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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

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE POTENTIAL ACQUISITION AND THE PROPOSED AUTHORISATION

THE POTENTIAL ACQUISITION

Mighty Star Investment, COSCO Shipping Port Investment and IMC Investment have jointly listed the Target Equity Interests on CBEX and proposed to transfer, by way of public tender, an aggregate of 70% equity interests in the Target Company held by them. The Company proposes to participate in the bidding and expects that, if successful, will enter into the Property Rights Transaction Contract with the Transferors for the acquisition of the Target Equity Interests. Upon completion of the Potential Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and will be included in the consolidated financial statements of the Group. The Company will publish further announcement(s) in accordance with the Hong Kong Listing Rules when the Property Rights Transaction Contract in relation to the Potential Acquisition is signed.

The Board proposes to seek the Proposed Authorisation from the Shareholders in advance to proceed with the Potential Acquisition.

HONG KONG LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the Potential Acquisition exceeds 5% but is less than 25%, the Potential Acquisition will constitute a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules, which is subject to the reporting and announcement requirements.

As at the date of the announcement, COSCO Shipping Port Investment is an associate of Shanghai China Shipping Terminal Development Co., Ltd.* (上海中海碼頭發展有限公司) (a substantial shareholder of the Company holding 15.64% equity interests in the Company) and is therefore a connected person of the Company. Thus, the acquisition of 25% equity interests in the Target Company from COSCO Shipping Port Investment under the Potential Acquisition will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of such Potential Connected Transaction exceeds 5%, it is subject to the reporting, announcement and Independent Shareholders' approval requirements.

Pursuant to Rule 13.44 of the Hong Kong Listing Rules, Ms. WU Yu, the connected Director, has abstained from voting on the Board resolution in relation to the Potential Acquisition. Save as disclosed above, none of the Directors attending the Board meeting has a material interest in or is required to abstain from voting on the relevant Board resolution.

EGM

The EGM will be convened by the Company to consider and approve, if appropriate, the Potential Acquisition. The resolution proposed at the EGM will be voted by poll.

An Independent Board Committee comprising the independent non-executive Directors has been formed and will advise the Independent Shareholders in respect of the Potential Connected Transaction. Somerley has been appointed as the Independent Financial Adviser to the Company to advise the Independent Board Committee and the Independent Shareholders on the Potential Connected Transaction.

As at the date of the announcement, COSCO SHIPPING Group and its associates (holding a total of 1,207,520,000 A Shares and 206,363,000 H Shares, representing approximately 21.78% of the total issued share capital of the Company) are required to abstain from voting on the resolution in relation to the Potential Acquisition to be proposed at the EGM.

To the best of the Directors' information, knowledge and belief, after having made all reasonable enquiries, save for the aforesaid, no Shareholder is required to abstain from voting on the resolution in relation to the Potential Acquisition at the EGM.

A circular including, among other things, (i) further details in relation to the Potential Acquisition; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations on the Potential Connected Transaction; (iii) a letter from Somerley to the Independent Board Committee and the Independent Shareholders containing its recommendations on the Potential Connected Transaction; and (iv) a notice of the EGM is expected to be published by the Company. As more time is needed for the preparation of certain information to be included in the circular, the circular may be published later than 15 business days after the publication of this announcement as required under the Hong Kong Listing Rules.

As the completion of the Potential Acquisition is subject to the satisfaction of the relevant conditions precedent, and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

I. Overview

Mighty Star Investment, COSCO Shipping Port Investment and IMC Investment have jointly listed the Target Equity Interests on CBEX and proposed to transfer, by way of public tender, an aggregate of 70% equity interests in the Target Company held by them. The Company proposes to participate in the bidding and expects that, if successful, will enter into the Property Rights Transaction Contract with the Transferors for the acquisition of the Target Equity Interests. Upon completion of the Potential Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and will be included in the consolidated financial statements of the Group. The Company will publish further announcement(s) in accordance with the Hong Kong Listing Rules when the Property Rights Transaction Contract in relation to the Potential Acquisition is signed.

The Board proposes to seek the Proposed Authorisation from the Shareholders in advance to proceed with the Potential Acquisition.

II. Principal Terms of the Public Tender

Transfer Target and Reserve Price

The transfer target is 70% equity interests in the Target Company, of which 25% equity interests in the Target Company will be transferred by Mighty Star Investment, 25% equity interests in the Target Company will be transferred by COSCO Shipping Port Investment and 20% equity interests in the Target Company will be transferred by IMC Investment. The reserve price for the transfer of the Target Equity Interests is RMB1,917.69116 million, which shall be paid in a lump sum.

Date of Public Tender

The public listing announcement period on CBEX will be from 14 October 2026 to 11 November 2026. If no intended transferee is solicited upon the expiry of the public listing announcement period on CBEX, the period will be extended in cycles of 5 Working Days without any change to the information disclosure contents until an intended transferee is solicited (the public listing announcement period on CBEX shall not exceed 12 months from the date of the first disclosure).

Bidding Deposit

Within 5 Working Days after CBEX's qualification confirmation of the Company as the transferee (subject to the time of receipt), the Company shall pay a transaction bidding deposit of RMB575.30 million to the account designated by CBEX. The transaction bidding deposit paid by the transferee may be converted into part of the transaction price as agreed in the Property Rights Transaction Contract, and other intended transferees who fail to win the bid may submit the applications to CBEX for the refund of the transaction bidding deposit from the date on which the transferee is determined. CBEX will, within 3 Working Days after receiving the applications from other intended transferees for the refund of the transaction bidding deposit, refund the transaction bidding deposit paid by them in a lump sum in full without interest.

Bidding Procedures

If, upon the expiry of the public listing announcement period on CBEX, only one qualified intended transferee, being an existing shareholder[1] who has not waived its pre-emptive right, is solicited, the public tender will be transacted at a price not lower than the transfer reserve price.

If, upon the expiry of the public listing announcement period on CBEX, apart from the existing shareholder who has not waived the pre-emptive right, only one qualified intended transferee is solicited, such intended transferee shall make an offer, after which the process will proceed to the consultation with the existing shareholder. If the existing shareholder waives the exercise of the pre-emptive right, such intended transferee shall become the transferee; if the existing shareholder exercises the pre-emptive right, the existing shareholder shall become the transferee.

If, upon the expiry of the public listing announcement period on CBEX, apart from the existing shareholder who has not waived the pre-emptive right, two or more qualified intended transferees are solicited, the bidder with the highest offer shall be determined by way of online bidding, after which the process will proceed to the consultation with the existing shareholder. If the existing shareholder waives the exercise of the pre-emptive right, the bidder with the highest offer shall become the transferee; if the existing shareholder exercises the pre-emptive right, the existing shareholder shall become the transferee.

Other Terms

The transferee shall, within 5 Working Days after being determined as the transferee, enter into the property rights transaction contract with the Transferors, and shall, within 5 Working Days from the effective date of the property rights transaction contract, pay the transaction price and the transaction service fee in a lump sum to the account designated by CBEX, respectively.

The Target Company shall, within 30 Working Days from the date of the Equity Transfer passing the review of concentration of undertakings by the State Administration for Market Regulation (if applicable) and obtaining the property rights transaction certificate issued by CBEX, conduct the change registration procedures with the company registration authority in respect of the Equity Transfer, and the Company (if determined as the transferee) will provide

[1] The Company, as an existing shareholder of the Target Company, has not waived its pre-emptive right in the Potential Acquisition.

the assistance and cooperation. If the change registration cannot be proceeded with or is hindered due to reasons attributable to the transferee, the transferee shall be deemed to have committed a fundamental breach of contract, and the Transferors shall have the right to unilaterally terminate the property rights transaction contract, and the transferee shall pay liquidated damages equivalent to 15% of the transaction price to the Transferors at the same time.

The creditors' rights and debts of the Target Company existing prior to the completion of the Equity Transfer shall continue to be enjoyed and assumed by the Target Company after the completion of the Equity Transfer; upon the completion of the Equity Transfer, all shareholders' rights enjoyed and all shareholders' obligations to be assumed by the Transferors in respect of the Target Equity Interests under the articles of association of the Target Company and the applicable laws shall be succeeded by the transferee.

III. Proposed Transaction Price for Bidding

According to the Asset Valuation Report issued by China United Appraisal on 18 July 2026 as engaged by the Company, with 31 October 2025 as the Valuation Benchmark Date, the appraised value of the entire shareholders' equity of the Target Company using the asset-based approach was RMB2,739.9211 million, with an appraisal appreciation of RMB832.1067 million, representing an appreciation rate of 43.62%, which was mainly attributable to the appreciation of land use rights; and the appraised value using the market approach was RMB2,747.2527 million, with an appraisal appreciation of RMB839.4383 million, representing an appreciation rate of 44.00%.

The Target Company is a heavy-asset enterprise engaged in terminal operation and management. The asset-based approach is able to reflect the value of its various assets, and the valuation conclusion can fully reflect the value of the entire shareholders' equity. Therefore, the valuation result of the asset-based approach was adopted as the final valuation conclusion. The necessary filing procedures with the state-owned assets supervision and administration authorities in respect of the above asset valuation results have been duly completed. The Summary of Asset Valuation Report is set forth in Appendix I to the announcement.

The reserve price for the transfer of the Target Equity Interests is no higher than 70% of the above asset valuation results filed with the state-owned assets supervision and administration

authorities, and the Company intends to bid for the Target Equity Interests at such transfer reserve price. In addition, the Company (if determined as the transferee) will, in accordance with the trading rules of CBEX and the relevant legal provisions, bear the taxes, the property rights transaction service fees payable and other fees by the transferee in the Equity Transfer, and the final total amount actually paid for the Potential Acquisition shall be subject to the transaction price of the Equity Transfer plus the abovementioned relevant taxes and transaction fees. The source of funds for the Potential Acquisition is the Company's self-owned funds.

IV. Information of the Transferors and the Target Company

The Company

The Company is a primary operator of the port of Qingdao. The Group and its joint ventures mainly provide handling and ancillary services of containers, iron ore, coal, crude oil and other cargoes, logistics and port value-added services, port ancillary services and other services. As at the date of the announcement, the de facto controller of the Company is Shandong SASAC.

Mighty Star Investment

Mighty Star Investment is a company established in Hong Kong with limited liability in March 2013 and is principally engaged in investment holding business. As at the date of the announcement, the de facto controller of Mighty Star Investment is SASAC.

COSCO Shipping Port Investment

COSCO Shipping Port Investment is a company established in the PRC with limited liability in January 1999 and is principally engaged in port infrastructure investment and related ancillary businesses. As at the date of the announcement, the de facto controller of COSCO Shipping Port Investment is SASAC.

IMC Investment

IMC Investment is a company established in Singapore with limited liability in December 2011 and is principally engaged in shipping logistics business. As at the date of the announcement, the de facto controller of IMC Investment is Tsao Pao Chee Group Limited.

The Target Company

The Target Company is a company established in the PRC with limited liability in January 2014 by the Company, Mighty Star Investment, COSCO Shipping Port Investment and IMC Investment, with a registered capital of RMB2 billion. It is principally engaged in businesses such as handling, bonded services, blending and screening of dry bulk commodities including iron ore, bauxite and coal. As at the date of the announcement, the Target Company is jointly controlled by its shareholders.

On 31 August 2026, the audited total assets of the Target Company were RMB7,657.75 million and the audited net assets were RMB1,886.66 million. The audited financial information of the Target Company for the two financial years ended 31 December 2025 is set out below:

	For the year ended 31 December 2024 *(RMB)*	**For the year ended 31 December 2025** *(RMB)*
Net profit before taxation	28,693,761	-97,183,460
Net profit after taxation	21,461,432	-110,488,934

Note: The Target Company's loss for the year 2025 was primarily attributable to asset write-off losses resulting from the renovation and upgrading of certain storage yards.

If the Potential Acquisition is completed, the following table sets out the shareholding structure of the Target Company before and after completion:

Name of shareholder	**Paid-in registered capital before completion** *(RMB million)*	**Shareholding before completion**	**Shareholding after completion**
The Company	600	30%	100%
Mighty Star Investment	500	25%	0
COSCO Shipping Port Investment	500	25%	0
IMC Investment	400	20%	0

V. REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION

The Target Company owns 4 large ore berths with a throughput capacity over 100 million tonnes and is equipped with a specialised storage yard of approximately 2.40 million square meters and other core strategic resources. It is a major operating entity for the dry bulk commodities business in the Dongjiakou port area of Qingdao Port. Currently, certain berths on the north shore of the Qianwan port area of Qingdao Port are undergoing transformation, upgrading and renovation, and the Dongjiakou port area will take over the dry bulk commodities business of the Qianwan port area gradually. As the ancillary facilities are gradually improved, the operating performance of the Target Company is expected to improve progressively.

The Potential Acquisition is conducive to strengthening the Company's control and operation and management right over the dry bulk commodities business of Qingdao Port, enhancing the efficiency of operation and decision-making of the Target Company, improving the comprehensive service capability and market competitiveness of the dry bulk commodities business, and consolidating the position of Qingdao Port as a comprehensive port operator. Upon completion of the Potential Acquisition, the Company will hold 100% equity interests in the Target Company, and the Target Company will be included in the consolidated financial statements of the Group. The Potential Acquisition will not have any material adverse impact on the financial position of the Company.

VI. HONG KONG LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the Potential Acquisition exceeds 5% but is less than 25%, the Potential Acquisition will constitute a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules, which is subject to the reporting and announcement requirements.

As at the date of the announcement, COSCO Shipping Port Investment is an associate of Shanghai China Shipping Terminal Development Co., Ltd.* (上海中海碼頭發展有限公司) (a substantial shareholder of the Company holding 15.64% equity interests in the Company) and is therefore a connected person of the Company. Thus, the acquisition of 25% equity interests in the Target Company from COSCO Shipping Port Investment under the Potential Acquisition will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of such Potential Connected Transaction exceeds 5%, it is subject to the reporting, announcement and Independent Shareholders' approval requirements.

Pursuant to Rule 13.44 of the Hong Kong Listing Rules, Ms. WU Yu, the connected Director, has abstained from voting on the Board resolution in relation to the Potential Acquisition. Save as disclosed above, none of the Directors attending the Board meeting has a material interest in or is required to abstain from voting on the relevant Board resolution.

VII. EGM

The EGM will be convened by the Company to consider and approve, if appropriate, the Potential Acquisition. The resolution proposed at the EGM will be voted by poll.

An Independent Board Committee comprising the independent non-executive Directors has been formed and will advise the Independent Shareholders in respect of the Potential Connected Transaction. Somerley has been appointed as the Independent Financial Adviser to the Company to advise the Independent Board Committee and the Independent Shareholders on the Potential Connected Transaction.

As at the date of the announcement, COSCO SHIPPING Group and its associates (holding a total of 1,207,520,000 A Shares and 206,363,000 H Shares, representing approximately 21.78% of the total issued share capital of the Company) are required to abstain from voting on the resolution in relation to the Potential Acquisition to be proposed at the EGM.

To the best of the Directors' information, knowledge and belief, after having made all reasonable enquiries, save for the aforesaid, no Shareholder is required to abstain from voting on the resolution in relation to the Potential Acquisition at the EGM.

A circular including, among other things, (i) further details in relation to the Potential Acquisition; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations on the Potential Connected Transaction; (iii) a letter from Somerley to the Independent Board Committee and the Independent Shareholders containing its recommendations on the Potential Connected Transaction; and (iv) a notice of the EGM is expected to be published by the Company. As more time is needed for the preparation of certain information to be included in the circular, the circular may be published later than 15 business days after the publication of this announcement as required under the Hong Kong Listing Rules.

As the completion of the Potential Acquisition is subject to the satisfaction of the relevant conditions precedent, and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meanings set forth below:

"A Share(s)"	share(s) with a nominal value of RMB1.00 each issued by the Company which are listed on the main board of the SSE (stock code: 601298) and traded in RMB
"Asset Valuation Report"	the Asset Valuation Report on the Project of Entire Value of Shareholders' Equity of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. Involved in the Proposed Acquisition of Equity Interests of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. Held by IMC QINGDAO PORT INVESTMENT PTE. LTD. by Qingdao Port International Co., Ltd. (Zhong Lian Ping Bao Zi 【2026】 No. 2600) issued by China United Appraisal with 31 October 2025 as the Valuation Benchmark Date
"Board"	the board of directors of the Company
"CBEX"	China Beijing Equity Exchange Co., Ltd.* (北京產權交易所有限公司)
"China United Appraisal"	China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司)
"Company"	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 on 15 November 2013

"COSCO SHIPPING Group"	China COSCO Shipping Corporation Limited* (中國遠洋海運集團有限公司), a company established on 5 February 2016 in the PRC with limited liability and a substantial shareholder of the Company, which indirectly held approximately 21.78% equity interests of the Company as at the date of the announcement
"COSCO Shipping Port Investment"	Shanghai COSCO Shipping Port Investment Co., Ltd.* (上海中遠海運港口投資有限公司)
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting to be convened by the Company to consider and approve the Potential Acquisition
"Equity Transfer"	the transfer by the Transferors of the Target Equity Interests held by them in aggregate to the transferee determined through public tender bidding in accordance with the trading rules of CBEX and the relevant laws and regulations
"Group"	the Company and its branches and subsidiaries
"H Share(s)"	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange (stock code: 06198) and are traded in HKD
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IMC Investment"	IMC Qingdao Port Investment Pte. Ltd. (萬邦青島港口投資有限公司)
"Independent Board Committee"	the independent board committee of the Board comprising Mr. CHAU Kwok Keung, Ms. LI Xiaohui and Mr. JIANG Xinglu, all of whom are independent non-executive Directors to advise and provide recommendations to the Independent Shareholders in respect of the Potential Connected Transaction
"Independent Shareholders"	Shareholders other than (i) COSCO SHIPPING Group and its associates and (ii) the one who is interested in or involved in the Potential Connected Transaction (if any)
"Mighty Star Investment"	Mighty Star Investment Limited (貫星投資有限公司)
"Potential Acquisition"	the proposed purchase of the Target Equity Interests by the Company through participation in the public tender bidding
"Potential Connected Transaction"	the Company proposes to purchase 25% equity interests in the Target Company held by COSCO Shipping Port Investment through participation in the public tender bidding

"PRC"	the People's Republic of China and for the purpose of the announcement excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Property Rights Transaction Contract"	the property rights transaction contract to be entered into among the Company and Mighty Star Investment, COSCO Shipping Port Investment and IMC Investment for the acquisition of an aggregate of 70% equity interests in the Target Company held by them if the Company participates and succeeds in the public tender
"Proposed Authorisation"	the proposed authorisation to the Board to proceed with the Potential Acquisition
"RMB"	Renminbi, the lawful currency of the PRC
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會)
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shandong SASAC"	the 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)
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	shareholder(s) of the Company
"Somerley" or **"Independent Financial Adviser"**	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6

	(advising on corporate finance) regulated activities pursuant to the SFO, to advise as an independent financial adviser to the Independent Board Committee and the Independent Shareholders on matters relating to the Potential Connected Transaction
"SSE"	the Shanghai Stock Exchange
"Target Company"	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.* (青島港董家口礦石碼頭有限公司)
"Target Equity Interests"	70% equity interests in the Target Company, comprising 25% equity interests in the Target Company held by Mighty Star Investment, 25% equity interests in the Target Company held by COSCO Shipping Port Investment and 20% equity interests in the Target Company held by IMC Investment
"Transferors"	Mighty Star Investment, COSCO Shipping Port Investment and IMC Investment
"Valuation Benchmark Date"	the valuation benchmark date of the Target Company, i.e. 31 October 2025
"Working Day(s)"	working days in the PRC
"%"	per cent

In addition, the terms "associate(s)", "connected person(s)", "connected transaction(s)", "subsidiary(ies)" and "substantial shareholder(s)" 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, 10 November 2026

As at the date of this announcement, the executive Directors are Mr. SU Jianguang and Mr. ZHANG Baohua; the non-executive Directors are Mr. BI Tao, Ms. WU Yu, Mr. CUI Liang and Ms. WANG Fuling; and the independent non-executive Directors are Mr. CHAU Kwok Keung, Ms. LI Xiaohui and Mr. JIANG Xinglu.

SUMMARY OF ASSET VALUATION REPORT ON THE PROJECT OF ENTIRE VALUE OF SHAREHOLDERS' EQUITY OF QINGDAO PORT DONGJIAKOU ORE TERMINAL CO., LTD. INVOLVED IN THE PROPOSED ACQUISITION OF EQUITY INTERESTS OF QINGDAO PORT DONGJIAKOU ORE TERMINAL CO., LTD. HELD BY IMC QINGDAO PORT INVESTMENT PTE. LTD. BY QINGDAO PORT INTERNATIOAL CO., LTD.

China United Assets Appraisal Group Co., Ltd. was commissioned by Qingdao Port International Co., Ltd. to appraise the market value as at the valuation benchmark date of the entire value of shareholders' equity of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. involved in its economic behavior of proposed acquisition of equity of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. held by IMC Qingdao Port Investment Pte. Ltd. The asset valuation is hereby reported as follows.

I. VALUATION TARGET AND SCOPE OF VALUATION

The valuation target was the entire value of shareholders' equity of Qingdao Port Dongjiakou Ore Terminal Co., Ltd.

The scope of valuation covered all assets and relevant liabilities of Qingdao Port Dongjiakou Ore Terminal Co., Ltd., including current assets, non-current assets and the corresponding liabilities.

II. VALUATION BENCHMARK DATE

31 October 2025

III. VALUATION METHOD

This valuation was conducted using both the asset-based approach and the market approach, with the valuation result of the asset-based approach adopted as the final conclusion.

The asset-based approach reflects the enterprise's value from the perspective of its purchase and construction and provides a basis for the enterprise's operation and management. Therefore, the asset-based approach was chosen for this valuation.

The income approach refers to the valuation method of determining the value of the valuation target by capitalizing or discounting the expected return. The basic premise of the

income approach is that future earnings can be reasonably predicted and measured in monetary terms, and the risks of future earnings can be reasonably quantified. Considering that one 300,000-ton iron ore berth (with its hydraulic structure designed to accommodate 400,000-ton bulk carriers) and corresponding auxiliary facilities of the valuated entity had just been completed and put into operation in 2025, accounting for approximately 30% of the company's total capacity, the exploration of new customers and the enhancement of operational capabilities remained to be further observed. Furthermore, as new external railways were still under planning and additional sea-rail intermodal transport still required continuous improvement in external supporting infrastructure, there were significant uncertainties regarding future incremental cargo volumes, freight rate levels, and unit operational revenues, making it difficult to reliably measure their subsequent impact on Qingdao Port Dongjiakou Ore Terminal Co., Ltd., and to accurately forecast the enterprise's future earnings. At the same time, the port stevedoring business would be affected by multiple external variables such as macroeconomic bulk commodity trade cycles, regional port competition policies, and the implementation timeliness of supporting collection and distribution facilities, making it difficult to reliably quantify the fluctuation ranges of cargo volumes, tariff rates, and costs in future years. Therefore, the income approach was not adopted for this valuation.

The valuation firm inquired about the transaction cases of port terminals in the capital market in recent years. There exist equity transaction cases in the market that were similar to the valuated entity in terms of business scope, business structure, and enterprise scale, demonstrating strong comparability. Therefore, the market approach was adopted for this valuation.

IV. DESCRIPTION OF THE ASSET-BASED VALUATION APPROACH

(I) Current Assets

The current assets included in the valuation include cash at bank and on hand, accounts receivable, advances to suppliers, other receivables, inventories, and other current assets.

For highly liquid assets such as cash at bank and on hand, the appraised value of RMB accounts was determined based on the verified book value; for creditor's rights assets such as receivables and prepayments, the appraised value was determined based on the verified book value and the likelihood of actual recovery; for inventories, based on the verification of the actual inventory quantity as at the valuation benchmark date, the appraised value was obtained by multiplying the actual inventory quantity by the actual cost or realizable price. The specific valuation methods were as follows:

1. Cash at Bank and on Hand

The book value of cash at bank and on hand was RMB199,993,939.31, including bank deposits of RMB199,922,043.31 and other cash at bank and on hand of RMB71,896.00.

(1) Bank Deposits

The book value of bank deposits was RMB199,922,043.31, representing deposits placed with banks including Shandong Port Group Finance Co., Ltd., Jiaonan Branch of Bank of Qingdao, and Qingdao Shibei Third Branch of Bank of Communications Co., Ltd.

For bank deposits, the accountants undertaking this audit performed confirmation procedures on the bank deposit accounts during their on-site fieldwork, and the confirmed amounts were consistent with the book values. Meanwhile, the asset valuers obtained the enterprise's bank statements as at the benchmark date and checked them against the audited results by the accountants undertaking this audit. The amounts were verified to be accurate upon review.

For RMB bank deposits, the appraised value was determined based on the verified book value.

The appraised value of bank deposits was RMB199,922,043.31.

(2) Other Cash at Bank and on Hand

The book value of other cash at bank and on hand was RMB71,896.00, representing third-party payment platform deposits and interests. The asset valuers verified the accounting records, reviewed relevant agreements, payment vouchers, and other materials, obtained the interest calculation sheets for other cash at bank and on hand accounts, checked whether there were any unrecorded other cash at bank and on hand, and verified the authenticity of the reconciling items in the bank reconciliation statements as well as the receipts after the valuation benchmark date. For RMB accounts, the appraised value was determined based on the verified book value.

The appraised value of other cash at bank and on hand was RMB71,896.00.

In summary, the appraised value of cash at bank and on hand was RMB199,993,939.31.

2. Notes Receivable

The book value of notes receivable was RMB1,113,307.08, representing notes receivable from Shandong Port Group Finance Co., Ltd. During the verification, the asset valuers checked whether the balances of the subsidiary ledgers matched those of the general ledgers and financial statements, and whether they were consistent with the detailed valuation schedules. The asset valuers reviewed and verified the consistency of the face value, time of occurrence, business contents, and coupon rate of the notes with the accounting records to confirm the authenticity and completeness of the notes receivable. The verification results showed that the

amounts in the ledgers, statements, and bills were consistent; the records of the notes receivable were authentic, the amounts were accurate, and there was no unrecorded interest. The appraised value was determined based on the verified book value.

The appraised value of notes receivable was RMB1,113,307.08.

3. Accounts Receivable

The book balance of accounts receivable was RMB212,640,992.73, with a provision for impairment of RMB5,560,776.01, resulting in a net book value of RMB207,080,216.72, which represented port lump-sum fees, usage fees of iron ore storage yard, supplementary screening fee differences/port charges, etc. The accountants undertaking this audit performed confirmation procedures on the accounts receivable customers during their on-site fieldwork, and the confirmed amounts were consistent with the book amounts. Meanwhile, the asset valuers verified the accounting records, sample-checked source documents and other relevant materials, and verified the authenticity, aging, business contents, and amounts of transactions. The verification results showed that the amounts in the ledgers, statements, and bills were consistent. Based on the error-free verification of the receivables, the asset valuers, utilizing historical data and current investigations, specifically analyzed the amounts, the duration and reasons for arrears, the status of fund recovery, as well as the current status of debtors in terms of funds, credit, and operation and management. Based on the specific circumstances of the entity, the individual identification method and aging analysis method were adopted to estimate the valuation risk loss.

For current accounts with related parties where there were sufficient reasons to believe they could be fully recovered, the probability of valuation risk loss was 0%.

For those with conclusive evidence indicating that the amounts were unrecoverable or the aging was excessively long, the valuation risk loss was 100%.

For external entities where partial amounts might not be recovered and it was difficult to determine the unrecoverable amount, referring to the accounting method for calculating bad debt provision, the valuation risk loss was estimated based on the aging and historical recovery analysis. The valuation risk loss was comprehensively determined based on the asset valuers' analysis and understanding of the debtor entities, aging analysis, and professional judgment as follows:

0.65% for an aging of 1-3 months, 1% for 4-6 months, 3% for 7-12 months, 10% for 1-2 years (inclusive of 2 years), 30% for 2-3 years (inclusive of 3 years), 50% for 3-4 years (inclusive of 4 years), 80% for 4-5 years (inclusive of 5 years), and 100% for over 5 years.

No.	Aging of receivables	Book balance of receivables (RMB)	Valuation risk loss		Amount of valuation risk loss (RMB)
			Enterprise (audit) provision standard	Valuation risk loss rate	
1	1-3 months	205,493,455.73	0.65%	0.65%	1,335,707.46
2	4-6 months	45,258.00	1.00%	1.00%	452.58
3	7-12 months	2,451,199.00	3.00%	3.00%	73,535.97
4	1~2 years		10.00%	10.00%	
5	2~3 years		30.00%	30.00%	
6	3~4 years		50.00%	50.00%	
7	4~5 years	2,500,000.00	80.00%	80.00%	2,000,000.00
8	Over 5 years	2,151,080.00	100.00%	100.00%	2,151,080.00
Total (aging identified)		212,640,992.73			5,560,776.01
9	Identified individually	-			-
10	Related parties	-			-
Total		**212,640,992.73**			**5,560,776.01**

Based on the above standards, the valuation risk loss of accounts receivable was determined to be RMB5,560,776.01, and the appraised value was determined based on the total accounts receivable less the valuation risk loss. The bad debt provision was appraised at zero in accordance with relevant valuation regulations.

The appraised value of accounts receivable was RMB207,080,216.72.

4. Advances to Suppliers

The book value of advances to suppliers was RMB1,271,742.45, with no impairment provision made, representing inspection fees, output tax to be amortized, rental fees, etc.

For advances to suppliers, the accountants undertaking this audit performed confirmation procedures on the counterparties during their on-site fieldwork, and the confirmed amounts were consistent with the book amounts. Meanwhile, the asset valuers verified the accounting records, examined source documents, relevant contracts, and other materials, and verified the authenticity, aging, business contents, and amounts of transactions. No abnormalities were found. Based on the error-free verification of the advances to suppliers, the asset valuers, utilizing historical data and current investigations, specifically analyzed the amounts, the duration and reasons for arrears, the status of fund recovery, as well as the current status of debtors in terms of funds, credit, and operation and management.

Upon verification, the amounts in the ledgers, statements, and bills for advances to suppliers were consistent. There was no indication that the suppliers were bankrupt, revoked,

or unable to deliver goods on time in accordance with the contracts. Based on the error-free verification of the advances to suppliers, the appraised value was determined based on the verified book value.

The appraised value of advances to suppliers was RMB1,271,742.45.

5. Other Receivables

The book balance of other receivables was RMB36,097,646.89, with a provision for impairment of RMB108,254.34, resulting in a net book value of RMB35,989,392.55, which represented adjustment fees, power supply service fees, employee medical insurance, etc.

For other receivables, the accountants undertaking this audit performed confirmation procedures on the counterparties during their on-site fieldwork, and the confirmed amounts were consistent with the book amounts. Meanwhile, the asset valuers verified the accounting records, sample-checked source documents and other relevant materials, and verified the authenticity, aging, business contents, and amounts of transactions. The verification results showed that the amounts in the ledgers, statements, and bills were consistent. Based on the error-free verification of the other receivables, the asset valuers, utilizing historical data and current investigations, specifically analyzed the amounts, the duration and reasons for arrears, the status of fund recovery, as well as the current status of debtors in terms of funds, credit, and operation and management. Based on the specific circumstances of the entity, the individual identification method and aging analysis method were adopted to estimate the valuation risk loss.

0.65% for an aging of 1-3 months, 1% for 4-6 months, 3% for 7-12 months, 10% for 1-2 years (inclusive of 2 years), 30% for 2-3 years (inclusive of 3 years), 50% for 3-4 years (inclusive of 4 years), 80% for 4-5 years (inclusive of 5 years), and 100% for over 5 years.

No.	Aging of other receivables	Book balance of other receivables (RMB)	Valuation risk loss		Amount of valuation risk loss (RMB)
			Enterprise (audit) provision standard	Valuation risk loss rate	
1	1-3 months	1,836,053.01	0.65%	0.65%	11,934.34
2	4-6 months		1.00%	1.00%	
3	7-12 months		3.00%	3.00%	
4	1-2 years		10.00%	10.00%	
5	2-3 years		30.00%	30.00%	
6	3-4 years		50.00%	50.00%	
7	4-5 years		80.00%	80.00%	
8	Over 5 years	96,320.00	100.00%	100.00%	96,320.00
Total (aging identified)		1,932,373.01			108,254.34
9	Identified individually	34,165,273.88			
10	Related parties				-
Total		**36,097,646.89**			**108,254.34**

Based on the above standards, the valuation risk loss of other receivables was determined to be RMB108,254.34, and the appraised value was determined based on the total other receivable less the valuation risk loss. The bad debt provision was appraised at zero in accordance with relevant valuation regulations.

The appraised value of other receivables was RMB35,989,392.55.

6. Inventories

The book balance of inventories was RMB12,463,003.65, consisting entirely of raw materials, with no impairment provision made. The asset valuers tested the internal control system for inventories; sample-checked large transaction amounts and source documents, purchase and sales contracts of major customers, receipt and dispatch records, and daily production reports to verify the authenticity and completeness of the book value composition and cost accounting methods; understood the accounting system for the receipt, dispatch, and safekeeping of inventories; conducted sample inventory counts; and inspected the inventories for any defects, damage, overstocking, and obsolescence. The asset valuers collected market reference prices for inventories and product sales price data as pricing references, and comprehensively analyzed them in combination with market inquiry data to determine the appraised value. The quantity was based on the actual quantity as of the valuation benchmark date. The specific valuation methods and processes for inventories were as follows:

The book balance of raw materials was RMB12,463,003.65, mainly consisting of outsourced spare parts necessary for the production process. Through on-site investigation, it was understood that the enterprise adopted actual cost accounting for raw materials. The raw materials were in good physical condition, with no overstocking or damage. As the raw materials were general-purpose materials, their market price fluctuations were small and there were no obvious signs of impairment. Based on the above, the book value was analyzed. Given that this valuation was not for liquidation purposes, the asset valuers sample-checked purchase contracts, invoices, and other materials, and compared them with the book value, finding no significant differences. The book value basically reflected the current market value of raw materials. For this portion of raw materials, the appraised value was determined based on the verified book value.

The appraised value of raw materials was RMB12,463,003.65.

7. Other Current Assets

The book value of other current assets was RMB158,547,124.33, representing deductible VAT. During the verification, the asset valuers checked whether the balances of the subsidiary ledgers matched those of the general ledgers and financial statements, and whether they were

consistent with the detailed valuation schedules. The asset valuers reviewed accounting records such as the transaction amounts, time of occurrence, and business contents, and sample-checked original booking vouchers, relevant payment vouchers, and contracts to verify the authenticity and completeness of the accounting contents. They also understood the tax policies, such as tax categories, tax rates, and payment systems applicable to the enterprise as of the valuation benchmark date, as well as its borrowing status. Based on the error-free verification, the appraised value was determined based on the verified book value.

The appraised value of other current assets was RMB158,547,124.33.

(II) Long-term Equity Investments

There was 1 item of long-term equity investments, representing a joint venture. As of the valuation benchmark date, the original book value was RMB1,500,000.00, with no impairment provision made. Details were as follows:

Summary of Long-term Equity Investments

Unit: RMB0'000

No.	Name of investee	Shareholding ratio	Book value	Total assets	Total liabilities	Net assets attributable to shareholders of the parent company	Revenue	Net profit attributable to shareholders of the parent company
		A	B	C	D	E	F	G
1	Qingdao Dongjiakou Ore Inspection Co., Ltd.	50.00%	1,041.88	2,546.41	462.65	2,083.76	1,583.90	484.69
Total			**1,041.88**	**2,546.41**	**462.65**	**2,083.76**	**1,583.90**	**484.69**

For long-term equity investments, the asset valuers first obtained evidence and verified the reasons for the formation, book value, and actual conditions of the long-term investments, and reviewed the investment agreements, resolutions of shareholders' meetings, articles of association, and relevant accounting records to determine the authenticity and completeness of the long-term investments.

Qingdao Dongjiakou Ore Inspection Co., Ltd. is a joint venture. In this valuation, an overall valuation was conducted on the entire shareholders' equity of the investee as at the valuation benchmark date, and then the appraised value was determined by multiplying the appraised value of the entire shareholders' equity of the investee as at the valuation benchmark date by the shareholding ratio of Qingdao Port Dongjiakou Ore Terminal Co., Ltd.:

Appraised value of long-term equity investments = appraised value of the entire shareholders' equity of the investee × shareholding ratio

According to the above method, the book value of the long-term equity investments was RMB10,418,797.87, with no impairment provision made. The appraised value was RMB11,424,993.60, representing an appraisal appreciation of RMB1,006,195.73 and an appreciation rate of 9.66%.

Reasons for the appraisal appreciation: Qingdao Port Dongjiakou Ore Terminal Co., Ltd. accounted for its investment in the investee, Qingdao Dongjiakou Ore Inspection Co., Ltd., using the equity method, and the valuation of the fixed assets of Qingdao Dongjiakou Ore Inspection Co., Ltd. resulted in an appreciation.

The specific valuation results of long-term equity investments were as shown in the following table:

Summary of Valuation Results of Long-term Equity Investments

Unit: RMB

No.	Name of investee	Type of investment	Valuation method adopted	Final pricing valuation method	Appraised value
1	Qingdao Dongjiakou Ore Inspection Co., Ltd.	Subsidiary	Asset-based method	Asset-based method	11,424,993.60

(III) Fixed Assets

1. Technical Description of the Valuation of Buildings and Structures Assets

(1) Scope of Valuation

The buildings and structures included in the scope of this valuation were all the buildings and structures declared by the enterprise, comprising a total of 152 items of buildings and structures, which included 27 items of buildings, 93 items of structures, and 31 items of pipelines and trenches. Their book values were shown in the following table:

Book Values of Buildings and Structures

Unit: RMB

Name of item	Book value			
	Original value	Net value	Impairment provision	Book value
Total for buildings and structures	5,249,298,875.12	4,332,454,477.56		4,332,454,477.56
Fixed assets – Buildings and structures	24,638,825.86	16,169,279.01		16,169,279.01
Fixed assets – Structures and other auxiliary facilities	5,049,871,944.10	4,216,406,028.06		4,216,406,028.06
Fixed assets – Pipelines and trenches	174,788,105.16	99,879,170.49		99,879,170.49

(2) Valuation Methods

1) Selection of Valuation Methods

In accordance with the requirements of the "Asset Valuation Practice Guidelines - Real Estate", when performing real estate valuation business, the applicability of the three basic asset valuation methods, namely the market approach, the income approach, and the cost approach, as well as derivative methods such as the hypothetical development method and the benchmark land price correction method, shall be analyzed based on the valuation purpose, valuation target, type of value, and data collection, in order to select the valuation method.

The prerequisite for adopting the market approach is the existence of identical or similar transaction cases, and the transactions shall be arm's length transactions (according to valuation specifications, at least three comparable cases are required). There were no similar transaction cases for production properties, thus they did not meet the conditions for valuation using the market approach; residential properties had similar transaction cases and could be valuated using the market approach. The valuated assets did not possess the ability to generate profits independently and required other supporting assets and resources to generate benefits. As future operating revenue and costs could not be predicted, it was inappropriate to adopt the income approach for valuation. The various cost components of the valuated assets could be determined, making it appropriate to adopt the cost approach for valuation. Based on the structural characteristics and nature of use of the buildings and structures assets included in the scope of valuation, the asset valuers analyzed the applicability of different valuation methods and eventually determined the reasonable valuation methods for each type of assets, as detailed below:

In this valuation, the cost approach was adopted based on the use, structural characteristics, and nature of use of the buildings and structures.

2) Introduction to Valuation Methods

For the buildings and structures assets self-constructed by the enterprise, the cost approach was adopted for valuation.

The cost approach refers to the method of determining the value of buildings and structures by calculating the investment required to replace similar properties based on the market conditions as at the valuation benchmark date and the structural characteristics of the buildings and structures to be valuated, and multiplying it by the comprehensively evaluated newness rate of the buildings and structures. The calculation formula was as follows:

Appraised value = replacement cost × newness rate

A. Determination of Replacement Cost

According to the "Notice on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax" (Cai Shui [2016] No. 36) issued by the Ministry of Finance and the State Administration of Taxation, with the approval of the State Council, the pilot program of the collection of value-added tax in lieu of business tax (hereinafter referred to as the "VAT Reform") has been comprehensively rolled out nationwide since 1 May 2016. All business tax taxpayers in the construction, real estate, financial, and consumer service industries have been included in the scope of the pilot program and have shifted from paying business tax to paying VAT. Therefore, in this valuation, the appraised value of buildings was the price excluding VAT.

The replacement cost generally consists of three components: construction and installation engineering cost, preliminary project and other expenses, and cost of capital. The calculation formula was as follows:

Replacement cost (tax-exclusive) = construction and installation engineering cost (tax-exclusive) + preliminary and other expenses (tax-exclusive) + cost of capital

a) Determination of Construction and Installation Engineering Cost

The comprehensive cost of buildings and structures was comprehensively determined based on the engineering quantities of the buildings to be valuated, by ascertaining the direct costs, indirect costs, profit, material price differences, and taxes of the buildings to be valuated in accordance with the "Basis for Pricing of Construction Projects in Shandong Province" (2025 Edition), the "Quota for Hydraulic Construction Projects of Coastal Ports" (JTS/T 276-1 - 2019), the "Quota for Ship and Machinery Shift Expenses of Coastal Port Projects" (JTS/T 276-2 - 2019), the "Reference Quota for Coastal Port Projects" (JTS/T 276-3 - 2019), the "Quota for Consumption of Concrete and Mortar Materials in Water Transport Projects" (JTS/T 277 - 2019), the "Budget Quota for Dredging Projects" (JTS/T 278-1 - 2019), the "Quota for Ship Shift Expenses of Dredging Projects" (JTS/T 278-2 - 2019), and the currently implemented standards for preliminary and other expenses.

b) Determination of Preliminary and Other Expenses

Preliminary and other expenses were determined in accordance with national standards, various expense rate standards stipulated by industry and local construction administration departments, and policy documents on administrative charges.

c) Determination of Cost of Capital

Based on the reasonable construction period of the valuated entity, the loan interest rate as determined with reference to the loan prime rate published by the National Interbank Funding Center as authorized by the People's Bank of China on 20 October 2025, the cost of capital was

calculated based on the sum of the construction and installation engineering cost, preliminary and other expenses, assuming that the funds were invested evenly. The calculation formula was as follows:

Cost of capital = [construction and installation engineering cost (tax-inclusive) + preliminary and other expenses (tax-inclusive)] × reasonable construction period × loan interest rate × 1/2

d) Determination of Deductible VAT

Deductible VAT = construction and installation engineering cost (tax-inclusive) / (1 + VAT rate) × VAT rate + preliminary and other expenses (tax-inclusive) - preliminary and other expenses (tax-exclusive)

In summary: Replacement cost (tax-exclusive) = construction and installation engineering cost (tax-exclusive) + preliminary and other expenses (tax-exclusive) + cost of capital

B. Determination of Newness Rate

a) Age-based Newness Rate

During this valuation process, the remaining useful life of the buildings and structures was estimated based on their design life and on-site inspection conditions, and the newness rate was then calculated accordingly.

Newness rate = remaining useful life / (actual used life + remaining useful life) × 100%

b) Inspection Newness Rate

Through on-site inspections of each building and structure conducted by the asset valuers, which covered various components such as the foundation, load-bearing members (beams, slabs, columns), walls, floors, roofs, doors and windows, wall plastering, ceilings, as well as plumbing, ventilation, and lighting, the newness rate based on on-site inspection for each building and structure was respectively evaluated and determined. This was conducted in accordance with the “Standard for Evaluating the Intactness and Damage Grades of Buildings”, the “Reference Opinions on Identifying the Degree of Newness of Buildings”, and the “Scoring Standards and Correction Coefficients for Different Newness Rates of Buildings” issued by the former Ministry of Urban and Rural Construction and Environmental Protection, combined with the usage and maintenance conditions of the structures.

c) Comprehensive Newness Rate

Comprehensive newness rate = age-based newness rate × 50% + inspection newness rate × 50%

C. Determination of Appraised Value

Appraised value = replacement cost (tax-exclusive) × comprehensive newness rate

(3) Valuation Results

Name of item	Book value (RMB)		Appraised value (RMB)		Appreciation rate (%)	
	Original value	Net value	Original value	Net value	Original value	Net value
Total for buildings and structures	5,249,298,875.12	4,332,454,477.56	5,320,331,800.00	4,379,682,503.00	1.35	1.09
Fixed assets – Buildings and structures	24,638,825.86	16,169,279.01	30,460,900.00	22,147,703.00	23.63	36.97
Fixed assets – Structures and other auxiliary facilities	5,049,871,944.10	4,216,406,028.06	5,099,920,700.00	4,245,954,899.00	0.99	0.70
Fixed assets – Pipelines and trenches	174,788,105.16	99,879,170.49	189,950,200.00	111,579,901.00	8.67	11.71

Buildings and structures self-constructed by the enterprise were built in earlier years. In recent years, price increases in labor and materials to a certain extent have resulted in an appreciation of the original value and net value of buildings and structures.

2. Technical Description of the Valuation of Equipment Assets

(1) Scope of Valuation

The equipment assets included in the scope of this valuation were machinery and equipment, vehicles, and electronic equipment. The original book value was RMB2,112,856,591.01, and the net book value was RMB758,868,946.32. The book values as at the valuation benchmark date were shown in the following table:

Summary of Book Values of Equipment Assets

Unit: RMB

Name of item	Book value	
	Original value	Net value
Total for equipment	2,112,856,591.01	758,868,946.32
Fixed assets - Machinery and equipment	2,054,819,270.88	729,181,861.90
Fixed assets - Vehicles	35,488,596.26	23,024,529.52
Fixed assets – Electronic equipment	22,548,723.87	6,662,554.90

(2) Valuation Methods

According to the "Asset Valuation Practice Guidelines - Machinery and Equipment" (Zhong Ping Xie [2017] No. 39), commonly used valuation methods include the market approach, the cost approach, and the income approach.

The prerequisite for adopting the market approach is the existence of identical or similar transaction cases, and the transactions shall be arm's length transactions. For used equipment whose prices could be inquired in the second-hand market, the market approach was adopted for valuation.

The valuated assets were machinery and equipment that could not generate income independently. It was difficult to determine the income and corresponding expenses, and to determine and predict future cash flows. Therefore, the income approach was not adopted for the valuation of the valuated assets.

Based on the characteristics of the valuated equipment and the collected data, the replacement cost of the valuated assets could be estimated. The replacement cost approach was primarily adopted for this valuation.

Therefore, based on the purpose of this valuation, in accordance with the principle of continuous use, and based on market prices, combined with the characteristics of the valuated equipment and the collected data, the replacement cost approach was primarily adopted for valuation. For used equipment whose prices could be inquired in the second-hand market, the market approach was adopted for valuation. The details were as follows:

1) Valuation of Machinery and Equipment

Appraised value = replacement cost × newness rate

i. Replacement Cost of Equipment

Replacement cost (tax-exclusive) = equipment purchase price + transportation and miscellaneous expenses + installation and testing expenses + foundation expenses + preliminary and other expenses + cost of capital - deductible VAT on equipment purchase

A. Purchase Price

Determined mainly through inquiries with manufacturers or trading companies, or with reference to price data such as the "2025 Electromechanical Product Price Information Query System", as well as referring to the contract prices of similar equipment recently.

B. Transportation and Miscellaneous Expenses

Based on the tax-inclusive purchase price, these were calculated according to different transportation and miscellaneous expense rates, depending on the loading and unloading, transportation, storage, insurance, and other related expenses incurred between the

manufacturer and the equipment location.

C. Foundation Expenses, Installation and Testing expenses

Foundation expenses and installation expenses were determined by equipment category with reference to the budget indicators for equipment transportation and miscellaneous expenses, equipment foundation expenses, and installation and testing expenses in the "Measures for the Preparation of Budgets for Construction Projects in the Machinery Industry and Various Budget Indicators" issued by the Ministry of Machinery Industry, as well as project price review data.

For small equipment that did not require installation, installation and testing expenses were not considered.

D. Preliminary and Other Expenses

Other expenses included management fees, feasibility study report and valuation fees, design fees, and engineering supervision fees, etc., which were calculated based on the standards for other expenses of construction projects at the equipment location, combined with the characteristics of the equipment.

E. Cost of Capital

The cost of capital was the loan interest on the funds invested in the project construction during the construction period. The interest rate adopted was calculated based on the loan prime rate published by the National Interbank Funding Center as authorized by the People's Bank of China on 20 October 2025. The construction period was calculated based on normal construction cycle, and the funds were considered to be invested evenly.

Cost of capital = (equipment purchase price + transportation and miscellaneous expenses + installation and testing expenses + foundation expenses + preliminary and other expenses (tax-inclusive)) × reasonable construction period × loan interest rate × 1/2

F. Deductible VAT on Equipment Purchase

According to the provisions of current laws and regulations related to VAT, general taxpayers can deduct input tax from output tax using special VAT invoices and special customs import VAT payment receipts, and the input tax shall be recorded in the "taxes payable - VAT payable (input tax)" item. Therefore:

Deductible VAT amount = purchase price / (1 + applicable tax rate) × applicable tax rate + transportation expenses / (1 + applicable tax rate) × applicable tax rate + installation and testing expenses and other expenses / (1 + applicable tax rate) × applicable tax rate + other expenses (tax-inclusive) - other expenses (tax-exclusive).

ii. Newness Rate of Machinery and Equipment

For the newness rate of machinery and equipment, with reference to the economic life of the equipment, and through on-site inspection of the current status of the equipment and review of relevant documents and data on equipment operation, repair, and management, the various components of the equipment were inspected to comprehensively judge its remaining useful life. On this basis, the newness rate N was calculated, namely:

N = remaining useful life / (actual used life + remaining useful life) × 100%

iii. Determination of Appraised Value

Appraised value = replacement cost × newness rate

iv. Determination of Appraised Value Using the Market Approach

For equipment whose recoverable value was greater than its value-in-use, or which was idle or scrapped:

Appraised value = recoverable weight × (unit price for scrap metal recovery - realization expenses)

2) Valuation of Transportation Vehicles

i. Determination of Replacement Cost of Transportation Vehicles

Based on recent vehicle market price data such as local automobile market sales information, the current tax-inclusive purchase price of transportation vehicles was determined. In accordance with the "Notice on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax" (Cai Shui [2016] No. 36) issued by the Ministry of Finance and the State Administration of Taxation, the input tax incurred by the enterprise from purchasing and constructing fixed assets was permitted to be deducted from the output tax. The current tax-exclusive purchase price was obtained by deducting the input tax. On this basis, the replacement cost was determined by including the vehicle purchase tax and the registration and license plate fees for new vehicles in accordance with the provisions of the "Vehicle Purchase Tax Law of the People's Republic of China" and the "Announcement of the Ministry of Finance and the State Taxation Administration on the Reduction of Vehicle Purchase Tax on Certain Passenger Vehicles" (Announcement No. 20 of 2022 of the Ministry of Finance and the State Taxation Administration). The calculation formula was as follows:

Replacement cost = current tax-inclusive purchase price + vehicle purchase tax + registration fees for new vehicles - deductible VAT

For vehicles that were pending scrapping/intended to be scrapped or those with a long purchase history where the replacement cost could not be obtained, the market approach was adopted in this valuation, and their appraised value was determined with reference to the tax-exclusive price in the second-hand vehicle trading market or transaction prices of similar vehicles on the internet. For vehicles used within the port, the registration fees for new vehicles were zero.

ii. Newness Rate of Vehicles

It was determined based on the principle of the lower of the age-based newness rate and the mileage-based newness rate, and then adjusted based on on-site inspection conditions. Wherein:

For general vehicles, the relevant age and driving mileage parameters were determined with reference to the relevant provisions of the "Regulations on Mandatory Scrapping Standards for Motor Vehicles" (Order No. 12 of 2012 of the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Public Security, and the Ministry of Environmental Protection).

Age-based newness rate = (1 - years of use / mandatory useful life or economic useful life) × 100%

Mileage-based newness rate = (1 - mileage driven / mandatory mileage) × 100%

Newness rate = Min (age-based newness rate, mileage-based newness rate)

At the same time, necessary inspections and assessments were conducted on the vehicles to be valuated. If the inspection and assessment results differed significantly from the newness rate determined by the above method, appropriate adjustments were made; if the two results were comparable, no adjustments were made. In particular:

Newness rate = Min (age-based newness rate, mileage-based newness rate) + a

a: Adjustment coefficient for special conditions of the vehicle.

iii. Determination of Appraised Value

Appraised value = replacement cost × newness rate of the vehicle

iv. Determination of Appraised Value Using the Market Approach

For vehicles whose recoverable value was greater than their value-in-use, or which were idle or scrapped:

Appraised value = recoverable weight of the scrapped vehicle T × (unit price for scrap material recovery - realization expenses)

3) Valuation of Electronic Equipment

i. Determination of Replacement Cost of Electronic Equipment

Based on recent market price data such as local market information and online inquiries, the replacement cost was determined according to its purchase price.

Replacement cost = purchase price (tax-exclusive)

For electronic equipment purchased earlier that was still usable but had no relevant models available in the current market, its appraised value was determined with reference to the tax-exclusive price in the second-hand equipment market.

ii. Newness Rate of Electronic Equipment

Newness rate = [remaining useful life ÷ (years of use + remaining useful life)] × 100%.

iii. Determination of Appraised Value

Appraised value = replacement cost × newness rate of the electronic equipment

iv. Determination of Appraised Value Using the Market Approach

For equipment whose recoverable value was greater than its value-in-use, or which was idle or scrapped:

Appraised value = recoverable weight × (unit price for scrap metal recovery - realization expenses)

(3) Analysis of Valuation Results and Reasons for Appraisal Appreciation and Depreciation

Summary of Valuation Results of Equipment Assets

Unit: RMB

Name of item	Book value		Appraised value		Appreciation rate %	
	Original value	Net value	Original value	Net value	Original value	Net value
Total for equipment	2,112,856,591.01	758,868,946.32	1,800,086,607.90	779,620,745.00	-14.80	2.73
Fixed assets - Machinery and equipment	2,054,819,270.88	729,181,861.90	1,756,048,002.90	748,672,825.00	-14.54	2.67
Fixed assets - Vehicles	35,488,596.26	23,024,529.52	32,740,592.00	23,632,285.00	-7.74	2.64
Fixed assets – Electronic equipment	22,548,723.87	6,662,554.90	11,298,013.00	7,315,635.00	-49.90	9.80

Analysis of reasons for appraisal appreciation and depreciation:

1) The main reason for the difference between the original book value of the machinery and equipment of the valuated entity and the original appraised value of the equipment was that the decline in relevant labor and material costs in recent years has led to a depreciation in the original appraised value; the difference between the economic useful life adopted in the valuation and the enterprise's depreciation period resulted in an appreciation in the net value.

2) For vehicle assets, due to factors such as price reductions driven by competition in the vehicle market in recent years, the domestic substitution of imported components, and that the original booked value of some vehicles was tax-inclusive, replacement prices have shown a downward trend, resulting in an overall depreciation in the original appraised value of vehicles;

the difference between the economic useful life adopted in the valuation and the enterprise's depreciation period resulted in an appreciation in the net appraised value of vehicles.

3) The electronic equipment of the valuated entity mainly consisted of office automation equipment. Due to rapid technological updates and increased state subsidies for consumer electronics, the current market prices of similar products were generally lower than their price levels at the time of the original purchase, resulting in a depreciation in the original appraised value of electronic equipment assets; the difference between the economic useful life adopted in the valuation and the enterprise's depreciation period resulted in an appreciation in the net appraised value of electronic equipment.

(IV) Fixed Assets Pending Disposal

1. Scope of Valuation

The fixed assets pending disposal included in the scope of this valuation mainly consisted of 21 pieces of equipment, including Gang B01112 HOWO dump truck, Gang B01115 HOWO dump truck, one Komatsu 1.6 excavator, and another Komatsu 1.6 excavator, etc. According to the valuation declaration form for fixed assets pending disposal, the book value of this portion of assets as at the valuation benchmark date was RMB842,618.39.

2. Valuation Process

(1) Inventory and Verification Work

To ensure the accuracy of valuation results, based on the composition characteristics of the enterprise's equipment assets, the company was guided to fill out the detailed asset inventory and valuation schedules according to the actual situation, which served as the basis for valuation.

In light of the different properties and characteristics of the equipment assets in the declared detailed valuation schedules, different inventory and verification methods were adopted to conduct on-site inspections. Efforts were made to ensure no duplications or omissions, and the actual operating conditions of the equipment were carefully observed and recorded.

Based on the results of on-site inspections, the valuation declaration forms were further refined, requiring consistency between the "forms" and the "actual assets".

(2) Valuation and Pricing

Market inquiries were conducted. Based on the valuation purpose, the type of value was determined, the valuation methods were selected, and the valuation and estimation were performed.

(3) Valuation Summary and Reporting

The preliminary valuation results of the equipment assets were analyzed and summarized, necessary adjustments, modifications, and refinements were made to the valuation results, and relevant descriptions were written.

(4) Valuation Method

For assets included in fixed assets pending disposal due to being fully depreciated, the market approach was adopted in this valuation, based on market prices and combined with the characteristics and actual conditions of the valuated assets.

Appraised value = recoverable weight of the scrapped vehicle T × (unit price for scrap material recovery - realization expenses)

(5) Valuation Results

Upon valuation and estimation by the asset valuers, the valuation results of fixed assets pending disposal included in this valuation as at the valuation benchmark date were as follows:

Upon valuation and estimation by the asset valuers, as at the valuation benchmark date, the book value of fixed assets pending disposal included in this valuation was RMB842,618.39, and the appraised value was RMB909,312.00, representing an appraisal appreciation of RMB66,693.61 and an appreciation rate of 7.92%.

The fixed assets pending disposal of the valuated entity mainly consisted of dump trucks, forklifts, etc., pending processing. As the residual book value retained in the financials was relatively low, an appreciation was resulted upon valuation based on the recoverable amount.

(V) Construction in Progress

1. Construction in Progress - Civil Engineering Projects

(1) Scope of Valuation

The construction in progress - civil engineering projects included in the scope of this valuation had a book value of RMB30,864.06. They mainly included the Lingang bulk cargo processing project supporting yard connection process project, the ore and coal conveying process project (Phase III), and the Dongjiakou Port Area ore and coal process project (Phase I).

(2) Verification of Books

Through asset inventory and verification, the book value of construction in progress - civil engineering projects was determined to be RMB30,864.06. The book value of civil engineering projects represented preliminary expenses.

(3) Valuation Process

1) On the basis of clarifying the valuation purpose and determining the valuation scope, the enterprise was guided to comprehensively inventory and verify each item of construction in progress, fill out the detailed inventory and valuation schedules for construction in progress, and prepare relevant documents and materials for construction in progress such as engineering design contracts, engineering contracting contracts, engineering budgets, and engineering payment application forms, in order to complete the preliminary preparation work for asset valuation.
2) Based on the detailed inventory and valuation schedules for construction in progress provided by the client, the asset valuers checked whether the balances of the subsidiary ledgers and general ledgers for construction in progress were consistent with the valuation declaration forms, and conducted verifications between ledgers and statements, between different ledgers, and between ledgers and actual assets. They understood the specific contents, commencement time, settlement methods, actual degree of completion, and engineering quantities of the construction in progress; checked consistency between the payments listed in the declaration materials and the actual payments made, and understood newly occurred payments and payers after the valuation benchmark date.
3) Examined whether the original payment vouchers for construction in progress were complete.
4) Reviewed relevant technical files and materials such as engineering drawings.
5) Verified the detailed inventory and valuation schedules for construction in progress provided by the client, conducted on-site inspections of the physical progress of construction in progress, and understood whether there were any delays, idle, or abandoned situations in the projects.
6) Conducted necessary investigations into the technical conditions of construction in progress.
7) Conducted comprehensive analysis and summarization of valuation data obtained, reviewed and organized valuation working papers, and prepared the technical descriptions of asset valuation and the detailed valuation schedules.

(4) Valuation Method

Based on the characteristics of construction in progress in this valuation, and in light of the types and specific conditions of construction in progress, the cost approach was adopted for valuation.

When adopting the cost approach to valuate construction in progress, the asset valuers verified the relevant subsidiary ledgers and booking vouchers on site. For civil engineering projects under construction, they all represented preliminary expenses for proposed projects without physical entities. The appraised value was determined based on the actually incurred preliminary expenses on the books upon verification.

(5) Valuation Results

The appraised value of construction in progress - civil engineering projects was RMB30,864.06.

2. Construction in Progress - Equipment Installation Projects

(1) Scope of Valuation

The construction in progress - equipment installation projects included in the scope of this valuation had a book value of RMB7,390,193.94. They mainly included the drone project, the automated transformation of stacker-reclaimers, and the automated system transformation of portal cranes, etc.

(2) Overview of Equipment Installation Projects

The entire construction in progress mainly consisted of the drone project, the automated transformation of stacker-reclaimers, and the automated system transformation of portal cranes, etc. The commencement dates ranged from March 2023 to October 2025, and the expected completion time was from November 2025 to December 2026.

The aforementioned production equipment projects were currently in progress.

(3) Valuation Process

1) Checked the filling status of various items in the detailed asset valuation schedules, and verified whether the total amount for construction in progress in the detailed valuation schedules was consistent with the book amount for construction in progress in the financial statements;
2) Based on the declared construction in progress projects, reviewed relevant equipment purchase and installation contracts, understood the actual progress of the projects and the payment status of equipment funds through discussions with financial personnel, understood the composition of book values, and analyzed its rationality;
3) Conducted on-site investigations into the arrival and installation status of equipment, verified whether the execution was in accordance with the contract terms, and checked whether there were any delays, idle, or abandoned situations;

4) Through on-site understanding, determined the valuation method, and calculated and estimated the appraised value of construction in progress - equipment installation projects;

5) Wrote the technical descriptions of the valuation of construction in progress.

(4) Valuation Method

The replacement cost approach was adopted for this valuation of construction in progress. To avoid duplicate pricing and omission of asset values, based on the characteristics of construction in progress in this valuation, and in light of the types and specific conditions of each construction in progress - equipment installation project, the following valuation method was adopted:

For construction in progress projects where only preliminary expenses had been incurred and the main project construction had not yet commenced, the appraised value was determined based on the verified book value. For construction in progress projects that commenced more than half a year prior to the valuation benchmark date, if the cost of capital was not included in the book value, the cost of capital was added based on a reasonable construction period.

Appraised value = verified book value + cost of capital

(5) Valuation Results and Analysis of Appraisal Appreciation and Depreciation

The appraised value of construction in progress - equipment installation projects was RMB7,599,468.45, representing an appraisal appreciation of RMB209,274.51 and an appreciation rate of 2.83%.

(VI) Right-of-use Assets

The book value of right-of-use assets was RMB358,452,494.52. The accounting content comprised right-of-use assets formed by the property holding entity’s lease of: the east yard of the No. 1 backfill area of Qingdao Port International Co., Ltd.; assets of the forward capacity expansion project in the Dongjiakou Port Area of Qingdao Port International Co., Ltd. (5# stacker-reclaimer operating line 1-C4E, 2 belt conveyor lines 1-C7B and 1-C5E, extended 1-C10A/B belt conveyor line, 1-T5 and 1-T11 transfer towers, as well as supporting water supply, firefighting, roads, and power supply automatic control, etc.); the 371,954-square-meter site of the Mercuria yard in the Dongjiakou Port Area of Qingdao Haiye Mercuria Logistics Co., Ltd.; port unit offices on the basement level 1, 4th, 16th, and 17th floors of the Dongjiakou Shipping Center office building of Qingdao Port Investment and Construction (Group) Co., Ltd.; port unit offices in the annex building and hall of the Dongjiakou Port Area Shipping Center of Qingdao Port Investment and Construction (Group) Co., Ltd.; and the railway train loading system, etc.

Right-of-use assets refer to the right of the lessee to use the leased assets during the lease term. The enterprise conducted accounting and recognized right-of-use assets and lease liabilities in accordance with the provisions of "Accounting Standards for Business Enterprises No. 21 - Leases (Revised)".

The asset valuers checked the general ledger, subsidiary ledgers, accounting statements, and detailed inventory and valuation schedules of the enterprise, reviewed the relevant original vouchers and lease contracts, and analyzed the accuracy and rationality of the initial measurement and amortization amount of each leased asset, which complied with the accounting provisions of the lease accounting standards. As the contract for the railway train loading system stipulated that all rents for the 20-year lease term should be paid in a one-time lump sum at the beginning of the lease, and the ownership of the asset would automatically transfer to the valuated entity upon the expiration of the lease, this portion of assets was valuated as fixed assets. For the detailed valuation method, please refer to the fixed assets section. The other right-of-use assets were leased assets, and their book balances reasonably reflected the equity value of the relevant right-of-use assets enjoyed by the enterprise as at the valuation benchmark date. Therefore, the appraised value was determined based on the verified book value.

The appraised value of the right-of-use assets was RMB316,751,586.52, representing an appraisal depreciation of RMB41,700,908.00 and an appreciation rate of -11.63%. The reasons for the depreciation were that the asset valuers valuated the railway train loading system as fixed assets, and the accounting depreciation period of assets such as belt conveyors was longer than their economic useful life.

(VII) Intangible Assets

1. Intangible Assets - Technical Description of the Valuation of Land Use Rights

(1) Scope of Valuation

The intangible assets - land use rights included in the scope of this valuation were 13 parcels of land use rights declared by the enterprise, with a total area of 2,879,867.05 square meters. The original booked value was RMB1,904,154,983.27, and the net book value was RMB1,577,127,010.16. The original booked value represented the historical acquisition costs of the enterprise.

(2) Selection and Introduction of Valuation Methods

In accordance with the requirements of the "Asset Valuation Practice Standards - Real Estate" and the "Regulations for Valuation of Urban Land", combined with the location, nature of use, utilization conditions, and local land market conditions of the valuation target, the asset

valuers analyzed the applicability of different valuation methods and eventually determined the reasonable valuation methods.

1) Appropriate Methods to Adopt and Reasons

After carefully analyzing the available data and conducting on-site inspections, based on the characteristics, actual utilization, and development status of the land parcels to be valuated, the asset valuers determined that in this valuation, the benchmark land price coefficient correction method and the market comparison method would be adopted for the granted land, while the benchmark land price coefficient correction method would be adopted for the allocated land. This was based on the following considerations:

A. Given that the valuation target was located within the coverage of benchmark land prices, the benchmark land price coefficient correction method could be selected for valuation.

B. As there were similar transaction cases for granted land in the vicinity of the valuated land parcels over the past three years, the market comparison method was applicable to the granted land in this valuation.

2) Inappropriate Methods to Adopt and Reasons

A. Cost approximation method: There were no land requisition cases or land requisition standards available for reference in recent years in the area where the land parcels to be valuated were located. Even if there were a few land requisition cases, no public compensation data could be made available, making it difficult to reasonably determine the land acquisition cost. Therefore, it was not appropriate to adopt the cost approximation method for valuation.

B. Income capitalization method: There were no land lease cases available for reference in the area where the land parcels to be valuated were located to estimate potential rent. At the same time, the buildings on the land parcels to be valuated were currently for the enterprise's own use. Although such properties had a certain degree of versatility, industrial land in the area where the valuation target was located was primarily for own use, with extremely few cases of leasing. It was also somewhat difficult to accurately calculate the net land income by stripping away the property rent. Therefore, it was not appropriate to adopt the income capitalization method for valuation.

C. Hypothetical development method: The valuation target was industrial land. Recently, real estate of similar industrial land in the same supply and demand circle had mainly been self-constructed and for own use after the enterprises purchased the land, with very few cases of industrial plant leasing or trading. A stable and public trading market for industrial plant leasing and trading had not yet been formed. Therefore, it was not appropriate to adopt the hypothetical development method for valuation.

In summary, based on the characteristics and actual conditions of the valuation target, the benchmark land price coefficient correction method and the market comparison method were adopted for the valuation of the granted land. The benchmark land price coefficient correction method was adopted for the valuation of the allocated land.

3) Introduction to Valuation Methods

The benchmark land price coefficient correction method is a method that utilizes valuation results such as the urban benchmark land price and the benchmark land price correction coefficient table. In accordance with the principle of substitution, the regional conditions and individual conditions of the land parcels to be valuated are compared with the average conditions of the region where they are located, and the corresponding correction coefficients are selected against the correction coefficient table to correct the benchmark land price, thereby obtaining the price of the land parcels to be valuated as at the valuation benchmark date.

The market comparison method involves selecting three (or more than three) comparable transaction instances of land use rights. That is, the land use rights to be valuated are compared with similar land use rights recently transacted in the market. The differences in various factors influencing the value of land use rights between the valuation target and each reference object are considered, and the transaction prices of the reference objects are compared and adjusted accordingly. This yields multiple comparison reference values, and then through comprehensive analysis, the appraised value of the land use rights to be valuated is adjusted and determined. Its basic formula is as follows:

Corrected price of the valuation target = transaction price of comparable instance × transaction date correction coefficient × transaction condition correction coefficient × regional factor correction coefficient × individual factor correction coefficient × land use term correction coefficient

(3) Valuation Results and Analysis of Reasons for Appraisal Appreciation and Depreciation

1) Valuation Results and Appraisal Appreciation and Depreciation

The book value of the intangible assets - land use rights included in the scope of this valuation was RMB1,577,127,010.16, and the appraised value was RMB2,413,587,500.00, representing an appraisal appreciation of RMB836,460,489.84 and an appreciation rate of 53.04%.

2) Analysis of Reasons for Appraisal Appreciation and Depreciation

The book value of the intangible assets - land use rights included in the scope of this valuation represented the costs such as land grant fees and relevant taxes and fees for the land

acquired in previous years. In recent years, land prices had risen due to the shortage of land resources in various regions. The above factors led to a certain degree of appreciation in the appraised value compared to the book value.

(VIII) Long-term Prepaid Expenses

The book value of long-term prepaid expenses was RMB35,903,289.45, representing dredging costs for the harbor basin and channel of public berths. The asset valuers, by spot-checking contracts and verifying the enterprise's financial ledgers and vouchers, confirmed the authenticity of the long-term prepaid expenses. As dredging of the harbor basin and channel had already been accounted for collectively under fixed assets, the long-term prepaid expenses were appraised at zero.

(IX) Deferred Tax Assets

The book value of deferred tax assets was RMB11,752,533.25, representing deferred tax assets arising from credit impairment provisions, deferred income, and right-of-use assets. During the inventory, the asset valuers checked whether the subsidiary ledgers, general ledger, and statement balances were consistent with each other, and verified their consistency with the detailed valuation schedules. The asset valuers reviewed accounting records such as transaction amounts, time of occurrence, and business content to confirm the authenticity and completeness of the deferred tax assets. Upon verification without error, the appraised value was determined based on the verified book value.

The appraised value of deferred tax assets was RMB11,752,533.25.

(X) Development Expenditure

The book value of development expenditure was RMB7,665,194.79, mainly representing expenditures on projects such as the research on key technologies of the new-generation large-scale automated dry bulk "digital and intelligent" terminal and the research on key technologies for the automation of portal cranes.

The asset valuers reviewed the relevant vouchers for the expenditures, verified the development content and other related information, and confirmed that the above expenditures were authentic and complete. The appraised value was determined based on the verified book value.

The appraised value of development expenditure was RMB7,665,194.79.

(XI) Other Non-current Assets

The book value of other non-current assets was RMB14,391,150.44, representing the Dongjiakou ore train loading process project. In this valuation, the asset valuers verified the accuracy and authenticity of the accounting records by reviewing relevant financial data such

as vouchers and ledgers. Upon verification, the book value of other non-current assets was correct. The appraised value was determined based on the verified and correct book value.

The appraised value of other non-current assets was RMB14,391,150.44.

(XII) Liabilities

Liabilities within the scope of valuation included current liabilities and non-current liabilities. Current liabilities included accounts payable, advances received, contract liabilities, employee benefits payable, taxes payable, other payables, non-current liabilities due within one year, and other current liabilities. Non-current liabilities included long-term borrowings, lease liabilities, long-term payables, deferred tax liabilities, and deferred income. This valuation was conducted based on the verified book values.

1. Current Liabilities

(1) Accounts Payable

The book value of accounts payable was RMB268,279,765.26, representing provisionally estimated payables, sea area use fees, property management fees, etc. The asset valuers verified the ledger records, spot-checked relevant data such as original vouchers and contracts, and verified the authenticity, business content, and amounts of the transactions. The appraised value was determined based on the verified book value.

The appraised value of accounts payable was RMB268,279,765.26.

(2) Advances Received

The book value of advances received was RMB1,557,750.00, representing advance receipts of lease fees. The asset valuers verified the ledger records, and spot-checked original booking vouchers, contracts, and other relevant data to confirm the authenticity and completeness of the advances received. The verification results showed that the amounts in ledgers, statements, and invoices were consistent, and all represented corresponding rights or assets to be paid in the future. Therefore, the appraised value was determined based on the verified book value.

The appraised value of advances received was RMB1,557,750.00.

(3) Contract Liabilities

The book value of contract liabilities was RMB16,343,230.54, mainly representing stevedoring business fees.

The asset valuers investigated and understood the nature of the contract liabilities, verified the specific creditors, time of occurrence, and subsequent settlement status item by item, performed external confirmations for large amounts, and checked them against the subsidiary

ledgers without error. Therefore, the appraised value was determined based on the verified book value.

The appraised value of contract liabilities was RMB16,343,230.54.

(4) Employee Benefits Payable

The book value of employee benefits payable was RMB40,535,776.20, representing wages, bonuses, allowances and subsidies, annuity contributions, union funds, post-employment benefits, outsourced labor fees, etc. The asset valuers verified the accrual and utilization of employee benefits payable, and also reviewed relevant vouchers and ledgers. They considered the accruals correct and the payments in compliance with regulations. The appraised value was determined based on the verified book value.

The appraised value of employee benefits payable was RMB40,535,776.20.

(5) Taxes Payable

The book value of taxes payable was RMB1,263,528.95, representing VAT (simplified tax calculation), urban construction tax, education surcharge, local education surcharge, land use tax, vehicle and vessel tax, etc. The asset valuers confirmed the correctness of the enterprise's tax calculations by reviewing the enterprise's ledgers and tax returns. The appraised value was determined based on the verified book value.

The appraised value of taxes payable was RMB1,263,528.95.

(6) Other Payables

The book value of other payables was RMB1,318,714,260.01, representing dividends payable, payables for engineering projects and equipment, advance receipts for employee meals, advanced social security funds for rural migrant workers, etc. The asset valuers reviewed relevant contracts, original booking vouchers, purchase invoices, and other related data, and verified the authenticity, business content, and amounts of the transactions. Upon verification, the ledgers, statements, and invoices were consistent, and no evidence of amounts not requiring payment was found. The appraised value was determined based on the verified book value.

The appraised value of other payables was RMB1,318,714,260.01.

(7) Non-current Liabilities Due Within One Year

The book value of non-current liabilities due within one year was RMB310,572,513.31, representing the principal of long-term borrowings, interest on long-term borrowings, lease liabilities, etc., due within one year. The asset valuers reviewed relevant contracts, original booking vouchers, and other related data, and verified the authenticity, business content, and amounts of the transactions. The appraised value was determined based on the verified book value.

The appraised value of non-current liabilities due within one year was RMB310,572,513.31.

(8) Other Current Liabilities

The book value of other current liabilities was RMB2,093,900.91, representing endorsed but not yet due bank acceptance bills and output tax to be transferred from contract liabilities. The asset valuers reviewed original booking vouchers and other related data, understood the methods and basis for accruing these amounts, and verified the authenticity, business content, and amounts of the transactions. The appraised value was determined based on the verified book value.

The appraised value of other current liabilities was RMB2,093,900.91.

2. Non-current Liabilities

(1) Long-term Borrowings

The book value of long-term borrowings was RMB2,924,000,000.00, representing borrowings from Shandong Port Group Finance Co., Ltd., Industrial and Commercial Bank of China Limited, Bank of Qingdao Co., Ltd., etc. The asset valuers reviewed relevant data such as loan contracts, guarantee contracts, loan statements, and the latest interest settlement certificates as at the valuation benchmark date for the long-term borrowings, verified relevant content such as the borrowing amounts, interest rates, and loan terms, and performed external confirmations with the banks to confirm that the above borrowings were authentic and complete. The appraised value was determined based on the verified book value.

The appraised value of long-term borrowings was RMB2,924,000,000.00.

(2) Long-term Payables

The book value of long-term payables was RMB882,328,947.58, representing finance leases and the actuarial calculation of termination benefits. The asset valuers reviewed relevant contracts, original booking vouchers, and other related data, and verified the authenticity, business content, and amounts of the transactions. The appraised value was determined based on the verified book value.

The appraised value of long-term payables was RMB882,328,947.58.

(3) Deferred Income

The book value of deferred income was RMB5,070,611.43, representing the green shore power government subsidy project. The asset valuers checked the general ledger, subsidiary ledgers, accounting statements, and detailed valuation schedules against each other, and verified the deferred income amount by reviewing relevant documents and accounting vouchers.

Upon verification, this liability represented income received by the enterprise that was in the nature of deferred income and did not need to be paid at a later stage; it was not a liability actually borne by the enterprise. The tax for this portion of deferred income was paid and a deferred tax asset was formed in accounting. As the impact of this portion of tax had already been considered in the accounting of deferred tax assets, to maintain consistency with the deferred tax assets, the appraised value was determined as the product of the deferred income balance and the enterprise income tax rate.

(4) Lease Liabilities

The book value of lease liabilities was RMB57,310,258.10, mainly representing lease liabilities formed by lease projects such as the east yard of the No. 1 backfill area; assets of the forward capacity expansion project in the Dongjiakou Port Area (5# stacker-reclaimer operating line 1-C4E, 2 belt conveyor lines 1-C7B and 1-C5E, extended 1-C10A/B belt conveyor line, 1-T5 and 1-T11 transfer towers, as well as supporting water supply, firefighting, roads, and power supply automatic control, etc.); the 371,954-square-meter site of the Mercuria Yard in the Dongjiakou Port Area; and port unit offices on the basement level 1, 4th, 16th, and 17th floors of the Dongjiakou Shipping Center office building.

The main accounting content comprised lease liabilities with a lease term of more than one year. The asset valuers reviewed and spot-checked relevant accounting vouchers and lease contracts to confirm the authenticity and accuracy of the lease fees payable. The appraised value was determined based on the verified book value.

The appraised value of lease liabilities was RMB57,310,258.10.

V. VALUATION ASSUMPTIONS

In this valuation, the asset valuers complied with the following valuation assumptions:

(I) General Assumptions

1. Transaction Assumption

The transaction Assumption assumes that all assets to be valuated are already in the course of a transaction. The asset valuers conduct the valuation by reference to a simulated market based on the transaction terms of the assets to be valuated. The transaction assumption is one of the most basic prerequisite assumptions for conducting an asset valuation.

2. Open Market Assumption

The open market assumption assumes that for assets traded in the market, or intended to be traded in the market, both parties to the asset transaction have equal status, and both have the opportunity and time to obtain sufficient market information, so as to make rational

judgments on the functions, uses, and transaction prices of the assets. The open market assumption is based on the premise that assets can be bought and sold publicly in the market.

3. Going Concern Assumption

The going concern assumption is a valuation assumption made by taking the overall assets of an enterprise as the valuation target. The enterprise's operators are responsible and capable of assuming responsibilities; the enterprise operates legally and can obtain appropriate profits to maintain its going concern capability. For the various types of operating assets of the enterprise, they can continue to be used according to their current uses, use methods, scale, frequency, and environment, or be used on the basis of certain changes.

(II) Special Assumptions

1. This valuation assumes that the external economic environment remains unchanged as at the valuation benchmark date, and the current macroeconomic conditions of the state do not undergo significant changes;
2. There are no significant changes in the socio-economic environment in which the enterprise is located, or in the tax systems, tax rates, and other policies implemented;
3. The various assets in this valuation are all based on the premise of their actual inventory as at the valuation benchmark date, and the current market prices of the relevant assets are based on the domestic effective prices as at the valuation benchmark date; and
4. This valuation assumes that the basic data and financial information provided by the client and the valuated entity are authentic, accurate, and complete.

When the above conditions change, the valuation results shall generally become invalid.

VI. VALUATION CONCLUSION

(I) Valuation Results under the Asset-based Approach

The book value of total assets was RMB7,735.8849 million, and the appraised value was RMB8,564.1887 million, representing an appraisal appreciation of RMB828.3038 million and an appreciation rate of 10.71%.

The book value of liabilities was RMB5,828.0705 million, and the appraised value was RMB5,824.2676 million, representing an appraisal depreciation of RMB3.8029 million and a depreciation rate of 0.07%.

The book value of net assets was RMB1,907.8144 million, and the appraised value was RMB2,739.9211 million, representing an appraisal appreciation of RMB832.1067 million and an appreciation rate of 43.62%. For details, please refer to the following table.

Summary of Asset Valuation Conclusion

Valuated entity: Qingdao Port Dongjiakou Ore Terminal Co., Ltd. Valuation benchmark date: 31 October 2025

Unit: RMB0'000

Item		Book value	Appraised value	Appreciation or depreciation	Appreciation rate (%)
		A	B	C=B-A	D=C/A×100
1	Current assets	61,645.87	61,645.87	-	-
2	Non-current assets	711,942.62	794,773.00	82,830.38	11.63
3	Including: Long-term equity investments	1,041.88	1,142.50	100.62	9.66
4	Investment properties	-	-	-	
5	Fixed assets	509,216.60	516,021.26	6,804.66	1.34
6	Construction in progress	742.11	763.03	20.92	2.82
7	Right-of-use assets	35,845.25	31,675.16	-4,170.09	-11.63
8	Intangible assets	158,125.56	241,790.16	83,664.60	52.91
9	Development expenditure	766.52	766.52	-	-
10	Long-term prepaid expenses	3,590.33	-	-3,590.33	-100.00
11	Deferred tax assets	1,175.25	1,175.25	-	-
12	Other non-current assets	1,439.12	1,439.12	-	-
13	**Total assets**	**773,588.49**	**856,418.87**	**82,830.38**	**10.71**
14	Current liabilities	195,936.07	195,936.07	-	-
15	Non-current liabilities	386,870.98	386,490.69	-380.29	-0.10
16	**Total liabilities**	**582,807.05**	**582,426.76**	**-380.29**	**-0.07**
17	**Net assets (owners' equity)**	**190,781.44**	**273,992.11**	**83,210.67**	**43.62**

For details of the valuation conclusion using the asset-based approach, please refer to the detailed valuation schedules.

(II) Market Approach

Adopting the market approach, the book value of net assets corresponding to the entire equity interests of shareholders of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. as at the valuation benchmark date of 31 October 2025 was RMB1,907.8144 million, and the appraised market value of the entire equity interests of shareholders was RMB2,747.2527 million, representing an appraisal appreciation of RMB839.4383 million and an appreciation rate of 44.00%.

(III) Selection of Valuation Results

According to the "Asset Valuation Practice Standards - Enterprise Value", for the valuation of enterprise value, different valuation methods may be adopted to arrive at different preliminary valuation conclusions; where more than one valuation method are adopted and different preliminary valuation conclusions are formed, a reasonable conclusion shall be formed based on comprehensive consideration of the rationality of the different valuation methods and preliminary value conclusions, as well as the quality and quantity of the data used.

The valuated entity was a heavy-asset enterprise engaged in terminal operation and management. The asset-based approach was able to reflect the value of its various assets, and the valuation conclusion could fully reflect the value of the entire shareholders' equity. In applying the market approach, on the other hand, despite adequate and necessary adjustments having been made by the asset valuers to the comparable companies of the valuated entity, there remained uncertainties or difficult factors for adjustment, such as the unique intangible assets and contingent liabilities of comparable companies that the asset valuers might not have identified, giving rise to a risk of relatively substantial divergence between the valuation results and the actual enterprise value. Therefore, the appraised value derived from the asset-based approach was selected as the final valuation result.

Through the above analysis, we selected the valuation result of the asset-based approach as reference for the entire equity interests of shareholders of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. Based on this, the entire shareholders' equity of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. as at the valuation benchmark date was determined to be RMB2,739.9211 million.