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

Qingdao Port International Co., Ltd.

青島港國際股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 06198)

ANNOUNCEMENT

CONNECTED TRANSACTION IN RELATION TO WEIHAI PORT DEVELOPMENT EQUITY TRANSFER

WEIHAI PORT DEVELOPMENT EQUITY TRANSFER

On 16 May 2022 (after trading hours), the Company entered into the Equity Transfer Agreement with Weihai Port, pursuant to which, the Company will acquire 51% equity interests in Weihai Port Development from Weihai Port. As at the date hereof, Weihai Port Development is a wholly-owned subsidiary of Weihai Port. After the completion of the Weihai Port Development Equity Transfer, the Company and Weihai Port will hold 51% and 49% equity interests in Weihai Port Development respectively, and the financial statements of Weihai Port Development will be incorporated into the consolidated financial statements of the Company.

HONG KONG LISTING RULES IMPLICATIONS

As Qingdao Port Group is the controlling shareholder of the Company, and therefore a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. As Weihai Port is a wholly-owned subsidiary of Qingdao Port Group, therefore Weihai Port is an associate of Qingdao Port Group and is a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the Weihai Port Development Equity Transfer constitutes a connected transaction of the Company.

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

The Board is pleased to announce that on 16 May 2022 (after trading hours), the Company entered into the Equity Transfer Agreement with Weihai Port, pursuant to which, the Company will acquire 51% equity interests in Weihai Port Development from Weihai Port.

As at the date hereof, Weihai Port Development is a wholly-owned subsidiary of Weihai Port. After the completion of the Weihai Port Development Equity Transfer, the Company and Weihai Port will hold 51% and 49% equity interests in Weihai Port Development, respectively, and the financial statements of Weihai Port Development will be incorporated into the consolidated financial statements of the Company.

I. EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized as below:

Date	16 May 2022 (after trading hours)
Parties	(1) Weihai Port (as the transferrer); and (2) the Company (as the transferee).
Target	51% equity interests in Weihai Port Development
Consideration	The consideration for the 51% equity interests in Weihai Port Development is RMB984.4466 million, which was determined with reference to the appraised value of RMB1,930.2875 million for 100% equity interests in Weihai Port Development. The valuation report was prepared by the Independent Valuer on the basis of the asset-based approach.

As at the Reference Date, the book value of 100% equity interests in Weihai Port Development is RMB1,181.2072 million with an appraisal appreciation of RMB749.0804 million compared with the appraised value in the valuation report.

The terms of the Equity Transfer Agreement have been determined after arm's length negotiations between the parties.

Payment Arrangement The Company shall pay the consideration of RMB984.4466 million to the designated account of Weihai Port via bank transfer in one payment within 15 Working Days from the following day immediately after the effective date of the Equity Transfer Agreement.

Closing Date The date of completion of the registration procedure of the Weihai Port Development Equity Transfer.

Weihai Port and the Company shall cooperate and work with Weihai Port Development to complete the registration procedure of the equity transfer within 20 Working Days after the effect of the Equity Transfer Agreement.

Transitional Period During the period from the Reference Date to the closing date, the gains or losses of Weihai Port Development will be shared and borne by Weihai Port and the Company according to their shareholding ratios after the completion of the transaction.

II. GENERAL INFORMATION

Information of the Company

The Company is a primary operator of the Port of Qingdao, one of the world's largest comprehensive ports. The Group and its joint ventures mainly provide handling and ancillary services of container, iron ore, coal, crude oil and other goods, logistics and port value-added services and port ancillary services.

Information of Qingdao Port Group

Qingdao Port Group is a company incorporated in the PRC with limited liability, which is the controlling shareholder of the Company and holds approximately 55.77% of the total issued shares of the Company as at the date of this announcement. Qingdao Port Group mainly engages in comprehensive financial services, construction of public infrastructure and development of passenger liner home port. Shandong Port Group directly holds 100% equity interests in Qingdao Port Group.

Information of Shandong Port Group

Shandong Port Group, an indirect 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, ocean and coastal shipping. As at the date of this announcement, the ultimate beneficial owner of Shandong Port Group is State-owned Assets Supervision and Administration Commission of the People's Government of Shandong Province.

Information of Weihai Port

Weihai Port is principally engaged in handling of international express, passengers, vehicles and luggage, warehousing, transportation, consignment, agency services and other services. Qingdao Port Group, the controlling shareholder of the Company, directly holds 100% equity interests in Weihai Port.

Information of Weihai Port Development

Weihai Port Development was established in 2001 and is primarily engaged in handling of containers and dry bulk cargoes such as coal, ore, and bauxite, warehousing, road transportation, freight forwarding and other services.

As at the date hereof, Weihai Port Development is a wholly-owned subsidiary of Weihai Port. After the completion of the Weihai Port Development Equity Transfer, the Company and Weihai Port will hold 51% and 49% equity interests in Weihai Port Development, respectively, and the financial statements of Weihai Port Development will be incorporated into the consolidated financial statements of the Company. The original acquisition cost of 51% equity interests in Weihai Port Development paid by Weihai Port was approximately RMB371,700,240.

Set out below is the summary of the consolidated financial information of Weihai Port Development for the two years ended 31 December 2021. The financial information for the year ended 31 December 2021 was audited by PwC ZT in accordance with PRC Accounting Standards for Business Enterprises.

	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>(RMB Yuan)</i>	<i>(RMB Yuan)</i>
	<i>(audited)</i>	<i>(unaudited)</i>
Net profit before taxation	42,133,912	65,746,158
Net profit after taxation	36,383,255	64,086,352

China United Assets Appraisal, an independent valuer, performed independent valuation in respect of 100% equity interests in Weihai Port Development. The valuation report was prepared by the Independent Valuer on the basis of the asset-based approach, among which China United Assets Appraisal applied asset-based approach to appraise the headquarter of Weihai Port Development, Weihai International Logistics Park Development Co., Ltd., Weihai Qingwei Container Terminal Co., Ltd., Weihai Shichang Logistics Co., Ltd., China Weihai Foreign Vessel Agency Co., Ltd. and Shandong Weihai Port International Trade Co., Ltd., being subsidiaries of Weihai Port Development. China United Assets Appraisal applied income approach to appraise Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd., being subsidiaries of Weihai Port Development. The appraised value for 100% equity interests in Weihai Port Development as at 31 March 2022 was RMB1,930.2875 million.

As the income approach takes into account the cash flow projection of the relevant businesses, and as such, the valuation under the valuation report on Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd. constitutes profit forecasts under Rule 14.61 of the Hong Kong Listing Rules.

Pursuant to Rule 14.60A and Rule 14.62 of the Hong Kong Listing Rules, the main assumptions adopted in the profit forecasts of Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd. are disclosed in Appendix I to this announcement.

PwC ZT, the reporting accountant of the Company, has reviewed the calculations of the discounted cash flow forecast on which the valuations of Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd. are based, not including the reasonableness of the adopted accounting policies and assumptions.

The Board has confirmed the profit forecasts (including the assumptions) of Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd. set out in the valuation report are made after due and careful enquiry.

Letters from PwC ZT and the Board are set out in Appendix II and Appendix III to this announcement, respectively.

III. INFORMATION ON THE EXPERT

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

Name	Qualification
China United Assets Appraisal	A qualified valuer in the PRC
PwC ZT	Certified Public Accountants

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

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

IV. HONG KONG LISTING RULES IMPLICATIONS IN RELATION TO THE WEIHAI PORT DEVELOPMENT EQUITY TRANSFER

As Qingdao Port Group is the controlling shareholder of the Company, and therefore a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. As Weihai Port is a wholly-owned subsidiary of Qingdao Port Group, therefore Weihai Port is an associate of Qingdao Port Group and is a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the Weihai Port Development Equity Transfer constitutes a connected transaction of the Company.

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

On 25 January 2022 (after trading hours), the Company entered into the Absorption and Merger Agreement with Shandong Port Group, Qingdao Port Finance Co., Ltd.(青島港財務有限責任公司), Rizhao Port Group Finance Co., Ltd.(日照港集團財務有限公司) and Rizhao Port Co., Ltd.(日照港股份有限公司), pursuant to which, Rizhao Port Group Finance Co., Ltd. shall merge with Qingdao Port Finance Co., Ltd., by way of absorption and merger. The absorption and merger involved the acquisition of Rizhao Port Group Finance Co., Ltd..

On 28 June 2021, the Company, along with its subsidiaries, and Shandong Port Group, along with its subsidiaries, entered into, among the others, the Qingdao Port Engineering Share Transfer Agreement, the Harbour Engineering Capital Increase Agreement, the Tongbao Shipping Share Transfer Agreement and the Shipping Group Capital Increase Agreement. The transactions involved the acquisitions of 9.62% of the enlarged share capital in Shandong Harbour Engineering Group Limited Company (山東港灣建設集團有限公司) and 11.02% of the enlarged share capital in Shandong Port Shipping Group Co., Ltd. (山東港口航運集團有限公司).

After aggregation of the Weihai Port Development Equity Transfer, the acquisition of Rizhao Port Group Finance Co., Ltd. and the acquisitions of 9.62% of the enlarged share capital in Shandong Harbour Engineering Group Limited Company and 11.02% of the enlarged share capital in Shandong Port Shipping Group Co., Ltd., the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) continues to be less than 25%.

The Board (including the independent non-executive Directors) is of the view that the terms of the Equity Transfer Agreement are arrived at after arm's length negotiations between relevant parties, though not in the ordinary and usual course of business of the Group, and is of the view that the Equity Transfer Agreement and the transaction contemplated thereunder are entered into on normal commercial terms and fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Each of Mr. SU Jianguang, Mr. LI Wucheng, Mr. WANG Xinze, Mr. WANG Jun and Ms. WANG Fuling has abstained from voting at the Board meeting of the Company considering the Equity Transfer Agreement and the transaction contemplated thereunder, due to the potential conflict of interests as a result of his/her directorship(s) or position(s) in Shandong Port Group and/or certain subsidiaries of Shandong Port Group pursuant to Rule 13.44 of the Hong Kong Listing Rules.

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

V. REASONS FOR AND BENEFITS OF THE WEIHAI PORT DEVELOPMENT EQUITY TRANSFER

The Company and Weihai Port compete horizontally in their principal business in a certain extent. In accordance with *The Undertaking Letter to Solve and Avoid Horizontal Competition Issued by Qingdao Port (Group) Co., Ltd.* (《青島港（集團）有限公司關於解決和避免同業競爭的承諾函》) issued by Qingdao Port Group on 9 July 2019, which provided that within 36 months following the completion of the changes of the industrial and commercial registration of the equity interests and the state-owned property rights of Weihai Port (i.e. 30 August 2019), Qingdao Port Group shall effectively resolve the horizontal competition in accordance with the applicable laws, regulations, the article of associations of Qingdao Port Group and the Company and other legal documents.

The Weihai Port Development Equity Transfer will not only be conducive to resolving the horizontal competition, but also be able to promote the sharing of resources, expand the development of the Group and enhance the comprehensive competitiveness of the Group. After the completion of the Weihai Port Development Equity Transfer, it will help expand market share of the Group, enhance business radiation and continue to improve the profitability of the main business. With the advantage of the location of the Port of Weihai over Japan, South Korea and other countries, the Group will be able to co-ordinate the advantages of the port resources of the Jiaodong peninsula and the shipping routes in Northeast Asia, optimise the routes layout, enhance the radiation of trade to Japan, South Korea and other countries, expand the Group's cargo hinterland and promote the upgrading of production capacity.

VI. DEFINITIONS

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

“Absorption and Merger Agreement”	the absorption and merger agreement entered into among Shandong Port Group, the Company, Qingdao Port Finance Co., Ltd.(青島港財務有限責任公司), Rizhao Port Co., Ltd.(日照港股份有限公司) and Rizhao Port Group Finance Co., Ltd. (日照港集團財務有限公司) on 25 January 2022
“Board”	the board of Directors
“China United Assets Appraisal” or “Independent Valuer”	China United Assets Appraisal Group Co., Ltd. (中聯資產評集團有限公司), an independent valuer

“Company”	Qingdao Port International Co., Ltd.* (青島港國際股份有限公司), a joint stock company incorporated in the PRC with limited liability on 15 November 2013
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 16 May 2022 entered into between the Company and Weihai Port, pursuant to which, the Company will acquire 51% equity interests in Weihai Port Development from Weihai Port
“Group”	the Company together with its branches and subsidiaries
“Harbour Engineering Capital Increase Agreement”	the share capital increase agreement entered into among the Company, Shandong Harbour Engineering Group Limited Company (山東港灣建設集團有限公司) and Rizhao Port Group Co., Ltd. (日照港集團有限公司) (now renamed as Shandong Port Rizhao Port Group Co., Ltd (山東港口日照港集團有限公司) on 28 June 2021
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding the Hong Kong, the Macau Special Administrative Region and Taiwan
“PwC ZT”	PricewaterhouseCoopers Zhong Tian LLP, the reporting accountant of the Company
“Qingdao Port Engineering Share Transfer Agreement”	the share transfer agreement entered into among the Company, Qingdao Port (Group) Engineering Co., Ltd. (青島港（集團）港務工程有限公司) and Shandong Harbour Engineering Group Limited Company (山東港灣建設集團有限公司) on 28 June 2021

“Qingdao Port Group”	Shandong Port Qingdao Port Group Co., Ltd.* (山東港口青島港集團有限公司), formerly known as Qingdao Port (Group) Co., Ltd. (青島港(集團)有限公司), the controlling shareholder of the Company
“Reference Date”	31 March 2022
“RMB”	Renminbi, the lawful currency of PRC
“Shandong Port Group”	Shandong Port Group Co., Ltd.* (山東省港口集團有限公司), an indirect controlling shareholder of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Shipping Group Capital Increase Agreement”	the share capital increase agreement entered into among Shandong Port Group, the Company, Shandong Port Shipping Group Co., Ltd. (山東港口航運集團有限公司) and Qingdao Port Tongbao Shipping Co., Ltd. (青島港通寶航運有限公司) on 28 June 2021
“Tongbao Shipping Share Transfer Agreement”	the share transfer agreement entered into among the Company, Shandong Port Shipping Group Co., Ltd. (山東港口航運集團有限公司) and Qingdao Port Tongbao Shipping Co., Ltd. (青島港通寶航運有限公司) on 28 June 2021
“Weihai Port”	Shandong Port Weihai Port Co., Ltd.* (山東港口威海港有限公司), a wholly-owned subsidiary of Qingdao Port Group
“Weihai Port Development”	Shandong Weihai Port Development Co., Ltd.* (山東威海港發展有限公司), which is owned as to 100% equity interests by Weihai Port as at the date hereof
“Weihai Port Development Equity Transfer”	the transaction contemplated under the Equity Transfer Agreement
“Working Days”	working days in the PRC
“%”	percent

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

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

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

Qingdao, the PRC, 16 May 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.

APPENDIX I THE ASSUMPTIONS ADOPTED IN THE PROFIT FORECASTS

The assumptions contained in the valuation report on Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd. are as follows:

1. General assumptions

- (1) No material change in the current national direction and policies;
- (2) No material change in the current interest rate of the nation;
- (3) No material change in the socio-economic environment of the region where the enterprise operates business;
- (4) Ordinary development trend is maintained in the industry in which the enterprise operates, there is no material change from the existing laws, regulations, systems, social political and economic policies in force;
- (5) No material adverse effects resulted from other irresistible factors.

2. Special assumptions

- (1) The unit under evaluation will still continue operations according to the enterprise operation plan after the Reference Date;
- (2) The operator of the unit under evaluation is a responsible person and the management of the enterprise is capable of undertaking its responsibilities;
- (3) The unit under evaluation has fully complied with all relevant laws and regulations;
- (4) The accounting policies adopted in the historical financial information of the unit under evaluation are basically consistent in material aspects with the accounting policies adopted in forecasting income;
- (5) The development plan and operation plan of the unit under evaluation are able to be realized as scheduled;
- (6) The unit under evaluation is able to continue controlling all its various resources and maintaining its core competitiveness;

APPENDIX I THE ASSUMPTIONS ADOPTED IN THE PROFIT FORECASTS

(7) Assumptions on asset renewal and investment: To ensure on-going development in future operation, Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd. need to renew, retrofit, maintain and increase investment in the existing production facilities and technological equipment to ensure the realization of income in the forecast period;

(8) Assumptions after the Reference Date that the cash inflow of the unit under evaluation will be average inflow and cash outflow will be average outflow.

APPENDIX II INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS

The following is the text of a report received from PwC ZT for the purpose of incorporation in this announcement.



普华永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF WEIHAI GANGFENG VESSEL AGENCY CO., LTD.

PwC ZT Te Shen Zi (2022) No. 3980
(Page 1 of 2)

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

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows of Weihai Gangfeng Vessel Agency Co., Ltd. ("Weihai Gangfeng Vessel Agency"), a subsidiary of Shandong Weihai Port Development Co., Ltd. (the "**Target Company**") on which the business valuation (the "**Valuation**") dated 10 May 2022 prepared by China United Assets Appraisal Group Co., Ltd. in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2022 is based. The Valuation is set out in the announcement of Qingdao Port International Co., Ltd. (the "**Company**") dated 16 May 2022 (the "**Announcement**") in connection with the acquisition by the Company of a 51% equity interest in the Target Company. The Valuation of Weihai Gangfeng Vessel Agency based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows, including the bases and assumptions set out in the section headed "Appendix I - The Assumptions Adopted in the Profit Forecast" of the Announcement on which the discounted future estimated cash flows are based. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting Accountant's Responsibilities

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

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APPENDIX II INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS

PwC ZT Te Shen Zi (2022) No. 3980
(Page 2 of 2)

This assurance engagement involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the bases and assumptions set out in the section headed “Appendix I - The Assumptions Adopted in the Profit Forecast” of the Announcement. The extent of procedures selected depends on the Reporting Accountant’s judgement and our assessment of the engagement risk. Within the scope of our work, we, amongst others, reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

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

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

Opinion

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

Purpose and Restriction on Use

This report is intended solely for the board of directors of the Company in connection with the requirement in paragraph 14.62(2) of the Listing Rules and should not be used for any other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People’s Republic of China
16 May 2022

CPA: Jia Na

CPA: Lv Yongzheng

APPENDIX II INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS

The following is the text of a report received from PwC ZT for the purpose of incorporation in this announcement.



普华永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF WEIHAI ZHONGLI FOREIGN VESSEL TALLY CO., LTD.

PwC ZT Te Shen Zi (2022) No. 3976
(Page 1 of 2)

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

We have completed our assurance engagement to report on the calculations of the discounted future estimated cash flows of Weihai Zhongli Foreign Vessel Tally Co., Ltd. ("Weihai Zhongli Foreign Vessel Tally"), a subsidiary of Shandong Weihai Port Development Co., Ltd. (the "**Target Company**") on which the business valuation (the "**Valuation**") dated 10 May 2022 prepared by China United Assets Appraisal Group Co., Ltd. in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2022 is based. The Valuation is set out in the announcement of Qingdao Port International Co., Ltd. (the "**Company**") dated 16 May 2022 (the "**Announcement**") in connection with the acquisition by the Company of a 51% equity interest in the Target Company. The Valuation of Weihai Zhongli Foreign Vessel Tally based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows, including the bases and assumptions set out in the section headed "Appendix I - The Assumptions Adopted in the Profit Forecast" of the Announcement on which the discounted future estimated cash flows are based. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting Accountant's Responsibilities

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

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APPENDIX II INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS

PwC ZT Te Shen Zi (2022) No. 3976
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This assurance engagement involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the bases and assumptions set out in the section headed “Appendix I - The Assumptions Adopted in the Profit Forecast” of the Announcement. The extent of procedures selected depends on the Reporting Accountant's judgement and our assessment of the engagement risk. Within the scope of our work, we, amongst others, reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

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

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

Opinion

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

Purpose and Restriction on Use

This report is intended solely for the board of directors of the Company in connection with the requirement in paragraph 14.62(2) of the Listing Rules and should not be used for any other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
16 May 2022

CPA: Jia Na

CPA: Lv Yongzheng



Qingdao Port International Co., Ltd.

青島港國際股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 06198)

Dear Sir or Madam,

Transaction contemplated under the Equity Transfer Agreement

We refer to the valuation report (the “**Valuation Report**”) prepared by China United Assets Appraisal Group Co., Ltd. (the “**Valuer**”), in relation to the valuation of 100% equity interests in Shandong Weihai Port Development Co., Ltd. (the “**Weihai Port Development**”) as of the Reference Date (i.e., 31 March 2022). The valuation on Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd., the subsidiaries of Weihai Port Development, adopted the income approach, and therefore is regarded as a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Terms in this letter shall have the same meanings as those defined in the announcement of the Company dated 16 May 2022 in respect of the connected transaction in relation to Weihai Port Development equity transfer unless the context otherwise requires.

We have reviewed the bases and assumptions based upon which the valuation of the equity interests of Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd. has been prepared by the Independent Valuer of which the Independent Valuer is responsible. We have also considered the reports from the reporting accountant of the Company, PricewaterhouseCoopers Zhong Tian LLP, regarding whether the discounted future estimated cash flows of Weihai Gangfeng Vessel Agency Co., Ltd. and Weihai Zhongli Foreign Vessel Tally Co., Ltd., so far as the calculations are concerned, have been properly complied, in all material respects, in accordance with the respective bases and assumptions to the valuation.

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

APPENDIX III LETTER FROM THE BOARD

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