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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

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE COMPREHENSIVE SERVICE FRAMEWORK AGREEMENT

CONTINUING CONNECTED TRANSACTIONS

The Board is pleased to announce that, on 28 June 2022, the Company entered into the Comprehensive Service Framework Agreement with Worldex Logistics in relation to (i) the provision of comprehensive logistic services by the Group to Worldex Group, including container freight station services, freight forwarding services, etc., and (ii) the provision of comprehensive logistic services by Worldex Group to the Group, including freight forwarding services, etc..

HONG KONG LISTING RULES IMPLICATIONS

Pursuant to the annual results of the Company disclosed on 30 March 2022, for the year ending 31 December 2021, the revenue of Jieyuntong Logistics accounts for more than 10% of the Company's revenue for the first time. Therefore, Jieyuntong Logistics is deemed as a significant subsidiary of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, as Worldex Logistics is the indirect controlling shareholder of Qingdao Hangyun, which is a substantial shareholder of Jieyuntong Logistics, one of the significant subsidiaries of the Company, Worldex Logistics is therefore a connected person at the subsidiary level of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Thus, 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 in respect of comprehensive logistic services under the Comprehensive Service Framework Agreement is higher than 1%, 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.

CONTINUING CONNECTED TRANSACTIONS

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COMPREHENSIVE SERVICE FRAMEWORK AGREEMENT

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

Date: 28 June 2022

Parties: (i) the Company; and
(ii) Worldex Logistics

Term: The Comprehensive Service Framework Agreement shall be approved by the Board and become effective after sealed by both parties, and expiring on 31 December 2024.

Transaction: i. The Group shall provide comprehensive logistic services to Worldex Group, mainly including:

(i) container freight station services, which refer to the provisions of stacking and storage services for the import and export of container cargoes, including services such as stevedoring, transfer, cleaning, maintenance of containers at the yard and other related or similar services; and

(ii) freight forwarding services, which refer to the provisions of booking, transporting, conducting import and export formalities and other related or similar services for the import and export of container cargoes.

ii. Worldex Group shall provide comprehensive logistic services to the Group, mainly including freight forwarding services.

The Group and Worldex Group provide freight forwarding services to each other according to their respective advantages, which belongs to the entrusted agency business, falls into the normal business scope, and conforms to the industry practice.

Pricing Policy: i. Provision of comprehensive logistic services by the Group to Worldex Group

The charging price of comprehensive logistic services provided by the Group to Worldex Group implements charging standards for each business, which is set according to the market mechanism by the Group. The charging price is referred to the charging prices of the same or similar services provided by companies in the same category of the local region on normal commercial terms during the ordinary course of business. The Group implements the same charging price to both Worldex Group and independent third parties, and the terms of the services provided to Worldex Group by the Group are no more favorable than the terms of the same or similar services provided to independent third parties.

ii. Provision of comprehensive logistic services by Worldex Group to the Group

The charging price of comprehensive logistic services provided by Worldex Group to the Group implements charging standards for each business, which is set according to the market mechanism by Worldex Group. The charging price is referred to the charging prices of the same or similar services provided by companies in the same category of the local region on normal commercial terms during the ordinary course of business. Worldex Group implements the same

charging price to both the Group and independent third parties, and the terms of the services provided to the Group by Worldex Group are no less favorable than the terms of the same or similar services provided to independent third parties.

When the Group considers whether to accept comprehensive logistic services provided by Worldex Group, the Group will also refer to the charging prices of the same or similar services provided by companies in the same category of the local region on normal commercial terms during the ordinary course of business to ensure that the terms of the services provided to the Group by Worldex Group are no less favorable than the terms of the same or similar services offered by independent third parties.

ANNUAL CAPS

The table below sets out the annual caps in respect of transactions contemplated under the Comprehensive Services Framework Agreement for the three years ending 31 December 2024:

Transaction type	Annual Caps for each year ending 31 December		
	2022	2023	2024
	(RMB100 million)	(RMB100 million)	(RMB100 million)
Provision of comprehensive logistic services by the Group to Worldex Group	7	7.7	8.5
Provision of comprehensive logistic services by Worldex Group to the Group	3	3.3	3.6

In arriving at the annual caps mentioned above, various factors have been taken into account by the Directors, including:

i. Provision of comprehensive logistic services by the Group to Worldex Group

(i) the historical transaction amount of the comprehensive logistic services provided by the Group to Worldex Group for the two years ending 31 December 2021 were RMB184 million and RMB451 million, respectively;

(ii) it is expected that the transaction amount of comprehensive logistic services provided by the Group to Worldex Group for the year ending 31 December 2022 will be increased by approximately RMB250 million, due to an increase in sea freight charge fees and an expected increase in business volume; and

(iii) taking into account the Group's business development over the next three years, it is expected that the scale of the comprehensive logistic services business provided by the Group to Worldex Group will grow by an average of approximately 10% per annum.

ii. Provision of comprehensive logistic services by Worldex Group to the Group

(i) the historical transaction amount of the comprehensive logistic services provided by Worldex Group to the Group for the two years ending 31 December 2021 were RMB39 million and RMB147 million, respectively;

(ii) it is expected that the transaction amount of comprehensive logistic services provided by Worldex Group to the Group for the year ending 31 December 2022 will be increased by approximately RMB150 million, due to an increase in sea freight charge fees and an expected increase in business volume; and

(iii) taking into account the Group's business development over the next three years, it is expected that the scale of the comprehensive logistic services business provided by Worldex Group to the Group will grow by an average of approximately 10% per annum.

HONG KONG LISTING RULES IMPLICATIONS

Pursuant to the annual results of the Company disclosed on 30 March 2022, for the year ending 31 December 2021, the revenue of Jieyuntong Logistics accounts for more than 10% of the Company's revenue for the first time. Therefore, Jieyuntong Logistics is deemed as a significant subsidiary of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As at the date of this announcement, as Worldex Logistics is the indirect controlling shareholder of Qingdao Hangyun, which is a substantial shareholder of Jieyuntong Logistics, one of the significant subsidiaries of the Company, Worldex Logistics is therefore a connected person at the subsidiary level of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Thus, 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 in respect of the provision of comprehensive logistic services under the Comprehensive Service Framework Agreement is higher than 1%, 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.

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

The Group has broad cooperation in the logistics field with Worldex Group for a long time with high correlation in business, strong complementarity and high degree of synergies. Qingdao region of Shandong Province is an important operation area for Worldex Group, while the Group, as the leading comprehensive logistic services operator in the Qingdao region of Shandong Province, the cooperation between Worldex Group and the Group owns natural geographical advantages. Worldex Group and the Group could provide high-quality, convenient and efficient services to each other, which are conducive to promoting mutual benefit and win-win results.

The Board approved the Comprehensive Service Framework Agreement and the transactions contemplated thereunder on 28 June 2022. 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.

As at the date of this announcement, none of the Directors has any material interest in the agreement 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 conditions. Before making any specific transactions, the subsidiaries carried out business of the Group 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 department in charge of connected transactions of the Company will also monitor the pricing procedures for the continuing connected transactions contemplated under the Comprehensive Service Framework Agreement regularly to ensure prices to be determined are on normal commercial terms and (i) the charging prices of the comprehensive logistic services provided to Worldex Group by the Group are no more favorable than those available to independent third parties; and (ii) the charging prices of the comprehensive logistic services provided to the Group by Worldex Group are no less favorable than those offered by independent third parties.

The department in charge of connected transactions of the Company involved in a specific transaction will work closely with the subsidiaries carrying out business of the Group 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) the charging prices of the comprehensive logistic services provided to Worldex Group by the Group are no more favorable than those available to independent third parties; and the charging prices of the comprehensive logistic services provided to the Group by Worldex Group are no less favorable than those offered by independent third parties (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 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).

Worldex Logistics

Worldex Logistics is a company with limited liability incorporated in the PRC and was established on 5 February 2016, mainly engaged in international freight forwarding by sea, air and land, warehousing and container related services. As of the date of this announcement, Worldex Logistics is owned as to 40%, 30% and 30% equity interests by Mr. Liu Jie, Mr. Liu Tao and Mr. Yao Su, respectively. As Worldex Logistics is the indirect controlling shareholder of Qingdao Hangyun, which is in turn a substantial shareholder of Jieyuntong Logistics, one of the significant subsidiaries of the Company, World Logistics is therefore a connected person at the subsidiary level of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“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, 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
“Comprehensive Service Framework Agreement”	the framework agreement dated 28 June 2022 entered into between the Company and Worldex Logistics
“Director(s)”	the director(s) of the Company
“Group”	the Company, together with its branches and subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited
“Jieyuntong Logistics”	Qingdao Port Jieyuntong Logistics Co., Ltd. (青島港捷運通物流有限公司)
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Qingdao Hangyun”	Qingdao Hangyun Investment Co., Ltd. (青島航雲投資有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company

“Worldex Logistics”

Worldex Logistics Co., Ltd. (全球捷運物流有限公司)

“Worldex Group”

Worldex Logistics and its subsidiaries, when references are made to connected transactions, also including its associates

In addition, the terms, “connected transaction(s)”, “associate(s)”, “continuing connected transaction(s)”, “independent third party(ies)”, “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, 28 June 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. ZHANG Dayu, 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.