the Target Equity Interests was determined based on the appraised value for the Target Equity Interests on the valuation benchmark date after arm’s length negotiations among the contracting parties. The valuation reports were prepared by the independent valuer, China Tong Cheng Assets Appraisal. The specific details are as follows:

Target Company	Target Equity Interests	Consideration of Target Equity Interests	Book value of 100% equity interests	Appraised value of 100% equity interests	Appraisal appreciation	Valuation method	Valuation benchmark date
		(RMB 0'000)	(RMB 0'000)	(RMB 0'000)	(RMB 0'000)		
Gangfeng Vessel Agency	90% equity interests held by Weihai Port Development Company	5,630.63 <sup>note</sup>	1,961.98	8,106.86	6,144.88	income approach	31 December 2022
	10% equity interests held by Shichang Logistics	625.63 <sup>note</sup>					
Weihai Foreign Agency	55% equity interests held by Weihai Port Development Company	441.28	761.20	802.33	41.13	asset-based approach	31 December 2022
Weihai Hailian	34% equity interests held by Weihai Port Development Company	897.04	1,938.61	2,638.34	699.73	asset-based approach	31 December 2022
Weihai Logistics Park Company	51% equity interests held by Weihai Port Development Company	41,833.26	64,584.15	82,026.00	17,441.86	asset-based approach	30 April 2023
<b>Total Consideration</b>	-	<b>49,427.84</b>	-	-	-	-	-

*Note: Gangfeng Vessel Agency made a dividend distribution of RMB18.5061 million to its shareholders on 26 April 2023, and its consideration was the appraised value less the amount of the dividend distribution.*

<b>Payment Arrangement</b>	The above total consideration shall be paid by the purchaser to the vendors in cash within ten Working Days from the date of completion of the industrial and commercial change registration for the Equity Acquisitions.
<b>Closing</b>	The closing date is the date of completion of the registration of industrial and commercial changes for the Equity Acquisitions.
<b>Transitional Period</b>	The gains and losses of the Target Equity Interests from the valuation benchmark date to the closing date will be enjoyed or borne by the purchaser.
<b>Conditions Precedent for Effectiveness of the Equity Transfer Agreements</b>	<p>The Equity Transfer Agreements shall come into force upon the fulfillment of all the following conditions:</p> <p>(1) The Equity Transfer Agreements shall be signed by the legal representatives or authorized representatives of both contracting parties with the official seal;</p> <p>(2) The Equity Acquisitions shall be considered and approved by the internal competent decision-making body of both contracting parties; and</p> <p>(3) The Equity Acquisitions shall be approved by the competent state-owned assets supervision and administration authorities.</p>
<b>Employee Placement and Disposal of Claims and Debts</b>	The Equity Acquisitions do not involve the employment placement and disposal of claims and debts of the Target Companies. The existing employees of the Target Companies will continue to maintain a labor relationship with the Target Companies, and the original claims and debts of the Target Companies will continue to be enjoyed and borne by the Target Companies after the Equity Acquisitions.

## II. PROFIT FORECAST

China Tong Cheng Assets Appraisal performed independent valuation in respect of 100% equity interests in Target Companies. Among them, the appraised value as at 31 December 2022 for 100% equity interests in Gangfeng Vessel Agency was RMB81.0686 million, which was determined based on the income approach adopted in the valuation report and by taking into account the cash flow projection of the relevant businesses, and as such, the valuation under the valuation report on Gangfeng Vessel Agency constitutes profit forecast under Rule 14.61 of the Hong Kong Listing Rules.

ShineWing has reviewed the calculation method of the discounted cash flow forecast on which the valuation is based, not including the reasonability of the adopted accounting policies and assumptions. The Board has confirmed the profit forecast (including the assumptions) of Gangfeng Vessel Agency set out in the valuation report on Gangfeng Vessel Agency was made after due and careful enquiry. Pursuant to Rule 14.62 of the Hong Kong Listing Rules, the assumptions adopted in the profit forecast of Gangfeng Vessel Agency are disclosed in Appendix I to this announcement, and the letters from ShineWing and the Board are set out in Appendix II and Appendix III to this announcement, respectively.

## III. INFORMATION ON THE EXPERTS

The following are the qualifications of the relevant experts who have given their opinions and advices included in this announcement:

<b>Name</b>	<b>Qualification</b>
China Tong Cheng Assets Appraisal	A qualified valuer in the PRC
ShineWing	Certified Public Accountants

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, China Tong Cheng Assets Appraisal and ShineWing do not have any shareholding, directly or indirectly, in the Company and its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company and its subsidiaries.

Each of China Tong Cheng Assets Appraisal and ShineWing has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and/or all reference to its name in the form and context in which it appears.

#### **IV. REASONS FOR AND BENEFITS OF THE EQUITY ACQUISITIONS**

The Equity Acquisitions are conducive to optimizing the Company's business structure, rationalizing the management system of logistics business, focusing on the advantages of logistics business resources and expanding the business development scope.

The Board (including the independent non-executive Directors) is of the view that although the Equity Transfer Agreements are not conducted in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreements are arrived on normal commercial terms after arm's length negotiations among the contracting parties, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **V. FINANCIAL IMPACT OF THE EQUITY ACQUISITIONS**

Upon the completion of the Equity Acquisitions, Gangfeng Vessel Agency, Weihai Foreign Agency and Weihai Logistics Park Company will continue to be subsidiaries of the Company, and their financial statements will continue to be consolidated into the financial statements of the Group. Weihai Hailian is still an associated company of the Company.

#### **VI. HONG KONG LISTING RULES IMPLICATIONS**

Weihai Port Development Company is a non-wholly owned subsidiary with 51% equity interests held by the Company, and Weihai Port Company, a wholly-owned subsidiary of Qingdao Port Group, holds 49% equity interests in Weihai Port Development Company. As Qingdao Port Group is the controlling shareholder of the Company, Weihai Port Development Company is the connected subsidiary of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Shichang Logistics, as a wholly-owned subsidiary of Weihai Port Development Company, is also the connected subsidiary of the Company. Thus, the Equity Acquisitions constitute connected transactions of the Company.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the Equity Acquisitions exceeds 0.1% but is less than 5%, the Equity Acquisitions are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Each of Mr. SU Jianguang, Mr. LI Wucheng, Mr. ZHANG Baohua, Ms. WANG Fuling and Mr. XUE Baolong has abstained from voting on the resolution in relation to the Equity Transfer Agreements and the transactions contemplated thereunder at the Board meeting, due to the potential conflict of interests as a result of his/her directorship(s) or position(s) in Shandong Port Group and/or certain subsidiaries of Shandong Port Group pursuant to Rule 13.44 of the Hong Kong Listing Rules.

Save as disclosed above, as at the date of this announcement, none of the Directors has any material interest in the Equity Transfer Agreements and the transactions contemplated thereunder who is required to abstain from voting at the Board meeting.

## **VII. GENERAL INFORMATION**

### ***The Company***

The Company is a primary operator of the Port of Qingdao, one of the world's largest comprehensive ports. The Group and its joint ventures mainly provide handling services of containers, iron ore, coal, crude oil and other goods and port ancillary services. As at the date of this announcement, the de facto controller of the Company is Shandong SASAC.

### ***Qingdao Port Logistics***

Qingdao Port Logistics is a company established in the PRC with limited liability in February 2004 and a wholly-owned subsidiary of the Company. It is mainly engaged in container freight station, shipping agency, freight forwarding agency, sea-rail transportation, road transportation, customs inspection, integrated warehousing, storage and transportation of dangerous chemicals, project logistics and other businesses. As at the date of this announcement, the de facto controller of the Qingdao Port Logistics is Shandong SASAC.

### ***Weihai Port Development Company***

Weihai Port Development Company is a company established in the PRC with limited liability in December 2001 and a non-wholly owned subsidiary with 51% equity interests held by the Company. It is mainly engaged in port operations, integrated warehousing and other businesses. As at the date of this announcement, the de facto controller of Weihai Port Development Company is Shandong SASAC.

### ***Shichang Logistics***

Shichang Logistics is a company established in the PRC with limited liability in August 2004 and a wholly-owned subsidiary of Weihai Port Development Company. It is mainly engaged in bulk cargo transportation services and platform management, maintenance services for light and heavy trucks in ports and other businesses. As at the date of this announcement, the de facto controller of Shichang Logistics is Shandong SASAC.

### ***Gangfeng Vessel Agency***

Gangfeng Vessel Agency is a company established in the PRC with limited liability in June 2006 and a non-wholly owned subsidiary with 90% equity interests held by Weihai Port Development Company. It is mainly engaged in the domestic shipping agency, international shipping agency, international freight forwarding agency, marine international freight forwarding agency, and non-vessel operating common carrier business. As at the date of this announcement, the de facto controller of Gangfeng Vessel Agency is Shandong SASAC.

The audited financial information of Gangfeng Vessel Agency for the two financial years ended 31 December 2022 are as follows:

	For the year ended 31 December 2022 (RMB0'000)	For the year ended 31 December 2021 (RMB0'000)
Net profit before taxation	859.34	837.85
Net profit after taxation	626.50	628.39



### ***Weihai Foreign Agency***

Weihai Foreign Agency is a company established in the PRC with limited liability in April 1987 and a non-wholly owned subsidiary with 55% equity interests held by Weihai Port Development Company. It is mainly engaged in the international shipping agency, freight forwarding, international freight forwarding, international air transportation agency, warehousing distribution, ship material sales agency and other businesses. As at the date of this announcement, the de facto controller of Weihai Foreign Agency is Shandong SASAC.

The audited financial information of Weihai Foreign Agency for the two financial years ended 31 December 2022 are as follows:

	For the year ended 31 December 2022 (RMB0'000)	For the year ended 31 December 2021 (RMB0'000)
Net profit before taxation	28.10	102.33
Net profit after taxation	28.10	102.33

### ***Weihai Hailian***

Weihai Hailian is a company established in the PRC with limited liability in July 1999 and an associated company with 34% equity interests held by Weihai Port Development Company. It is mainly engaged in the business of container freight station, transportation, distribution and container loading of container business. As at the date of this announcement, Weihai Hailian is held as to 34%, 34%, 17% and 15% equity interests by Weihai Port Development Company, Weihai Hailian International Freight Forwarding Agency Co., Ltd.\*(威海海聯國際貨運代理有限公司), Weihai Transportation Group Co., Ltd.\*(威海交通運輸集團有限公司) and Weihai Hailian Labour Union Committee\*(威海海聯工會委員會), respectively, and has no de facto controller.

The audited financial information of Weihai Hailian for the two financial years ended 31 December 2022 are as follows:

	For the year ended 31 December 2022 <i>(RMB0'000)</i>	For the year ended 31 December 2021 <i>(RMB0'000)</i>
Net profit before taxation	432.58	488.00
Net profit after taxation	416.00	455.96

***Weihai Logistics Park Company***

Weihai Logistics Park Company is a company established in the PRC with limited liability in July 2008 and a wholly-owned subsidiary of Weihai Port Development Company. It is mainly engaged in the third-party logistics, cross-border e-commerce, shipping express and logistics services of whole-process bonded import businesses. As at the date of this announcement, the de facto controller of Weihai Logistics Park Company is Shandong SASAC.

The audited financial information of Weihai Logistics Park Company for the two financial years ended 31 December 2022 is as follows:

	For the year ended 31 December 2022 <i>(RMB0'000)</i>	For the year ended 31 December 2021 <i>(RMB0'000)</i>
Net profit before taxation	14.13	374.29
Net profit after taxation	2.59	359.08

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

<b>“Board”</b>	the board of directors of the Company
<b>“China Tong Cheng Assets Appraisal”</b>	China Tong Cheng Assets Appraisal Co., Ltd.* (中通誠資產評估有限公司), an independent valuer
<b>“Company”</b>	Qingdao Port International Co., Ltd.* (青島港國際股份有限公司), a joint stock company established in the PRC with limited liability in November 2013
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Equity Acquisitions”</b>	the transactions contemplated under the Equity Transfer Agreements
<b>“Equity Transfer Agreements”</b>	Weihai Port Development Equity Transfer Agreements and Shichang Logistics Equity Transfer Agreement
<b>“Gangfeng Vessel Agency”</b>	Weihai Gangfeng Vessel Agency Co., Ltd.* (威海港豐船舶代理有限公司), a company established in the PRC with limited liability in June 2006 and a non-wholly owned subsidiary with 90% equity interests held by Weihai Port Development Company
<b>“Group”</b>	the Company and its branches and subsidiaries
<b>“Hong Kong Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“PRC”</b>	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan

<b>“Qingdao Port Group”</b>	Shandong Port Qingdao Port Group Co., Ltd.* (山東港口青島港集團有限公司), the controlling shareholder of the Company and a wholly-owned subsidiary of Shandong Port Group
<b>“Qingdao Port Logistics”</b>	Qingdao Port International Logistics Co., Ltd.* (青島港國際物流有限公司), a company established in the PRC with limited liability in February 2004 and a wholly-owned subsidiary of the Company
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Shandong Port Group”</b>	Shandong Port Group Co., Ltd.* (山東省港口集團有限公司), a company established in PRC with limited liability in August 2019 with Shandong SASAC as the de facto controller
<b>“Shandong SASAC”</b>	State-owned Assets Supervision and Administration Commission of the People’s Government of Shandong Province* (山東省人民政府國有資產監督管理委員會)
<b>“Shareholder(s)”</b>	shareholder(s) of the Company
<b>“Shichang Logistics”</b>	Weihai Shichang Logistics Co., Ltd.* (威海世昌物流有限公司), a company established in the PRC with limited liability in August 2004, a wholly-owned subsidiary of Weihai Port Development Company and a connected subsidiary of the Company
<b>“Shichang Logistics Equity Transfer Agreement”</b>	the equity transfer agreement dated 25 August 2023 entered by Qingdao Port Logistics and Shichang Logistics, pursuant to which, Qingdao Port Logistics agreed to acquire 10% equity interests in Gangfeng Vessel Agency held by Shichang Logistics by cash
<b>“ShineWing”</b>	ShineWing Certified Public Accountants (Special general partnership)* (信永中和會計師事務所(特殊普通合夥))
<b>“Target Company(ies)”</b>	Gangfeng Vessel Agency, Weihai Foreign Agency, Weihai Hailian and Weihai Logistics Park Company

<b>“Target Equity Interests”</b>	90% equity interests in Gangfeng Vessel Agency, 55% equity interests in Weihai Foreign Agency, 34% equity interests in Weihai Hailian and 51% equity interests in Weihai Logistics Park Company held by Weihai Port Development Company and 10% equity interests in Gangfeng Vessel Agency held by Shichang Logistics
<b>“Weihai Foreign Agency”</b>	China Weihai Foreign Vessel Agency Co., Ltd. * (中國威海外輪代理有限公司), a company established in the PRC with limited liability in April 1987 and a non-wholly owned subsidiary with 55% equity interests held by Weihai Port Development Company
<b>“Weihai Hailian”</b>	Weihai Hailian Container Co., Ltd.* (威海海聯集裝箱有限公司), a company established in the PRC with limited liability in July 1999 and an associated company with 34% equity interests held by Weihai Port Development Company
<b>“Weihai Logistics Park Company”</b>	Weihai International Logistics Park Development Co., Ltd.* (威海國際物流園發展有限公司), a company established in the PRC with limited liability in July 2008 and a wholly-owned subsidiary of Weihai Port Development Company
<b>“Weihai Port Company”</b>	Shandong Port Weihai Port Co., Ltd.* (山東港口威海港有限公司), a wholly-owned subsidiary of Qingdao Port Group
<b>“Weihai Port Development Company”</b>	Shandong Weihai Port Development Co., Ltd.* (山東威海港發展有限公司), a company established in the PRC with limited liability in December 2001 and a connected subsidiary of the Company
<b>“Weihai Port Development Equity Transfer Agreements”</b>	four equity transfer agreements dated 25 August 2023 entered by Qingdao Port Logistics and Weihai Port Development Company, pursuant to which, Qingdao Port Logistics agreed to acquire 90% equity interests in Gangfeng Vessel Agency, 55% equity interests in Weihai Foreign Agency, 34% equity interests in Weihai Hailian and 51% equity interests in Weihai Logistics Park Company held by Weihai Port Development Company, respectively, by cash

**“Working Days”** working days in the PRC

**“%”** percent

*In addition, the terms “connected transaction(s)”, “controlling shareholder(s)”, “subsidiary(ies)” and “connected subsidiary(ies)” shall have the meanings ascribed to them under the Hong Kong Listing Rules.*

*\* The Chinese name(s) of the PRC entities have been translated into English in this announcement for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translations, the Chinese version shall prevail.*

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.*

## **APPENDIX I THE ASSUMPTIONS ADOPTED IN THE PROFIT FORECAST**

The assumptions set out in the valuation report on Gangfeng Vessel Agency are set out below:

### **A. Basic Assumptions**

#### 1. Transaction Assumption

The transaction assumption assumes that all assets to be appraised are in the process of transaction, and the valuation is made in a simulated market based on the trading conditions of the assets to be appraised.

#### 2. Open Market Assumption

The open market assumption is to assume that assets can be traded freely in a fully competitive market, and that their prices depend on the judgment of independent buyers and sellers about the value of the assets under certain market supply conditions. An open market is a fully competitive market with many buyers and sellers. In such a market, the buyers and the sellers are on an equal footing, and each has the opportunity and time to obtain sufficient market information. The trading behavior of both buyers and sellers is carried out voluntarily and rationally, rather than under mandatory or unrestricted conditions.

#### 3. Going Concern Assumption

Going concern assumption refers to the continuity of the business activities of a business entity and will not be suspended or terminated in the foreseeable future.

#### 4. Continuous Use of Assets Assumption

Continuous use of assets assumption means that the appraisal method, parameter and basis shall be determined correspondingly according to the continuous use of the appraised assets according to their current purpose, method of use, scale, frequency and environment.


### **B. Specific Assumptions**

1. It is assumed that there are no material changes in the relevant laws, regulations and policies currently in force in the country, the macroeconomic situation of the country, and no material changes in the political, economic and social environment of the region in which the parties to this transaction are located.

2. It is assumed that the operators of the company are responsible and the management of the company is capable of performing its duties.
3. It is assumed that the company fully complies with all relevant laws and regulations unless otherwise stated.
4. It is assumed that the accounting policies to be adopted by the company in the future will be substantially the same in material respects as those adopted in the preparation of this report.
5. It is assumed that the scope and manner of operation of the company will be consistent with the current direction based on the current management style and standard of management.
6. It is assumed that there will be no significant changes in the interest rates, exchange rates, tax bases and rates, and policy levies.
7. It is assumed that there will be no other force majeure or unforeseen factors that will have a material adverse effect on the enterprise.
8. It is assumed that there will be no significant changes in the management team, core business personnel and key technical personnel of the appraised entity in the future that may affect the normal operation of the appraised entity.
9. It is assumed that the products or services of the appraised entity will remain competitive in the market after the valuation benchmark date.
10. It is assumed that the cash flows from income and expenses of the unit under appraisal are evenly generated.
11. It is assumed that the present value of the obligations of the assessed entity's employees in respect of critical illness benefits and holiday benefits for future years has been reflected in the long-term payable staff remuneration account as at the valuation date, and that the assessed entity has no plans to increase such benefits in future years.
12. It is assumed that the assessed entity's current rental housing can be acquired on a sustainable basis and that the rent will remain unchanged at the level agreed in the contract.
13. It is assumed that the cost and expense components of the unit under appraisal for the forecast year will be the same as the level as at the balance sheet date, and that no significant changes will occur.



**APPENDIX II INDEPENDENT ACCOUNTANT’S REPORT ON  
THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS**

	信永中和会计师事务所	北京市东城区朝阳门北大街 8号富华大厦A座9层	联系电话: +86(010)6554 2288 telephone: +86(010)6554 2288
	ShineWing certified public accountants	9/F, Block A, Fu Hua Mansion, No.8, Chaoyangmen Beidajie, Dongcheng District, Beijing, 100027, P.R.China	传真: +86(010)6554 7190 facsimile: +86(010)6554 7190

**THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED  
CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF WEIHAI  
GANGFENG VESSEL AGENCY CO., LTD.**

**XYZH/2023JNAA6F0080**

**TO THE BOARD OF DIRECTORS OF QINGDAO PORT INTERNATIONAL CO., LTD.**

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows in the business valuation report (the “**Valuation**”) dated 20 June 2023 prepared by China Tong Cheng Assets Appraisal Co., Ltd. in respect of the appraisal of the fair value of the 100% equity interests in the Weihai Gangfeng Vessel Agency Co., Ltd. (the “**Target Company**”) as at 31 December 2022. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the “**Company**”) dated 25 August 2023 (the “**Announcement**”) in connection with the acquisition by Qingdao Port International Logistics Co., Ltd., the wholly-owned subsidiary of the Company, of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

**I. Directors’ Responsibility for the Discounted Future Estimated Cash Flows**

The directors of the Company should be responsible for the preparation of the discounted future estimated cash flows in the Announcement, including the bases and assumptions of the discounted future estimated cash flows as set out in “Appendix I – The Assumptions Adopted in the Profit Forecast”. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the discounted future estimated cash flows and application of an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**II. Accountant’s Responsibilities**

It is our responsibility, pursuant to Rule 14.62(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

This assurance engagement involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the bases and assumptions set out in “Appendix I – The Assumptions Adopted in the Profit Forecast” of the Announcement. The selection of procedures depends on the reporting accountant’s judgement and our risk assessment of the project. Within the scope of our work, among other things, we have reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted future estimated cash flows do not involve the adoption of any accounting policies. The discounted future estimated cash flows have been prepared on a set of bases and assumptions that include hypothetical assumptions about future events and management’s actions that cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the discounted future estimated cash flows since other anticipated events frequently do not occur as expected and the variation may be material. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work, does not constitute any valuation of the Target Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **III. Opinion**

In our opinion, based on the foregoing, so far as the calculations/assumptions are concerned, the discounted future estimated cash flows have been properly compiled in all material respects, in accordance with the bases and assumptions adopted by the directors of the Company as set out in “Appendix I – The Assumptions Adopted in the Profit Forecast” of the Announcement.

### **IV. Purpose and Restriction on Use**

This report is intended solely for the Company’s wholly-owned subsidiary, Qingdao Port International Logistics Co., Ltd., to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.61 of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants  
(Special general partnership)

Chinese Certified Public Accountant:

Chinese Certified Public Accountant:

Beijing, China

August 25, 2023

## APPENDIX III LETTER FROM THE BOARD



### 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)**

Dear Sir or Madam,

#### **Transaction Contemplated under the Equity Transfer Agreements**

We refer to the valuation report (the “**Valuation Report**”) prepared by China Tong Cheng Assets Appraisal Co., Ltd. (中通誠資產評估有限公司) (the “**Independent Valuer**”), in relation to the valuation of 100% equity interests in Weihai Gangfeng Vessel Agency Co., Ltd. (the “**Gangfeng Vessel Agency**”) as of the valuation benchmark date (i.e., 31 December 2022), which was determined based on the income approach and by taking into account the cash flow projection of the relevant businesses, and therefore is regarded as a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Terms in this letter shall have the same meanings as those defined in the announcement of the Company dated 25 August 2023 in respect of the connected transactions in relation to the Equity Acquisitions unless the context otherwise requires.

We have reviewed the bases and assumptions based upon which the valuation of the equity interests of Gangfeng Vessel Agency has been prepared by the Independent Valuer and of which the Independent Valuer is responsible. We have also considered the reports from the accountant, ShineWing Certified Public Accountants (Special general partnership) (信永中和會計師事務所(特殊普通合夥)), regarding whether the discounted future estimated cash flows of the valuation of Gangfeng Vessel Agency, so far as the calculations are concerned, have been properly complied, in all material respects and in accordance with the respective bases and assumptions to the valuation.

On the basis of the foregoing, we are of the opinion that the valuation prepared by the Independent Valuer has been made after due and careful enquiry.

By order of the Board

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

**SU Jianguang**

*Chairman*