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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**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE COMPREHENSIVE SERVICE FRAMEWORK AGREEMENT**

#### **CONTINUING CONNECTED TRANSACTIONS**

The Board is pleased to announce that, on 7 March 2022, the Company entered into the Comprehensive Service Framework Agreement with Container Development, pursuant to which, Container Development has agreed to provide and the Group has agreed to receive comprehensive services.

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

Container Development is a non-wholly owned subsidiary of the Company, in which the Company and Shandong Port Group, a controlling shareholder of the Company, each holds 51% and 49% equity interests, respectively. As such, Container Development is a connected subsidiary of the Company under Rule 14A.16 of the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the Comprehensive Service Framework Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) of the annual caps under the Comprehensive Service Framework Agreement is higher than 0.1% but less than 5%, the Comprehensive Service Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review and announcement but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

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## COMPREHENSIVE SERVICE FRAMEWORK AGREEMENT

Details of the Comprehensive Service Framework Agreement are set out as below:

<b>Date:</b>	7 March 2022
<b>Parties:</b>	(i) the Company; and (ii) Container Development
<b>Term:</b>	The Comprehensive Service Framework Agreement shall become effective after being approved by the Board and sealed by both parties to the Comprehensive Service Framework Agreement and expire on 31 December 2023.
<b>Transaction:</b>	Container Development shall provide comprehensive services to the Group, including market development services, customer services and payment settlement services.
<b>Pricing Policy:</b>	<p>The pricing policies for comprehensive services under the Comprehensive Service Framework Agreement shall be determined in accordance with the following principles and sequence:</p> <p>(i) if the state-prescribed price is available, the prices shall be determined at the state-prescribed price;</p> <p>(ii) if no state-prescribed price is available but there exists government guided-price, the prices shall be determined in accordance with the government guided-price;</p> <p>(iii) if no state-prescribed price or government guided-price is available, the prices shall be determined at the market price (including prices determined through bidding process); or</p>

(iv) if prices in (i), (ii) and (iii) above are not available or applicable, the prices shall be determined by both parties after arm's length negotiation with reference to the prevailing market price and be no less favourable to the Group than the prices from independent third parties.

## **ANNUAL CAPS**

The annual caps in respect of the services provided by Container Development to the Group under the Comprehensive Service Framework Agreement for the two years ending 31 December 2023 are RMB600 million and RMB650 million, respectively.

In arriving at the annual caps mentioned above, the following factors have been considered by the Directors, (i) the performance of the container business of the Group in 2021; and (ii) the expected increasing demand for market development services, customer services and payment settlement services of the Group for the two years ending 31 December 2023 with reference to the business plan and commercial policy adjustment of the Group.

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## **REASONS FOR AND BENEFITS OF ENTERING INTO THE COMPREHENSIVE SERVICE FRAMEWORK AGREEMENT**

Container Development is the subsidiary of the Company, as compared to the independent third-party service providers, Container Development is more familiar with the Group's business and demands and is able to provide services in a more efficient and timely way, which will increase the operating efficiency of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Comprehensive Service Framework Agreement and the transactions contemplated thereunder are entered into on normal commercial terms and in the ordinary and usual course of business of the Company and its terms (including its annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of the Directors, Mr. SU Jianguang, Mr. LI Wucheng, Mr. WANG Xinze, Mr. WANG Jun and Ms. WANG Fuling has abstained from voting on the resolution for considering and approving the Comprehensive Service Framework Agreement and the transactions contemplated thereunder at the Board meeting due to the potential conflict of interest as a result of his/her directorships or positions in Shandong Port Group and/or certain subsidiaries of Shandong Port Group pursuant to Rule 13.44 of the Hong Kong Listing Rules.

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

## **MEASURES TO ENSURE COMPLIANCE WITH THE HONG KONG LISTING RULES**

The Company has taken the following measures to ensure the continuing connected transactions under the Comprehensive Service Framework Agreement are conducted in compliance with the Hong Kong Listing Rules.

The Company has established comprehensive internal control system and adopted various internal control rules, including connected transaction management measures, to ensure that the continuing connected transactions under the Comprehensive Service Framework Agreement are conducted in accordance with its terms and condition. Before making any specific transactions, departments in charge of business, finance, legal, auditing and connected transactions of the Company will review and assess whether the rates and terms set out in the specific transactions are consistent with the Comprehensive Service Framework Agreement to ensure that the interests of the Shareholders as a whole are taken into account and protected. The departments in charge of business, finance, legal, auditing and connected transactions of the Company will also monitor the pricing procedures for the continuing connected transactions contemplated under the Comprehensive Service Framework Agreement to ensure prices to be determined are on normal commercial terms.

The departments in charge of business, finance, legal, auditing and connected transactions of the Company involved in a specific transaction will work closely to ensure the continuing connected transactions are entered into: (i) in accordance with the review and evaluation procedure set out in this announcement and the terms of the Comprehensive Service Framework Agreement; (ii) on normal commercial terms or better; (iii) no less favourable than terms offered by independent third parties to the Group (if applicable); and (iv) according to the Comprehensive Service Framework Agreement on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GENERAL INFORMATION**

### ***The Company***

The Company is a joint stock company and was incorporated on 15 November 2013, which is a primary operator of the Port of Qingdao, one of the world's largest comprehensive ports. The Company, together with its subsidiaries and joint ventures, mainly provides container, iron ore, coal, crude oil and other goods handling and ancillary services, logistics and port value-added services, port ancillary services and financial services. As of the date of this announcement, the ultimate beneficial owner of the Company is SD SASAC.

### ***Container Development***

Container Development is a company with limited liability incorporated in the PRC and was established on 21 January 2022, mainly engaged in market development services, customer services and payment settlement services in the container business. As of the date of this announcement, Container Development is a non-wholly owned subsidiary of the Company, in which the Company and Shandong Port Group, a controlling shareholder of the Company, each holds 51% and 49% equity interests, respectively. As such, Container Development is a connected subsidiary of the Company under Rule 14A.16 of the Hong Kong Listing Rules.

### ***Shandong Port Group***

Shandong Port Group, a controlling shareholder of the Company, is principally engaged in ports operation management, ports industry investment, ports infrastructure construction, ports and shipping supporting services, coastline and land resources storage, development and utilization, and ocean and coastal shipping. As at the date of this announcement, the ultimate beneficial owner of Shandong Port Group is SD SASAC.

## DEFINITIONS

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

<b>“Board”</b>	the board of directors of the Company
<b>“Company”</b>	Qingdao Port International Co., Ltd. (青島港國際股份有限公司), a joint stock company established in the PRC with limited liability on 15 November 2013, A shares of which are listed on the Main Board of the Shanghai Stock Exchange with stock code 601298 and H shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited with stock code 06198
<b>“Comprehensive Service Framework Agreement”</b>	the framework agreement entered into between the Company and Container Development on 7 March 2022, pursuant to which, Container Development has agreed to provide and the Group has agreed to receive comprehensive services
<b>“Container Development”</b>	Qingdao Port International Container Development Co., Ltd. (青島港國際集裝箱發展有限公司)
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Group”</b>	the Company and its branches and subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Listing Rules”</b>	the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited
<b>“PRC”</b>	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region and Taiwan
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Shandong Port Group”</b>	Shandong Port Group Co., Ltd. (山東省港口集團有限公司), a controlling shareholder of the Company

**“SD SASAC”**

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)

**“Shareholder(s)”**

the shareholder(s) of the Company

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

By order of the Board

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

**SU Jianguang**

*Chairman*

Qingdao, the PRC, 7 March 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. SU Jianguang and Mr. WANG Xinze, the non-executive Directors are Mr. LI Wucheng, Mr. FENG Boming, Mr. WANG Jun and Ms. WANG Fuling; and the independent non-executive Directors are Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho.*