山东港口 SHANDONG PORT GROUP | 青岛港国际股份有限公司 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

(1) MAJOR TRANSACTION AND CONNECTED TRANSACTIONS INVOLVING THE PROPOSED RESTRUCTURING
(2) PROPOSED ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS AND
(3) RESUMPTION OF TRADING IN A SHARES

(1) MAJOR TRANSACTION AND CONNECTED TRANSACTIONS INVOLVING THE PROPOSED RESTRUCTURING

Reference is made to the Potential Major Transaction Announcement. As a result of the adjustments to the scope of the previous target assets involved in the Proposed Restructuring, the Company entered into the Asset Purchase Agreements on 12 July 2024 with Rizhao Port Group and Yantai Port Group, respectively, pursuant to which, the Company conditionally agreed to purchase the Target Assets and pay the consideration by way of cash payments or issuance of Consideration Shares to Rizhao Port Group and Yantai Port Group. The total consideration of the Proposed Restructuring is RMB9,440.3311 million. Each of the Asset Purchase Agreements is independent to each other. On the same day, the Company entered into the Compensation Agreements with Rizhao Port Group and Yantai Port Group, respectively, pursuant to which, Rizhao Port Group and Yantai Port Group agreed to provide performance undertakings and make compensation, if necessary, in respect of the Target Assets.

(2) THE PROPOSED ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS

In addition to the Proposed Restructuring, the Board has approved to issue New A Shares to no more than 35 (including 35) qualified target subscribers to raise ancillary funds. The total amount of ancillary funds to be raised shall not exceed RMB2,000.00 million, which does not exceed 100% of the final consideration of the Proposed Restructuring, i.e. RMB9,440.3311 million, and the number of New A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to the Proposed Restructuring, i.e. not exceeding 1,947,330,000 A Shares. The final number of New A Shares to be issued under the Proposed Issuance of A Shares will be finalized after the Proposed Issuance of A Shares has been consented for registration by CSRC and based on the results of the price enquiry in accordance with the relevant provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies (《上市公司證券發行註冊管理辦法》) and other laws and regulations.

The Proposed Issuance of A Shares is conditional on the implementation of the Proposed Restructuring while the Proposed Restructuring is not conditional on the completion of the Proposed Issuance of A Shares.

HONG KONG LISTING RULES IMPLICATIONS

The Proposed Restructuring

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the Proposed Restructuring exceeds 25% but is less than 100%, the Proposed Restructuring will constitute a major transaction of the Company under Chapter 14 of the Hong Kong Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements.

As at the date of this announcement, Shandong Port Group is an indirect controlling shareholder of the Company and therefore is a connected person of the Company. As each of Sellers is a wholly-owned subsidiary of Shandong Port Group, Sellers are both associates of Shandong Port Group and are connected persons of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the Proposed Restructuring will constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements.

Completion of the Proposed Restructuring will not result in a change of right of control over the Company. Upon completion of the Proposed Restructuring, Shandong Port Group will remain an indirect controlling shareholder of the Company, and Shandong SASAC will remain the de facto controller of the Company.

The Proposed Issuance of A Shares

In the event that after the completion of the book building process for the Proposed Issuance of A Shares, any connected person(s) of the Company becomes a target subscriber of the Proposed Issuance of A Shares, such participation will constitute a connected transaction of the Company, which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the participation of any connected person(s) in the Proposed Issuance of A Shares can only be determined after the book building process, it is currently envisaged that upon the completion of the book building process, if any connected person does participate in the Proposed Issuance of A Shares, the Company will comply with the connected transaction requirements.

In the event that the requisite Independent Shareholders' approval for any connected person(s) participating in the Proposed Issuance of A Shares is not successfully obtained, it is expected that such connected person(s) will not participate in the Proposed Issuance of A Shares.

EGM

The EGM will be convened by the Company to consider and approve, if appropriate, among others, (i) the Proposed Restructuring and the Proposed Issuance of A Shares; and (ii) the Specific Mandate, and the transactions contemplated thereunder.

An Independent Board Committee comprising the independent non-executive Directors has been formed and will advise the Independent Shareholders in respect of the Proposed Restructuring.

Somerley has been appointed as the Independent Financial Adviser to the Company to advise the Independent Board Committee and the Independent Shareholders on matters relating to the Proposed Restructuring.

The voting on the Proposed Restructuring, the Proposed Issuance of A Shares and the Specific Mandate at the EGM will be conducted by poll.

Qingdao Port Group (a subsidiary of Shandong Port Group) and its associates are required to abstain from voting on the resolutions in relation to the Proposed Transaction to be proposed at the EGM. In relation to the Proposed Issuance of A Shares, if a Shareholder indicates to participate in the Proposed Issuance of A Shares before the EGM, such Shareholder and his/her/its close associates (as defined under the Hong Kong Listing Rules) will be required to abstain from voting on the resolution in relation to the Proposed Issuance of A Shares at the EGM.

To the best of the Directors' information, knowledge and belief, after having made all reasonable enquiries, save for the aforesaid, no other Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

A circular from the Company including, among other things, (i) further details of the Proposed Restructuring, the Proposed Issuance of A Shares and the Specific Mandate; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations on the Proposed Restructuring; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendations on the Proposed Restructuring; (iv) financial information of the Target Companies; (v) unaudited pro forma financial information of the enlarged group; (vi) the summary of the Asset Valuation Reports; (vii) certain other information required by the Hong Kong Listing Rules; and (viii) notice of the EGM is expected to be despatched to the Shareholders. As more time is needed for the preparation of certain information to be included in the circular, the circular may be despatched later than 15 business days after the publication of this announcement as required under the Hong Kong Listing Rules. The Company will publish further announcement(s) in compliance with the requirements of the Hong Kong Listing Rules in due course.

(3) RESUMPTION OF TRADING IN A SHARES

As a result of the significant adjustment to the Proposed Restructuring proposal, trading in A Shares has been suspended from the opening of the market on Wednesday, 10 July 2024. An application has been made by the Company to the SSE for the resumption of trading in A Shares on the SSE from the opening of the market on Monday, 15 July 2024.

As the completion of the Proposed Transaction 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. MAJOR TRANSACTION AND CONNECTED TRANSACTIONS INVOLVING THE PROPOSED RESTRUCTURING

1. Introduction

Reference is made to the Potential Major Transaction Announcement. As a result of the adjustments to the scope of the previous target assets involved in the Proposed Restructuring, the Company entered into the Asset Purchase Agreements on 12 July 2024 with Rizhao Port Group and Yantai Port Group, respectively, pursuant to which, the Company conditionally agreed to purchase the Target Assets and pay the consideration by way of cash payments or issuance of Consideration Shares to Rizhao Port Group and Yantai Port Group. The total consideration of the Proposed Restructuring is RMB9,440.3311 million. Each of the Asset Purchase Agreements is independent to each other. On the same day, the Company entered into the Compensation Agreements with Rizhao Port Group and Yantai Port Group, respectively, pursuant to which, Rizhao Port Group and Yantai Port Group agreed to provide performance undertakings and make compensation, if necessary, in respect of the Target Assets.

2. Asset Purchase Agreements

The principal terms of the Asset Purchase Agreements are as follows:

Date: 12 July 2024

Parties:

Asset Purchase Agreement I:
(1) the Company (as a buyer); and
(2) Rizhao Port Group (as a seller).

Asset Purchase Agreement II:
(1) the Company (as a buyer); and
(2) Yantai Port Group (as a seller).

Target Assets:

Asset Purchase Agreement I:
100% equity interests in Oil Company and 50.00% equity interests in Rizhao Shihua.

Asset Purchase Agreement II:
53.88% equity interests in United Pipeline and 51.00% equity interests in Gangyuan Pipeline.

Consideration: Based on the valuation results confirmed by the income approach in the Asset Valuation Reports issued by China United Appraisal and filed with Shandong Port Group on the Valuation Benchmark Date of 31 March 2024, the parties determined the total consideration of the transfer of the Target Assets is RMB9,440.3311 million after arm's length and friendly negotiations. The details are as follows:

Unit: RMB0'000

No.	Target Assets	Book value of net assets of Target Companies	Appraised value of 100% equity interests of Target Companies	Appraised value of Target Assets	Appreciation rate / premium rate	Consideration
1.	100% equity interests in Oil Company	250,139.61	283,785.39	283,785.39	13.45%	283,785.39
2.	50.00% equity interests in Rizhao Shihua	224,962.07	358,159.21	179,079.61	59.21%	179,079.61
3.	53.88% equity interests in United Pipeline	336,463.00	605,757.96	326,383.19	80.04%	326,383.19
4.	51.00% equity interests in Gangyuan Pipeline	224,526.93	303,499.84	154,784.92	35.17%	154,784.92
	Total	-	**1,551,202.40**	**944,033.11**	-	**944,033.11**

Payment Method and the Number of Consideration Shares to be Issued: Each of the parties confirmed and agreed that the total consideration of the transfer of the Target Assets amounted to RMB9,440.3311 million, of which RMB4,811.6811 million will be paid by way of issuance of a total of 697,345,086 A Shares as Consideration Shares and RMB4,628.6500 million will be paid by cash payments. The details are set out below:

Unit: RMB0'000

No.	Sellers	Target Assets	Cash Consideration	Consideration Share Amount	Consideration Share Number of Shares (Ten Thousand Shares)	Consideration
1.	Rizhao Port Group	100% equity interests in Oil Company	283,785.39	-	-	283,785.39
2.	Rizhao Port Group	50.00% equity interests in Rizhao Shihua	179,079.61	-	-	179,079.61
3.	Yantai Port Group	53.88% equity interests in United Pipeline	-	326,383.19	47,301.91	326,383.19
4.	Yantai Port Group	51.00% equity interests in Gangyuan Pipeline	-	154,784.92	22,432.60	154,784.92
	Total		**462,865.00**	**481,168.11**	**69,734.51**	**944,033.11**

The Company shall pay the cash consideration within 30 Working Days after the Closing Date. The final number of Consideration Shares to be issued shall be subject to the number confirmed by CSRC with consent to registration.

The net proceeds of the Proposed Issuance of A Shares (after deduction of the intermediaries' fees and related taxes incurred in connection with the Proposed Issuance of A Shares) are intended to pay for the cash consideration. If the Proposed Issuance of A Shares is not implemented successfully or the proceeds to be raised are less than the cash consideration, the Company will address the shortfall of the funds through its own or self-financing funds, such as bank loans or issuance of debt securities.

During the period from the Pricing Benchmark Date to the Consideration Shares Issuance Completion Date, if there are any ex-rights and ex-dividend events of the Company, such as distribution of dividend, issue of bonus share, conversion of capital reserve into share capital or shares allotment, which causes the corresponding adjustment of the issue price of the Consideration Shares, the number of the Consideration Shares will also be adjusted accordingly.

Details of the issuance of Consideration Shares are set out in “3. Issuance of Consideration Shares under the Proposed Restructuring” of this announcement.

Conditions Precedent for Effectiveness of the Asset Purchase Agreements: The Asset Purchase Agreements shall come into force on the date on which all the following conditions precedent are fulfilled or satisfied:

(i) Each of the Asset Purchase Agreements shall be signed and sealed by the Company and each of the Sellers (with the official seal of the enterprise’s legal person and the signature of its legal representative or authorized representative);

(ii) the valuation results of the Target Assets shall be filed with the competent state-owned assets authorities;

(iii) the Proposed Transaction shall be approved by the Board and the general meeting of the Company;

(iv) the Proposed Restructuring shall be approved by the competent decision-making body of each of the Sellers;

(v) obtaining the approval from the Hong Kong Stock Exchange for the circular in relation to the Proposed Transaction;

(vi) the competent state-owned assets authorities shall approve the Proposed Transaction;

(vii) the SSE shall review and approve the Proposed Transaction;

(viii) CSRC shall make a decision for consent to register the Proposed Transaction; and

(ix) the Proposed Transaction shall obtain other necessary approvals or consents required by relevant laws and regulations (if required).

The above conditions precedent shall not be waived and there is no due date for the conditions precedent. As at the date of this announcement, the conditions precedent items (i), (ii) and (iv) above have been fulfilled.

Attribution of Gains and Losses for the Transitional Period: The restructuring transitional period is the period from the Valuation Benchmark Date for the Proposed Restructuring, (i.e. 31 March 2024, excluding the Valuation Benchmark Date) to the Closing Audit Reference Date for the Proposed Restructuring (including the Closing Audit Reference Date).

Each of the parties agreed to conduct a specific audit of the gains and losses during the restructuring transitional period of the Target Companies within 90 days after the Closing Date in accordance with the Asset Purchase Agreements.

For the Target Assets, the Company shall be entitled to the corresponding portion of the increase in the net assets due to profits or other reasons during the restructuring transitional period; the corresponding portion of the decrease in the net assets due to losses or other reasons during the restructuring transitional period shall be compensated by the Sellers to the Company, after the closing and within 10 Working Days from the date of the issuance of the above-mentioned specific audit reports, in cash or in a manner permitted by laws and regulations in accordance with the proportion of their shareholding in corresponding Target Companies before the closing. The amount of compensation shall be determined based on the contents of the above-mentioned specific audit reports.

Performance Undertakings: Considering that the Target Companies were appraised by the income approach and priced based on the valuation results in the Proposed Restructuring, each of the parties has agreed to provide undertakings in respect of the performance of such assets after the completion of the Proposed Restructuring and entered into separate Compensation Agreements in accordance with the Measures for the Administration of the Material Asset Restructurings of Listed Companies (《上市公司重大資產重組管理辦法》) and the regulatory opinions of CSRC, details of which are set out in "4. Compensation Agreements" of this announcement.

Closing:	After the conditions precedent of the Asset Purchase Agreements are fulfilled, the Sellers shall transfer the Target Assets to the Company according to the provisions of the Asset Purchase Agreements, and the Company shall pay the cash consideration to Rizhao Port Group and complete the closing of transfer of the Consideration Shares to Yantai Port Group according to the provisions of the Asset Purchase Agreements. The rights and risks of each of the Target Assets shall be transferred from the Closing Date. The Company shall become a shareholder of each of the Target Companies from the Closing Date and enjoy the full shareholder's rights of such equity interests, and the risks of each of the Target Assets shall be borne by the Company from the Closing Date. Within 15 Working Days after all the conditions precedent stipulated in the Asset Purchase Agreements are fulfilled, the Sellers shall cooperate with the Company to sign all the documents required for the transfer of the Target Assets to the Company in accordance with the constitutional documents of each of the Target Companies and relevant requirements of laws, regulations and regulatory documents, and urge each of the Target Companies to submit the equity change registration documents for the Target Assets to the administration for market supervision where it is registered, and the corresponding equity change registration procedures should be completed within 15 Working Days after the application to the competent administration for market supervision at the latest. The Company shall pay the cash consideration and complete the relevant procedures for the issuance of the Consideration Shares within 30 Working Days after the Closing Date.
Claims and Debts, Employee Placement and Other Arrangements:	After the completion of the Proposed Restructuring, the claims and debts of each of the Target Companies will continue to be enjoyed and borne by each of the Target Companies. The Sellers should urge each of the Target Companies to take necessary actions to ensure that the Proposed Restructuring will not affect the realization and performance of such claims and debts.

The debts and responsibilities of each of the Target Companies arising after the Closing Date due to events before the Closing Date (except for items that have been disclosed to the Company by the Sellers or the Target Companies, or items that have been reflected in the financial report/audit report of each of the Target Companies) shall ultimately be borne by the Sellers.

The existing employees of each of the Target Companies will continue to be retained in the Target Companies, and the existing labour relations shall remain unchanged. Each of the Target Companies will continue to assume all responsibilities of such employees, unless otherwise agreed by relevant parties.

3. Issuance of Consideration Shares under the Proposed Restructuring

Class and Par Value of Consideration Shares to be Issued:	Ordinary Shares denominated in RMB (A Shares) with a par value of RMB1.00 per share. The Consideration Shares, when fully paid and issued, will rank pari passu in all respects with the A Shares in issue at the time of the issuance of such Consideration Shares.
Method of Issuance:	Issuance to specific targets
Specific Mandate on the Issuance of Consideration Shares:	The Company shall issue the Consideration Shares under the Specific Mandate to be sought from the Independent Shareholders at the EGM.
Target Subscribers:	Yantai Port Group
Issue Price and Pricing Principles:	The Pricing Benchmark Date of the issuance of the Consideration Shares is the date of the announcement of resolutions of the 19th meeting of the fourth session of the Board, i.e. 13 July 2024. The issue price of the Consideration Shares was determined to be RMB6.90 per share based on the principle that it shall not be less than 80% of the Average Trading Price of the Company's A shares in 60 Trading Days prior to the Pricing Benchmark Date and the audited net assets per share attributable to the Shareholders for the latest period (31 December 2023) of the Company and after the

arm's length negotiation between both parties. The Average Trading Price of the Company's A shares in 60 Trading Days prior to the Pricing Benchmark Date = the total trading amount of the Company's A shares in 60 Trading Days prior to Pricing Benchmark Date / the total trading number of the Company's A shares in 60 Trading Days prior to the Pricing Benchmark Date. The Board is of the view that the issue price of the Consideration Shares is fair and reasonable and in the interest of the Company and the Shareholders.

Pursuant to the profit distribution plan of the Company for the year 2023, which was considered and approved at the annual general meeting of the Company for the year 2023 on 6 June 2024, the Company will distribute a cash dividend of RMB2.927 per ten shares (tax inclusive) to all Shareholders. After the completion of the implementation of the dividend distribution, the above-mentioned issue price of Consideration Shares will be adjusted accordingly.

The details of the Average Trading Price of the Company's A shares in 20 Trading Days, 60 Trading Days and 120 Trading Days prior to the Pricing Benchmark Date are shown in the following table:

Unit: RMB/Share

Calculation range of the Average Trading Price of Shares	**Average Trading Price**	**80% of the Average Trading Price**
Last 20 Trading Days	9.20	7.36
Last 60 Trading Days	8.62	6.90
Last 120 Trading Days	7.79	6.24

Comparison of value of the issue price of Consideration Shares over the historical H Share prices:

The issue price of the Consideration Shares of RMB6.90 per share represented:

(a) a premium of approximately 22.06% over the Average Trading Price of HKD6.19 per H Share* on the Hong Kong Stock Exchange on 12 July 2024, being the last Trading Day prior to the Pricing Benchmark Date;

(b) a premium of approximately 25.53% over the Average Trading Price of HKD6.02 per H Share* on the Hong Kong Stock Exchange for the 20 consecutive Trading Days immediately prior to and including the last Trading Day;

(c) a premium of approximately 33.56% over the Average Trading Price of HKD5.66 per H Share* on the Hong Kong Stock Exchange for the 60 consecutive Trading Days immediately prior to and including the last Trading Day; and

(d) a premium of approximately 48.93% over the Average Trading Price of HKD5.07 per H Share* on the Hong Kong Stock Exchange for the 120 consecutive Trading Days immediately prior to and including the last Trading Day.

** Exchange rate of HKD: RMB at 1:0.9134, being the central parity rate on the last Trading Day prior to the Pricing Benchmark Date quoted from the People's Bank of China, was adopted in the calculation of the value comparison.*

Comparison of value of the issue price of Consideration Shares over the historical A Share prices

The issue price of the Consideration Shares of RMB6.90 per share represented:

(a) a discount of approximately 29.45% to the Average Trading Price of RMB9.78 per A Share on the SSE on 9 July 2024, being the last Trading Day prior to the Pricing Benchmark Date;

(b) a discount of approximately 25.00% to the Average Trading Price of RMB9.20 per A Share on the SSE for the 20 consecutive Trading Days immediately prior to and including the last Trading Day;

(c) a discount of approximately 19.95% to the Average Trading Price of RMB8.62 per A Share on the SSE for the 60 consecutive Trading Days immediately prior to and including the last Trading Day; and

(d) a discount of approximately 11.42% to the Average Trading Price of RMB7.79 per A Share on the SSE for the 120 consecutive Trading Days immediately prior to and including the last Trading Day.

During the period between the Pricing Benchmark Date and the Consideration Shares Issuance Completion Date, if there are any ex-rights and ex-dividend events of the Company, such as distribution of dividend, issue of bonus share, conversion of capital reserve into share capital or shares allotment, the issue price of the Consideration Shares will be adjusted according to the following formula, and the calculation result will be rounded up to the nearest two decimal places. The issue price adjustment formula is as follows:

In the event of bonus issues or capitalization issues: $P1=P0/(1+n)$;

In the event of shares allotment: $P1=(P0+A\times k)/(1+k)$;

In the event of the above two items simultaneously: $P1=(P0+A\times k)/(1+n+k)$;

In the event of distribution of cash dividends: $P1=P0-D$;

In the event of the above three items simultaneously: $P1=(P0-D+A\times k)/(1+n+k)$.

Where, “P0” is the effective issue price of the Consideration Shares before adjustment; “n” is the rate of bonus share or rate of capitalization issues; “k” is the rate of shares to be allotted; “A” is the price of shares to be allotted per share; “D” is the amount of cash dividends per share; and “P1” is the effective issue price of the Consideration Shares after adjustment.

During the period between the Pricing Benchmark Date and the Consideration Shares Issuance Completion Date, if there are any ex-rights and ex-dividend events of the Company, such as distribution of dividend, issue of bonus share, conversion of capital reserve into share capital or shares allotment, the above-mentioned audited net assets per share attributable to the Shareholders will also be adjusted accordingly.

The Company will disclose the net price per share resulting from the issue of the Consideration Shares in due course.

Lock-up Period: Yantai Port Group shall not transfer the shares of the Company obtained due to the issuance of the Consideration Shares within 36 months from the Consideration Shares Issuance Completion Date in any manner. Where the closing price of the Company’s A shares is lower than the issue price of the Consideration Shares for consecutive 20 Trading Days within the 6 months after completion of the issuance of the Consideration Shares or the closing price is lower than the issue price at the end of the 6 months after completion of the issuance of Consideration Shares, the above-mentioned lock-up period will be automatically extended for further 6 months as for the shares subscribed by Yantai Port Group. The above-mentioned lock-up period may be adjusted accordingly in accordance with the latest provisions and regulatory opinions, and shall also be applicable to shares, such as issue of bonus share, capitalization issues etc., obtained by Yantai Port Group through the issuance of Consideration Shares after completion of the issuance of the Consideration Shares. However, transfers permitted under applicable laws, regulations and regulatory documents are not subject to such restrictions.

	The shares of the Company held by Qingdao Port Group, the controlling shareholder of the Company, before the Proposed Restructuring, shall not be transferred within 18 months after the Consideration Shares Issuance Completion Date (or subject to corresponding adjustments in accordance with the latest provisions and regulatory opinions). After the completion of the issuance of the Consideration Shares, Qingdao Port Group's entitlement to Shares such as bonus shares and capitalization issue by virtue of the Shares already held by Qingdao Port Group prior to the Proposed Restructuring shall also be subject to the above-mentioned lock-up period. However, transfers permitted under applicable laws are not subject to such restrictions. Upon expiry of the above-mentioned lock-up period, the transfer of the Consideration Shares obtained by Yantai Port Group shall be implemented in accordance with the relevant regulatory rules of the places where the shares of the Company are listed.
Place of Listing:	The Consideration Shares will be listed on the SSE.
Arrangements for Accumulated Undistributed Profits:	Upon completion of the issuance of the Consideration Shares, the accumulated undistributed profits of the Company before the issuance of the Consideration Shares shall be shared by new and existing Shareholders after the issuance of the Consideration Shares in proportion to their respective shareholdings.

4. Compensation Agreements

On 12 July 2024, the Company entered into the Compensation Agreements with the Sellers, respectively, pursuant to which, the Sellers agreed to provide performance undertakings and make compensation, if necessary, in respect of the Target Assets. All of the Target Assets in the Proposed Restructuring are appraised by the income approach and priced based on the valuation results.

Date:	12 July 2024
Parties:	Compensation Agreement I: (1) the Company; and (2) Rizhao Port Group.

Compensation Agreement II:

(1) the Company; and

(2) Yantai Port Group.

Scope of Performance Undertakings Assets:

Unit: RMB 0'000

Performance Undertakings Assets	Scope of Assets Appraised by the Income Approach	Appraised Value	Purchased Shareholding Percentage	Consideration in Proposed Restructuring
Oil Company	Net assets	283,785.39	100%	283,785.39
Rizhao Shihua	Net assets	358,159.21	50.00%	179,079.61
United Pipeline	Net assets	605,757.96	53.88%	326,383.19
Gangyuan Pipeline	Net assets	303,499.84	51.00%	154,784.92

Performance Undertakings Period: Each of the parties has agreed that the Performance Undertakings Period for the Proposed Restructuring shall be three consecutive fiscal years from the Closing Date (including the year of the Closing Date).

Predictive Performance Indicators: According to the Asset Valuation Reports and the valuation statements, in each of the years from 2024 to 2027, each of the Performance Undertakings Assets is expected to realize the following Predictive Net Profits:

Unit: RMB 0'000

Performance Undertakings Assets	2024	2025	2026	2027
Oil Company	12,744.62	17,560.78	19,236.63	22,249.21
Rizhao Shihua	28,772.53	28,866.49	28,790.42	28,863.17
United Pipeline	48,416.57	53,074.12	55,922.07	59,080.17
Gangyuan Pipeline	43,421.06	42,306.23	41,386.93	44,217.39

Undertakings Performance Indicators:

Based on the above Predictive Net Profits, the Sellers undertake that the cumulative net profit recorded by each of the Performance Undertakings Assets as at the end of each year during the Performance Undertakings Period shall not be less than the cumulative Predictive Net Profit of such Performance Undertakings Asset as at the end of that year, in the specific amounts set out below:

Unit: RMB 0'000

	Performance Undertakings Assets	Cumulative Undertaken Net Profit 2024	2025	2026	2027
If closed in 2024	Oil Company	12,744.62	30,305.40	49,542.03	-
	Rizhao Shihua	28,772.53	57,639.02	86,429.44	-
	United Pipeline	48,416.57	101,490.69	157,412.76	-
	Gangyuan Pipeline	43,421.06	85,727.29	127,114.22	-
If closed in 2025	Oil Company	-	17,560.78	36,797.41	59,046.62
	Rizhao Shihua	-	28,866.49	57,656.91	86,520.08
	United Pipeline	-	53,074.12	108,996.19	168,076.36
	Gangyuan Pipeline	-	42,306.23	83,693.16	127,910.55

The above "net profit" is the net profit attributable to the owners of the parent company after deducting the non-recurring profit or loss audited by a certified public accountant in accordance with the requirements of the Securities Law. The Cumulative Undertaken Net Profit is determined by adding up the Predictive Net Profits each year. The Predictive Net Profit is determined mainly based on the forecast results of the income statement items below:

1. The revenue during the forecast period: The forecast is mainly based on the business scope and qualifications of the Target Companies, combined with the actual operating conditions of previous years,

future market customer demand, terminal stevedoring capacity, warehousing storage capacity, pipeline transportation capacity, etc.

2. The cost in the forecast period: The forecast is mainly based on factors such as cost composition and gross profit margin level in the historical period.

3. The management expenses in the forecast period: The management expenses in the forecast period mainly include employee salaries, depreciation, amortization, travel and business entertainment expenses, etc. Employee salaries are predicted based on the wage payment standard of the enterprise and the Target Company's expected salary increase; depreciation and amortization are predicted according to the enterprise's original value of fixed assets and intangible assets, and the provision standard of depreciation period; travel expenses, business entertainment expenses and other expenses are predicted based on historical amounts combined with business revenue scale.

4. The financial expenses in the forecast period: The corresponding interest-bearing debt costs is predicted with reference to the enterprise's business scale, financing and repayment plan and existing financing interest rate, etc.

5. Taxes and surcharges: The transferring tax is predicted based on the difference between input tax and output tax expected to be generated in the course of enterprise operation; the corresponding urban construction tax, education surcharges, local education surcharges and other taxes are predicted based on the applicable tax rates of the Target Companies; other property tax and land use tax, etc., are predicted based on the applicable payment standards on the Valuation Benchmark Date.

6. Income tax expenses in the forecast period: The forecast is predicted based on the applicable tax rates of the Target Companies.

Differences Between Actual Performance and Undertakings Performance and the Compensation Undertakings:	Each of the parties agreed that the Company shall, at the end of each fiscal year during the Performance Undertakings Period, engage an auditing institution to conduct an audit of the net profit recorded by each of the Performance Undertakings Assets. If the cumulative net profit recorded by any of the Performance Undertakings Assets at the end of each year of the Performance Undertakings Period fails to meet the Undertakings Performance Indicators, Rizhao Port Group or Yantai Port Group (as the case may be) will be required to compensate the Company.

Method of Performance Compensation and Calculation Formula:

During the Performance Undertakings Period, if the above agreed events occurred under which the Sellers shall hold the responsibility of compensation to the Company, the Sellers shall compensate the Company in the following manner:

(1) The formula for calculating the amount of the compensation payable and the number of Shares used for compensation by the Sellers during the Performance Undertakings Period is as follows:

$$A = \frac{(\mathrm{B} - C)}{\mathrm{D}} \times E - F$$

$$G = \frac{\mathrm{A}}{\mathrm{H}}$$

A = the amount of compensation payable by each of the Sellers in respect of such Performance Undertakings Asset for the current period

B = the Cumulative Undertaken Net Profit of such Performance Undertakings Asset as at the end of the current period

C = the cumulative recorded net profit/loss (as the case may be) of such Performance Undertakings Asset as at the end of the current period

D = the Cumulative Undertaken Net Profit of such Performance Undertakings Asset as at the end of the Performance Undertakings Period

E = the consideration received by each of the Sellers for such Performance Undertakings Asset under the Proposed Restructuring

F = the cumulative amount of compensation paid by the Sellers in respect of such Performance Undertakings Asset as at the end of the current period

G = the number of Shares used for compensation by Yantai Port Group in respect of such Performance Undertakings Asset for the current period

H = the issue price per Share of the Consideration Shares

The profit for the current period for each of the Performance Undertakings Assets will be calculated separately. If several Performance Undertakings Assets held by the Sellers fail to meet the Undertakings Performance Indicators, the aggregate amount of compensation payable for the current period or the aggregate number of Shares used for compensation for the current period by the Sellers shall be the aggregate amount of compensation payable for the current period or the aggregate amount of Shares used for compensation for the current period of those Performance Undertakings Assets that have not met the Undertakings Performance Indicators calculated in accordance with the above formula, respectively.

The number of Shares to be obtained by Yantai Port Group in the Proposed Restructuring shall be subject to the final number confirmed by CSRC with consent to registration. If the Company implements ex-dividend and ex-rights events such as distribution of dividends, bonus shares, capitalization issues or share allotment during the Performance Undertakings Period, the number of Shares used for compensation shall be adjusted accordingly according to the formula as follows: $G_0 = G \times (1 + n)$, where "G_0" shall be the number of Shares used for compensation for the current period (after adjustments), "n" shall be the percentage of capitalization or bonus shares. If the Company pays cash dividends during the Performance Undertakings Period, the cumulative cash dividend income received by the Shares used for compensation during the Performance Undertakings Period as calculated in accordance with the above formula shall be returned to the Company with the corresponding Shares used for compensation. The cash dividends returned are not considered as the amount of compensation paid and are not included in the calculation of compensation payable for each period. The formula for calculating the amount of dividends returned is $T = G \times Y$, where "T" is the amount of dividends returned and "Y" is the cash dividends distributed per Share.

(2) Yantai Port Group shall preferentially compensate the Company with Shares obtained through the Proposed Restructuring, and the shortfall of the Shares should be compensated by cash by Yantai Port Group.

(3) If the Shares subscribed by Yantai Port Group in the Proposed Restructuring are insufficient for compensation, they shall further compensate in cash, calculated in accordance with the formula:

$$\mathrm{I} = \mathrm{A} - \mathrm{J} \times \mathrm{H}$$

I = cash compensation payable in the current period

J = number of Shares paid for compensation in the current period

(4) the above compensation is calculated on a yearly basis, and if C < B as of the end of any undertaking year, the compensation shall be made in accordance with the above formula, and in the case of year-by-year compensation, if G < 0 as calculated for each year, the value of G shall be taken as 0, i.e. Shares already paid as compensation shall not be set off against each other. If the number of Shares used for compensation calculated in accordance with the above formula has mantissa after a single digit, it shall be dealt with by rounding off the mantissa and increasing one share.

Compensation for Impairment Test: Upon the expiry of the Performance Undertakings Period, the Company will conduct an impairment test for each of the Performance Undertakings Assets and issue an impairment test report, respectively. The Company shall engage an auditing institution to issue a specific audit opinion on the impairment test reports. If the impairment amount of a Performance Undertakings Asset at the end of the Performance Undertakings Period is more than the amount of compensation payable by the Sellers in respect of such Performance Undertakings Assets for the current period, the Sellers shall separately compensate the Company in respect of such Performance Undertakings Assets, and the specific compensation arrangements are set out below:

If L＞A,

$$M = \mathrm{L} - \mathrm{A}$$

$$N = \frac{\mathrm{M}}{\mathrm{H}}$$

M = additional amount used for compensation

L = the amount of impairment of such Performance Undertakings Asset at the end of the period shall be the consideration received by the Sellers for such Performance Undertakings Asset in the Proposed Restructuring deducting the comparable appraised value of such Performance Undertakings Asset at the end of the period, and excluding the impact of Shareholders' capital increase, capital reduction, the acceptance of grant and profit distribution during the Performance Undertakings Period

N = number of Shares used for additional compensation

If the Company implements ex-dividend and ex-rights events such as distribution of dividends, bonus shares, capitalization issues or share allotment during the Performance Undertakings Period, the number of Shares used for compensation shall be adjusted accordingly and the formula shall be: $N_0 = N \times (1+n)$, where "N_0" shall be the number of Shares used for additional compensation (after adjustments), "n" shall be the percentage of capitalization or bonus share. If the Company pays cash dividends during the Performance Undertakings Period, the cumulative cash dividend income received by the Shares used for compensation during the Performance Undertakings Period as calculated in accordance with the above formula shall be returned to the Company with the corresponding Shares used for compensation. The cash dividends income returned is not considered as the amount of compensation paid and is not included in the calculation of the amount of compensation payable for each period. The formula for calculating the amount of dividends returned for Shares used for additional compensation is: $V = N \times Y$, where "V" is the amount of dividends returned for Shares used for additional compensation.

Yantai Port Group shall preferentially use Shares for additional compensation. If the Shares subscribed by Yantai Port Group in the Proposed Restructuring are insufficient for compensation, Yantai Port Group should make further compensation by cash.

The aggregate amount of compensation for performance undertakings and impairment compensation at the end of the period in respect of the Performance Undertakings Assets to be borne by the Sellers shall not exceed the consideration of the Performance Undertakings Assets in the Proposed Restructuring, and the aggregate number of Shares to be compensated by Yantai Port Group shall not exceed the total number of Consideration Shares obtained by it in the Proposed Restructuring and the corresponding number of Shares received by it as result of the Company's bonus shares, share allotment, conversion of capital reserve into share capital during the Performance Undertakings Period.

Implementation of Compensatory Measures: If the Sellers are required to make cash compensation to the Company pursuant to the Compensation Agreements, the Company shall determine the amount of compensation payable by the Sellers for the current period within 60 days of the issuance of a special audit opinion by the auditing institution in respect of the actual performance of the Performance Undertakings Assets or the impairment test of the corresponding assets, and notify the Sellers in writing. The Sellers shall pay the cash for the current period compensated to the Company in a lump sum within 30 Working Days from the date of receipt of the notice from the Company.

In the event that Yantai Port Group is required to compensate the Company by Shares, the Company shall calculate the total number of Shares used for compensation within 60 days from the date on which the auditing institution has issued a specific audit opinion on the actual performance or impairment test of the Performance Undertakings Assets, and notify Yantai Port Group in writing. The Company shall publish a notice of convening Board meeting and general meeting, and upon consideration and approval of the general meeting, the Company shall make a targeted repurchase of the number of Shares used for compensation for the current year from Yantai Port Group at a total price of RMB1.00 and shall cancel the Shares in accordance with the law. If the Consideration Shares have been transferred after their lock-up period, Yantai Port Group will compensate in cash.

In the event that the aforesaid repurchase and cancellation of compensable shares of the Company is not approved by the general meeting or cannot be implemented due to the lack of consent from the relevant creditors, etc., the Company shall formulate a new repurchase and cancellation plan and propose it to the general meeting for approval or creditors for consent within 2 months after the occurrence of the aforesaid circumstances. From the date when the number of Shares used for compensation by Yantai Port Group is determined to the date when such Shares are cancelled, Yantai Port Group undertakes to waive the voting rights attached to such Shares.

Yantai Port Group undertakes that for the Shares to be used for the performance compensation obligation during the Performance Undertakings Period, it will ensure the priority use of such Shares to fulfill the performance compensation undertakings and that it will not evade the compensation obligation by way of pledging shares, etc.; and that when pledging such Shares in the future, it will notify in writing to the pledgee the potential performance undertakings compensation obligation of the aforesaid shares according to the Compensation Agreements and will make a clear agreement with the pledgee in the pledge agreement on the use of the relevant shares for payment of performance compensation matters, etc.

Effectiveness of the Compensation Agreements: The Compensation Agreements shall be established on the date of the signatures and seals of each of the parties and become effective on the date of the Asset Purchase Agreements taking effect.

The Company will comply with the applicable disclosure requirements under Rule 14.36B and Rule 14A.63 of the Hong Kong Listing Rules in the event that any performance guarantee as set out in the Compensation Agreements is not met by the Sellers.

5. Profit Forecast

China United Appraisal conducted an independent appraisal of the Target Assets. As at the Valuation Benchmark Date, the appraised value of the 100% equity interests of the Target Companies and their subsidiaries and certain associated companies (the "**Profit Forecast Targets**") are determined based on the valuation reports and valuation statements adopting the income approach and considering the cash flow forecast of the relevant businesses, and therefore the valuation of the Profit Forecast Targets constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules. The valuation assumptions regarding the above Profit Forecast Targets in the Asset Valuation Reports are set forth in Appendix I to this announcement. The details of the summary of the Asset Valuation Reports will be set out in the EGM circular to be despatched shortly by the Company.

Having reviewed the Asset Valuation Reports and taking into account that (i) China United Appraisal has prepared the Asset Valuation Reports and valuation statements in accordance with the procedures, standards, laws and regulations of the PRC in relation to valuation; (ii) China United Appraisal has conducted a review of the financial data, operating data and other relevant data relating to the Target Assets in order to gain a comprehensive understanding of such companies; and (iii) the reasons for adopting the income approach in the valuation, the methods and assumptions adopted by China United Appraisal, the scope of the valuation and its results, the Board is of the view that the valuation results reflect the value of the Target Assets, and are fair and reasonable.

ShineWing has reviewed the calculation method of the discounted cash flow forecast on which the valuation is based, not including the reasonability of the adopted accounting policies and assumptions. The Board has confirmed the profit forecast (including the assumptions) set out in the Asset Valuation Reports and valuation statements about the Profit Forecast Targets was made after due and careful enquiry. The letters from ShineWing and the Board are set out in Appendix II and Appendix III to this announcement, respectively.

6. Information on the Experts

The following is the qualification of the relevant experts who have given its opinions and advice included in this announcement:

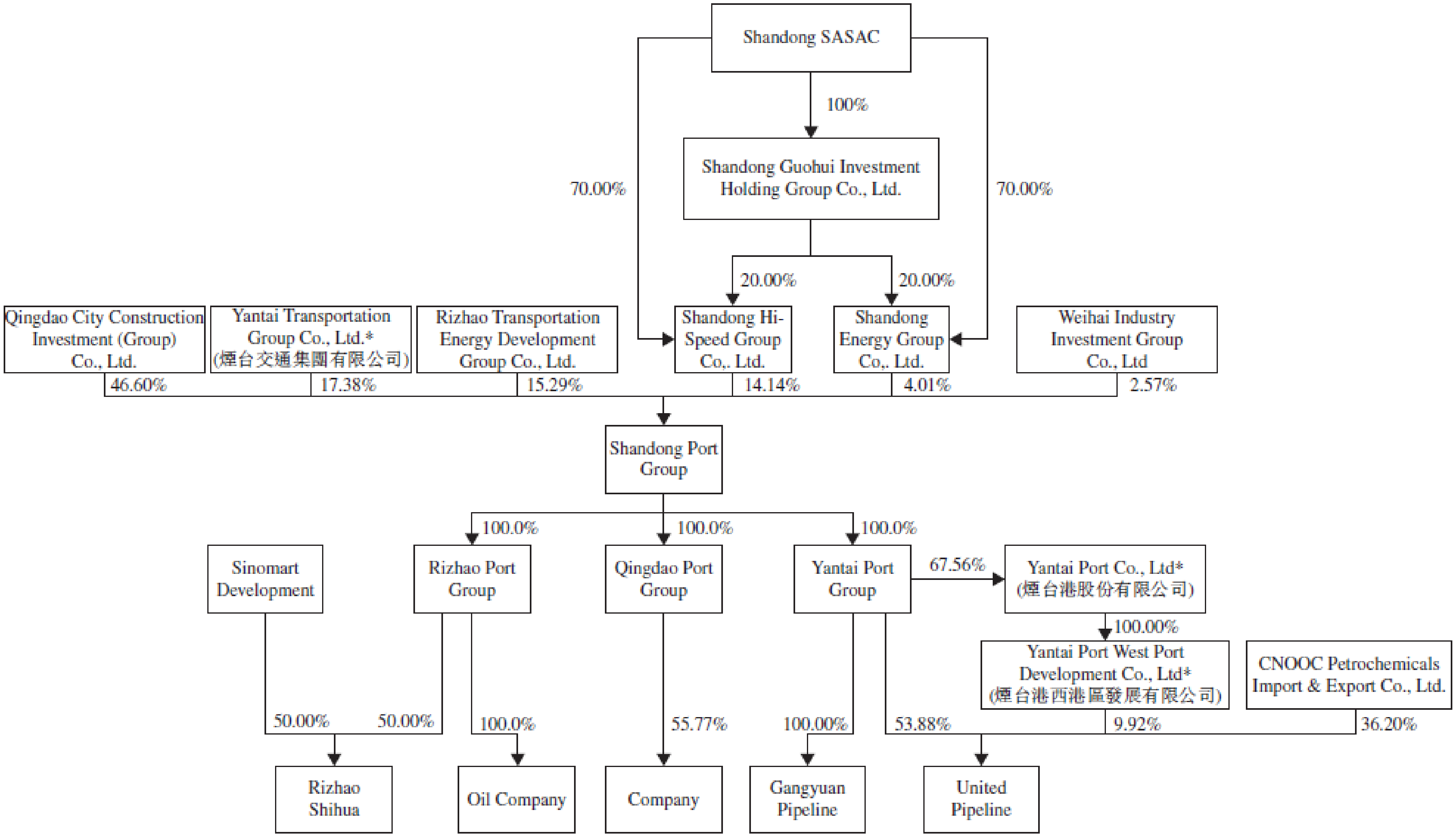
Name	Qualification
China United Appraisal	A qualified valuer in the PRC
ShineWing	Certified Public Accountant

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 Appraisal and ShineWing do not have any shareholding, directly or indirectly, in the Company and its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company and its subsidiaries.

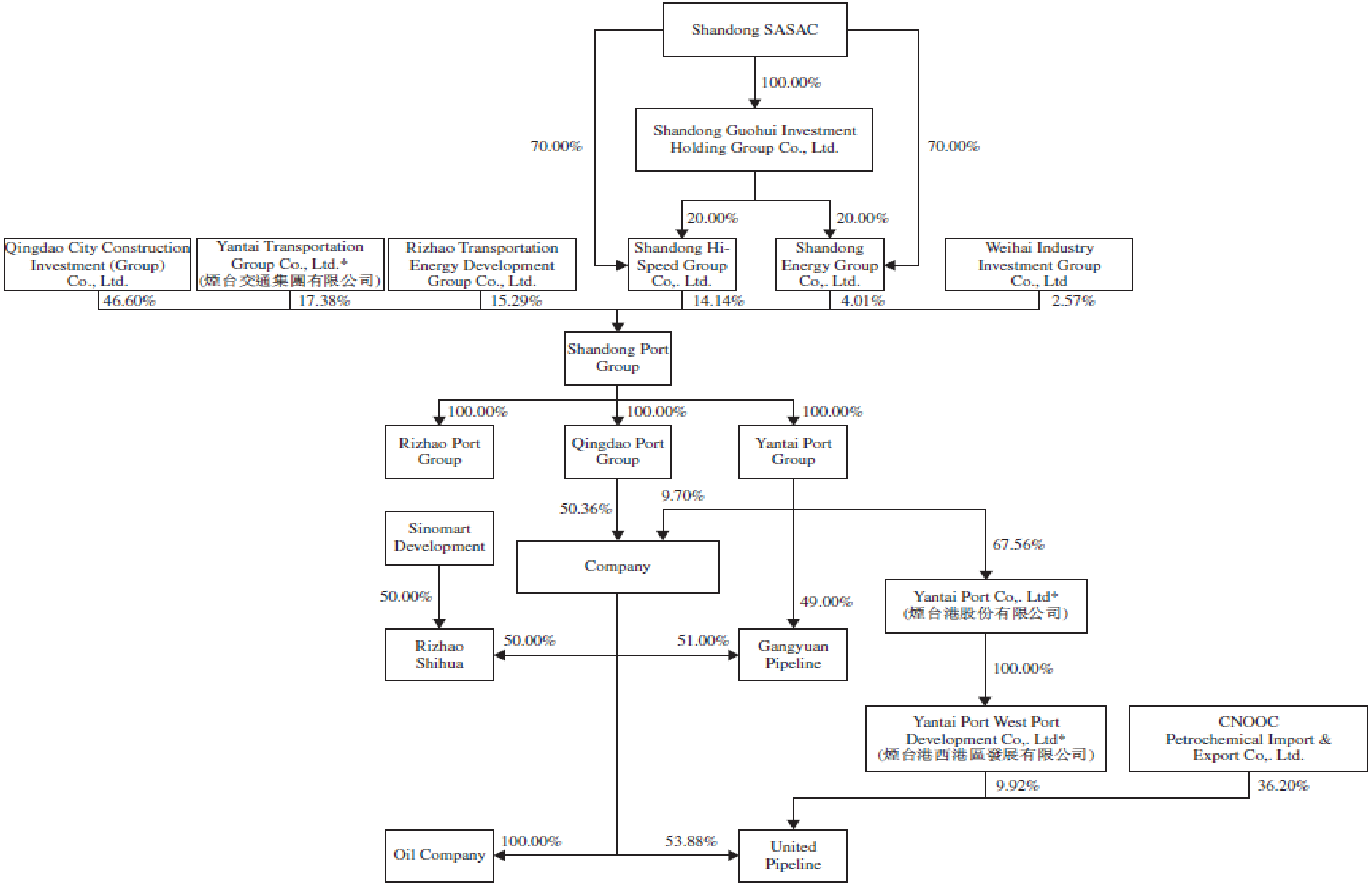
As at the date of this announcement, China United Appraisal and ShineWing have given and have not withdrawn their consent to the publication of this announcement with inclusion of their report content and/or all reference to their names in the form and context in which they appear.

7. The Shareholding Structure before and after the Proposed Restructuring

Before the Proposed Restructuring:



After the Proposed Restructuring:



8. Information of the Parties of the Proposed Restructuring and the Target Companies

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 containers, iron ore, coal, crude oil and other goods, logistics and port value-added services, port ancillary services and other services. As at the date of this announcement, the de facto controller of the Company is Shandong SASAC.

Information of Rizhao Port Group

Rizhao Port Group is a company established in the PRC with limited liability in February 2004 and a wholly-owned subsidiary of Shandong Port Group. It is principally engaged in port operation, port industry investment, port infrastructure construction, port and shipping ancillary services and other businesses at the port of Rizhao. As at the date of this announcement, the de facto controller of Rizhao Port Group is Shandong SASAC.

Information of Yantai Port Group

Yantai Port Group is a company established in the PRC with limited liability in November 1984 and a wholly-owned subsidiary of Shandong Port Group. It is principally engaged in port operation, domestic and international freight forwarding agency, import and export agency, import and export of goods, import and export of technology, non-residential real estate leasing, housing leasing, labour services (not including labour dispatch), engineering management services and other businesses at the port of Yantai. As at the date of this announcement, the de facto controller of Yantai Port Group is Shandong SASAC.

Information of Oil Company

Oil Company is a company established in the PRC with limited liability in April 2004 and a wholly-owned subsidiary of Rizhao Port Group. It is principally engaged in liquid bulk port handling, tank storage and other businesses. As at the date of this announcement, the de facto controller of Oil Company is Shandong SASAC.

The audited financial data of Oil Company for the two financial years ended 31 December 2023 was as follows:

Unit: RMB 0’000

	For the year ended 31 December 2023	**For the year ended 31 December 2022**
Net Profit before Taxation	18,595.66	23,014.81
Net Profit after Taxation	14,462.71	18,489.15
	As at 31 December 2023	**As at 31 December 2022**
Total Assets	419,857.23	433,395.02
Net Assets	257,523.58	253,677.32

Information of Rizhao Shihua

Rizhao Shihua is a company established in the PRC with limited liability in June 2010 and a joint venture of Rizhao Port Group and Sinomart Development. It is principally engaged in liquid bulk port handling business. As at the date of this announcement, Rizhao Shihua is held as to 50% and 50% equity interests by Rizhao Port Group and Sinomart Development, respectively, and the de facto controller of each of Rizhao Port Group and Sinomart Development is Shandong SASAC and SASAC, respectively.

The audited financial data of Rizhao Shihua for the two financial years ended 31 December 2023 was as follows:

Unit: RMB 0'000

	For the year ended 31 December 2023	For the year ended 31 December 2022
Net Profit before Taxation	39,221.48	36,135.89
Net Profit after Taxation	30,886.21	28,450.41
	As at 31 December 2023	**As at 31 December 2022**
Total Assets	250,959.23	259,884.56
Net Assets	246,647.08	245,657.95

Information of United Pipeline

United Pipeline is a company established in the PRC with limited liability in September 2009 and a non-wholly owned subsidiary with 53.88% equity interests held by Yantai Port Group. It is principally engaged in liquid bulk port handling, tank storage, pipeline transportation and other businesses. As at the date of this announcement, the de facto controller of United Pipeline is Shandong SASAC.

The audited financial data of United Pipeline for the two financial years ended 31 December 2023 was as follows:

Unit: RMB 0'000

	For the year ended 31 December 2023	For the year ended 31 December 2022
Net Profit before Taxation	97,042.95	103,396.95
Net Profit after Taxation	71,184.40	77,787.38

	As at 31 December 2023	As at 31 December 2022
Total Assets	566,953.74	587,159.04
Net Assets	371,384.55	351,698.90

Information of Gangyuan Pipeline

Gangyuan Pipeline is a company established in the PRC with limited liability in January 2019 and a wholly-owned subsidiary of Yantai Port Group. It is principally engaged in liquid bulk port handling, tank storage, pipeline transportation and other businesses. As at the date of this announcement, the de facto controller of Gangyuan Pipeline is Shandong SASAC.

The audited financial data of Gangyuan Pipeline for the two financial years ended 31 December 2023 was as follows:

Unit: RMB 0'000

	For the year ended 31 December 2023	For the year ended 31 December 2022
Net Profit before Taxation	31,611.50	18,769.30
Net Profit after Taxation	25,526.22	16,012.71
	As at 31 December 2023	**As at 31 December 2022**
Total Assets	569,628.14	368,227.32
Net Assets	235,742.00	137,761.79

II. THE PROPOSED ISSUANCE OF A SHARES TO RAISE ANCILLARY FUNDS

In addition to the Proposed Restructuring, the Board has approved to issue New A Shares to no more than 35 (including 35) qualified target subscribers to raise ancillary funds. The total amount of ancillary funds to be raised shall not exceed RMB2,000 million, which does not exceed 100% of the final consideration of the Proposed Restructuring, i.e. RMB9,440.3311 million, and the number of New A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to the Proposed Restructuring, i.e. not exceeding 1,947,330,000 A Shares. The final number of New A Shares to be issued under the Proposed Issuance of A Shares will be finalized after the Proposed Issuance of A Shares has been consented for registration by CSRC and based on the results of the price enquiry in accordance with the relevant provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies and other laws and regulations.

The details of the Proposed Issuance of A Shares are as follows:

Class and Par Value of Shares to be Issued:	Ordinary shares were denominated in RMB (A Shares) with a par value of RMB1.00 per share. New A Shares, when fully paid and issued, will rank pari passu in all respects with the A Shares in issue at the time of the issuance of such New A Shares.
Pricing Date, Pricing Basis and Issue Price:	The issue price of New A Shares shall not be less than 80% of the Average Trading Price of the Company's A shares in 20 Trading Days prior to the Pricing Date, and shall not be less than the audited net assets per share attributable to the Shareholders for the latest period of the Company as of the Pricing Date (during the period from the date of the balance statement of the audited financial report for the latest period as of the Pricing Date to the Pricing Date, if there are any ex-rights and ex-dividend events of the Company, such as distribution of dividend, issue of bonus share, conversion of capital reserve into share capital or shares allotment, the net assets per share aforesaid will be adjusted accordingly). The Average Trading Price of the Company's A shares in 20 Trading Days prior to the Pricing Date = the total trading amount of the Company's A shares in 20 Trading Days prior to Pricing Date/the total trading number of the Company's A shares in 20 Trading Days prior to the Pricing Date. After CSRC has consented to register the Proposed Transaction, the final issue price will be determined by the Board or a person authorized by the Board

within the Specific Mandate, in accordance with the relevant provisions of the laws, regulations and regulatory documents, based on the price enquiry and in consultation with the domestic independent financial adviser of the Proposed Transaction.

During the period from the Pricing Date to the issuance date of New A Shares, if there are any ex-rights and ex-dividend events of the Company, such as distribution of dividend, bonus share, conversion of capital reserve into share capital or shares allotment, the issue price of New A Shares shall be adjusted in accordance with the relevant rules of CSRC and SSE.

The net price per New A Share will be disclosed in due course.

Method of Issuance, Target Subscribers and Method of Subscription:

The Proposed Issuance of A Shares will be conducted to no more than 35 target subscribers (including 35) who are qualified under the laws and regulations, including securities investment fund management companies, securities companies, finance companies, insurance institutional investors, trust companies, qualified foreign institutional investors, RMB qualified foreign institutional investors and other qualified investors, etc. that comply with the provisions of CSRC. All the target subscribers will subscribe for New A Shares in cash at the same price.

As at the date of this announcement, the Company has not entered into any agreement with any potential subscribers for the Proposed Issuance of A Shares. At present, it is expected that the subscribers under the Proposed Issuance of A Shares will not be connected persons of the Company and subscription by such other subscribers under the Proposed Issuance of A Shares will not trigger the obligation of such other subscribers to make a general offer under the Takeovers Code.

Conditions of the Proposed Issuance of A Shares:

The Proposed Issuance of A Shares is conditional on the implementation of the Proposed Restructuring while the Proposed Restructuring is not conditional on the completion of the Proposed Issuance of A Shares.

The Total Amount of Ancillary Funds to be Raised and the Number of New A Shares to be issued:	The total amount of ancillary funds to be raised shall not exceed RMB2,000 million, which does not exceed 100% of the total consideration (i.e. RMB9,440.3311 million) of the Proposed Restructuring and the number of New A Shares to be issued shall not exceed 30% of the total issued share capital of the Company prior to the Proposed Restructuring (i.e. not exceeding 1,947,330,000 A Shares). The final number of New A Shares to be issued will be finalized after the Proposed Issuance of A Shares has been consented for registration by CSRC and based on the results of the price enquiry in accordance with the relevant provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies promulgated by CSRC and other laws and regulations. During the period from the Pricing Date to the issuance date of New A Shares, if there are any ex-rights and ex-dividend events of the Company, such as distribution of dividend, bonus share, conversion of capital reserve into share capital or shares allotment, which causes corresponding adjustment of the issue price of New A Shares, the number of New A Shares will also be adjusted correspondingly.
Lock-up Period:	The target subscribers under the Proposed Issuance of A Shares shall not transfer New A Shares within 6 months from the issuance completion date of New A Shares (or subject to corresponding adjustments in accordance with the latest provisions and regulatory opinions). During the above-mentioned lock-up period, the increased shareholding of the Company obtained by the target subscribers under the Proposed Issuance of A Shares as a result of issue of bonus share or capitalization issues is also subject to the above-mentioned lock-up period. Upon expiry of the abovementioned lock-up period, the transfer of New A Shares obtained by target subscribers of the Proposed Issuance of A Shares shall be implemented in accordance with the relevant regulatory rules of the places where the shares of the Company are listed.
Place of Listing:	New A Shares will be listed on the SSE.

Use of Proceeds to be Raised:

The net proceeds of the Proposed Issuance of A Shares (after deduction of the intermediaries' fees and related taxes incurred in connection with the Proposed Issuance of A Shares) are intended to be used for the following project:

Name of Project	Maximum Amount of Raised Funds to be Invested	Proportion to Total Raised Funds
Payment for the cash consideration of the Proposed Restructuring	RMB 2,000 million	100%

The Company will make appropriate adjustments as to the matters such as the investment amount and specific using methods of proceeds based on the net proceeds actually raised and the actual needs for the use of the proceeds.

Arrangements for Accumulated Undistributed Profits:

The undistributed profits, if any, reflected in the financial statements of the Company upon completion of the Proposed Issuance of A Shares will be shared by the new and existing shareholders of the Company upon completion of Proposed Issuance of A Shares in proportion to their shareholdings.

Specific Mandate for the Proposed Issuance of A Shares:

The Company will issue New A Shares under the Specific Mandate to be sought from the Independent Shareholders at the EGM.

III. REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Proposed Restructuring

Prior to the Proposed Restructuring, the Group was principally engaged in the stevedoring of various types of cargoes such as containers, dry bulk cargoes and oil products, as well as port ancillary services. The port of Qingdao operated by the Group is the fourth largest coastal port in the world, an important international trade hub in the Western Pacific Ocean and the largest foreign trade port in Northern China. Through the Proposed Restructuring, the existing high-quality oil terminal assets of Rizhao Port Group and Yantai Port Group will be injected into the Group, and the Group will realize the integration and consolidation of high-quality oil terminals in Shandong Province and promote the development of scale, intensification and synergy of its principal business. The Proposed Restructuring will be conducive to the enhancement of the Group's comprehensive competitive strength and the improvement of the Group's enterprise value. Upon completion of the Proposed Restructuring, the Target Assets will be merged into the Group, which will be conducive to reducing horizontal competition between the Group and Shandong Port Group and improving the capacity of the overall port businesses of the Group.

The Proposed Issuance of A Shares

The net proceeds of the Proposed Issuance of A Shares (after deduction of the intermediaries' fees and related taxes incurred in connection with the Proposed Issuance of A Shares) are intended to be used to pay the cash consideration of the Proposed Restructuring, which will provide financial support for the Proposed Restructuring, promote the maintenance of the Group's asset-liability ratio at a reasonable level and safeguard the Group's financial security.

The Board (including the independent non-executive Directors) considers that the Proposed Transaction, although not in the ordinary and usual course of business of the Group, is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total issued share capital of the Company is 6,491,100,000 Shares, including 1,099,025,000 H Shares and 5,392,075,000 A Shares. As the Company is incorporated under the laws of the PRC, the Company does not have an authorized share capital. Set out below is the shareholding structure of the Company for illustrative purposes:

(i) as at the date of this announcement;

(ii) immediately after completion of the Proposed Restructuring (assuming that the total issued share capital of the Company will remain unchanged from the date of this announcement except for the Consideration Shares to be issued under the Asset Purchase Agreements; and

(iii) immediately after completion of the Proposed Transaction (assuming that (a) the Company will not make any adjustment to the final issue price of the Consideration Shares of RMB6.90 per share; (b) the issue price of New A Shares will be the same as that of the Consideration Shares; (c) the total amount of ancillary funds to be raised under the Proposed Issuance of A Shares will be RMB2,000 million, all of which will be subscribed by independent third parties; and (d) since the date of this announcement, the total issued share capital of the Company will remain unchanged, except for the Consideration Shares to be issued under the Asset Purchase Agreements and New A Shares to be issued under Proposed Issuance of A Shares):

Name of Shareholders	Class of Shares	Shareholding as at the date of this announcement			Shareholding immediately after completion of the Proposed Restructuring			Shareholding immediately after completion of the Proposed Transaction		
		Number of Shares	**Approximate percentage of the issued Share capital of the relevant class**	**Percentage of the total issued Share capital**	**Number of Shares**	**Approximate percentage of the issued Share capital of the relevant class**	**Percentage of the total issued Share capital**	**Number of Shares**	**Approximate percentage of the issued Share capital of the relevant class**	**Percentage of the total issued Share capital**
Qingdao Port Group	A Share	3,522,179,000	65.32%	54.26%	3,522,179,000	57.84%	49.00%	3,522,179,000	55.21%	47.10%
	H Share	97,924,000	8.91%	1.51%	97,924,000	8.91%	1.36%	97,924,000	8.91%	1.31%
Yantai Port Group	A Share	-	-	-	697,345,086	11.45%	9.70%	697,345,086	10.93%	9.32%
Other Non-Public A Shareholders	A Share	1,319,520,000	24.47%	20.33%	1,319,520,000	21.67%	18.36%	1,319,520,000	20.68%	17.64%
Other Non-Public H Shareholders	H Share	214,547,000	19.52%	3.31%	214,547,000	19.52%	2.98%	214,547,000	19.52%	2.87%
Public A Shareholders	A Share	550,376,000	10.21%	8.48%	550,376,000	9.04%	7.66%	840,231,072	13.17%	11.24%
Public H Shareholders	H Share	786,554,000	71.57%	12.12%	786,554,000	71.57%	10.94%	786,554,000	71.57%	10.52%
Total		**6,491,100,000**	**-**	**100.00%**	**7,188,445,086**	**-**	**100.00%**	**7,478,300,158**	**-**	**100.00%**

The Consideration Shares and New A Shares will be allotted and issued pursuant to the Specific Mandate to be granted by the Independent Shareholders at the EGM. The Board expects that after completion of the Proposed Restructuring and the Proposed Issuance of A Shares, the Company will continue to maintain sufficient public float to fulfil the requirements under the Hong Kong Listing Rules, respectively.

V. FINANCIAL IMPACT OF THE PROPOSED RESTRUCTURING

Upon completion of the Proposed Restructuring, each of Oil Company, United Pipeline and Gangyuan Pipeline will become a subsidiary of the Company and their financial statements will be included into the consolidated financial statements of the Group. Rizhao Shihua will become a joint venture of the Company.

Prior to the Proposed Restructuring, the Group's operating revenue and net profit attributable to shareholders of the Company for the year ended 31 December 2023 were RMB18,173.1278 million and RMB4,923.3217million, respectively. Assuming the Proposed Restructuring was completed on 31 December 2023, the Group's operating revenue and net profit attributable to shareholders of the Company for the year ended 31 December 2023 were RMB21,431.6290 million and RMB5,735.6873 million, respectively.

Assuming the Proposed Restructuring was completed on 31 December 2023, the total asset of the Group as at 31 December 2023 would increase from RMB60,245.8606 million to RMB77,307.5314 million by approximately 28.32%; and the total liabilities of the Group as at 31 December 2023 would increase from RMB15,707.1980 million to RMB27,001.9292 million by approximately 71.91%.

VI. HONG KONG LISTING RULES IMPLICATIONS

The Proposed Restructuring

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the Proposed Restructuring exceeds 25% but is less than 100%, the Proposed Restructuring will constitute a major transaction of the Company under Chapter 14 of the Hong Kong Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements.

As at the date of this announcement, Shandong Port Group is an indirect controlling shareholder of the Company and therefore is a connected person of the Company. As each of Sellers is a wholly-owned subsidiary of Shandong Port Group, Sellers are both associates of Shandong Port Group and are connected persons of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the Proposed Restructuring will constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements.

Completion of the Proposed Restructuring will not result in a change of right of control over the Company. Upon completion of the Proposed Restructuring, Shandong Port Group will remain an indirect controlling shareholder of the Company, and Shandong SASAC will remain the de facto controller of the Company.

The Proposed Issuance of A Shares

In the event that after the completion of the book building process for the Proposed Issuance of A Shares, any connected person(s) of the Company becomes a target subscriber of the Proposed Issuance of A Shares, such participation will constitute a connected transaction of the Company, which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the participation of any connected person(s) in the Proposed Issuance of A Shares can only be determined after the book building process, it is currently envisaged that upon the completion of the book building process, if any connected person does participate in the Proposed Issuance of A Shares, the Company will comply with the connected transaction requirements.

In the event that the requisite Independent Shareholders' approval for any connected person(s) participating in the Proposed Issuance of A Shares is not successfully obtained, it is expected that such connected person(s) will not participate in the Proposed Issuance of A Shares.

Each of Mr. SU Jianguang, Mr. LI Wucheng, Mr. ZHANG Baohua, Mr. CUI Liang and Ms. WANG Fuling has abstained from voting on the relevant Board resolutions in respect of the Proposed Transaction to be considered and approved, due to the potential conflict of interests 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, none of the Directors attending the Board meeting has a material interest in or is required to abstain from voting on the relevant Board resolutions.

VII. FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund-raising activities during the period of 12 months preceding the date of this announcement.

VIII. EGM

The EGM will be convened by the Company to consider and approve, if appropriate, among others, (i) the Proposed Restructuring and the Proposed Issuance of A Shares; and (ii) the Specific Mandate, and the transactions contemplated thereunder.

An Independent Board Committee comprising the independent non-executive Directors has been formed and will advise the Independent Shareholders in respect of the Proposed Restructuring.

Somerley has been appointed as the Independent Financial Adviser to the Company to advise the Independent Board Committee and the Independent Shareholders on matters relating to the Proposed Restructuring.

The voting on the Proposed Restructuring, the Proposed Issuance of A Shares and the Specific Mandate at the EGM will be conducted by poll.

Qingdao Port Group (a subsidiary of Shandong Port Group) and its associates are required to abstain from voting on the resolutions in relation to the Proposed Transaction to be proposed at the EGM. In relation to the Proposed Issuance of A Shares, if a Shareholder indicates to participate in the Proposed Issuance of A Shares before the EGM, such Shareholder and his/her/its close associates (as defined under the Hong Kong Listing Rules) will be required to abstain from voting on the resolution in relation to the Proposed Issuance of A Shares at the EGM.

To the best of the Directors' information, knowledge and belief, after having made all reasonable enquiries, save for the aforesaid, no other Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

A circular from the Company including, among other things, (i) further details of the Proposed Restructuring, the Proposed Issuance of A Shares and the Specific Mandate; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations on the Proposed Restructuring; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendations on the Proposed Restructuring; (iv) financial information of the Target Companies; (v) unaudited pro forma financial information of the enlarged group; (vi) the summary of the Asset Valuation Reports; (vii) certain other information required by the Hong Kong Listing Rules; and (viii) notice of the EGM is expected to be despatched to the Shareholders. As more time is needed for the preparation of certain information to be included in the circular, the circular may be despatched later than 15 business days after the publication of this announcement as required under the Hong Kong Listing Rules. The Company will publish further announcement(s) in compliance with the requirements of the Hong Kong Listing Rules in due course.

IX. RESUMPTION OF TRADING IN A SHARES

As a result of the significant adjustment to the Proposed Restructuring proposal, trading in A Shares has been suspended from the opening of the market on Wednesday, 10 July 2024. An application has been made by the Company to the SSE for the resumption of trading in A Shares on the SSE from the opening of the market on Monday, 15 July 2024.

As the completion of the Proposed Transaction 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.

Definitions

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

"**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 Purchase Agreement I"	Agreement on the Acquisition of Equity Interests in Rizhao Port Oil Terminal Co., Ltd.* (日照港油品碼頭有限公司) by Qingdao Port International Co., Ltd.* (青島港國際股份有限公司) from Shandong Port Rizhao Port Group Co., Ltd.* (山東港口日照港集團有限公司) by way of Issuance of Shares and Cash Payment and Agreement on the Acquisition of Equity Interests in Rizhao Shihua Crude Oil Terminal Co., Ltd.* (日照實華原油碼頭有限公司) by Qingdao Port International Co., Ltd. from Shandong Port Rizhao Port Group Co., Ltd. by way of Issuance of Shares and Cash Payment, entered between the Company and Rizhao Port Group, both dated 12 July 2024
"Asset Purchase Agreement II"	Agreement on the Acquisition of Equity Interests in Shandong United Energy Pipeline Transportation Co., Ltd.* (山東聯合能源管道輸送有限公司) by Qingdao Port International Co., Ltd. from Shandong Port Yantai Port Group Co., Ltd.* (山東港口煙台港集團有限公司) by way of Issuance of Shares and Cash Payment and Agreement on the Acquisition of Equity Interests in Shandong Gangyuan Pipeline Logistics Co., Ltd.*(山東港源管道物流有限公司) by Qingdao Port International Co., Ltd. from Shandong Port Yantai Port Group Co., Ltd. by way of Issuance of Shares and Cash Payment, entered between the Company and Yantai Port Group, both dated 12 July 2024
"Asset Purchase Agreements"	Asset Purchase Agreement I and Asset Purchase Agreement II, in relation to the proposed acquisition of the Target Assets from the Sellers by issuance of Consideration Shares and cash payments by the Company

"**Asset Valuation Reports**"	Asset Valuation Report on the Project of Valuation of Entire Equity Interests Value of Shareholders of Rizhao Port Oil Terminal Co., Ltd. involved in the Proposed Acquisition of Assets through Issuance of Shares and Cash Payments by Qingdao Port International Co., Ltd.; Asset Valuation Report on the Project of Valuation of Entire Equity Interests Value of Shareholders of Rizhao Shihua Crude Oil Terminal Co., Ltd. involved in the Proposed Acquisition of Assets through Issuance of Shares and Cash Payments by Qingdao Port International Co., Ltd.; Asset Valuation Report on the Project of Valuation of Entire Equity Interests Value of Shareholders of Shandong United Energy Pipeline Transportation Co., Ltd. involved in the Proposed Acquisition of Assets through Issuance of Shares and Cash Payments by Qingdao Port International Co., Ltd.; Asset Valuation Report on the Project of Valuation of Entire Equity Interests Value of Shareholders of Shandong Gangyuan Pipeline Logistics Co., Ltd. involved in the Proposed Acquisition of Assets through Issuance of Shares and Cash Payments by Qingdao Port International Co., Ltd., which were issued by China United Appraisal for the Proposed Restructuring with 31 March 2024 as the Valuation Benchmark Date and filed with the Shandong Port Group
"**Average Trading Price**"	total trading amount of the Company's shares/total trading number of the Company's shares during the relevant period
"**Board**"	the board of directors of the Company
"**China United Appraisal**"	China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司)
"**Closing Audit Reference Date**"	the last date of the previous month of the Closing Date if the Closing Date is before the 15th of the month (including the 15th day of the month), or the last date of the month of the Closing Date if the Closing Date is after the 15th of the month (excluding the 15th day of the month)

"**Closing Date**"	unless otherwise agreed by each party of the Proposed Restructuring, the closing date shall be the date when all the Target Assets are transferred to the Company
"**Company**"	Qingdao Port International Co., Ltd., a joint stock company established in the PRC with limited liability on 15 November 2013
"Compensation Agreement I"	Performance Undertakings Compensation Agreement between Qingdao Port International Co., Ltd. and Shandong Port Rizhao Port Group Co., Ltd., entered between the Company and Rizhao Port Group on 12 July 2024
"Compensation Agreement II"	Performance Undertakings Compensation agreement between Qingdao Port International Co., Ltd. and Shandong Port Yantai Port Group Co., Ltd., entered between the Company and Yantai Port Group on 12 July 2024
"Compensation Agreements"	Compensation Agreement I and Compensation Agreement II, in relation to the Sellers agreed to provide performance undertakings in respect of the Performance Undertakings Assets held by them during the Performance Undertakings Period following the completion of the Proposed Restructuring, and compensate the Company in the event that such undertaken performance is not achieved
"**Consideration Shares**"	A Shares to be issued by the Company to Yantai Port Group as a part of the consideration of the Target Assets pursuant to the Asset Purchase Agreements and the Measures for the Administration of the Material Asset Restructurings of Listed Companies of CSRC and other relevant laws and regulations
"**Consideration Shares Issuance Completion Date**"	The date on which the Consideration Shares to be issued under the Proposed Restructuring are registered in Yantai Port Group stock account with China Securities Depository and Clearing Corporation Limited* (中國證券登記結算有限責任公司)

“**CSRC**”	China Securities Regulatory Commission* (中國證券監督管理委員會)
“**Cumulative Undertaken Net Profit**”	the cumulative net profit of each of the Performance Undertakings Assets that the Sellers have undertaken to record as at the end of each year during the Performance Undertakings Period in the Compensation Agreements
“**Director(s)**”	the director(s) of the Company
“**EGM**”	the extraordinary general meeting to be convened by the Company to consider and approve, among other things, (i) the Proposed Restructuring and the Proposed Issuance of A Shares; and (ii) the Specific Mandate and the transactions contemplated thereunder
“**Gangyuan Pipeline**”	Shandong Gangyuan Pipeline Logistics Co., Ltd.
“**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 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 Hong Kong Stock Exchange
“**Hong Kong Stock Exchange**”	The Stock Exchange of Hong Kong Limited

"**Independent Board Committee**"	the independent board committee of the Board comprising of Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho, all of whom are independent non-executive Directors to advise and provide recommendations to the Independent Shareholders in respect of the Proposed Restructuring and the related Specific Mandate
"**Independent Shareholders**"	Shareholders other than (i) Qingdao Port Group and its associates and (ii) the one who are interested in or involved in the Proposed Transaction (if any)
"**New A Shares**"	A Shares to be issued under the Proposed Issuance of A Shares
"**Oil Company**"	Rizhao Port Oil Terminal Co., Ltd.
"**Performance Undertakings Asset(s)**"	Target Assets
"**Performance Undertakings Period**"	the performance undertakings period for the Proposed Restructuring, being three consecutive fiscal years after the Closing Date (including the year of the Closing Date), according to the Compensation Agreements
"**Potential Major Transaction Announcement**"	the announcement of the Company dated 30 June 2023, in relation to the purchase of previous target assets by way of issuance of consideration shares and cash payments by the Company and the Proposed Issuance of A Shares
"**PRC**"	the People's Republic of China and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region and Taiwan

"**Predictive Net Profit**"	according to the Asset Valuation Reports and relevant valuation statements, the predictive net profit attributable to the owners of the parent company after deducting the non-recurring profit or loss audited by a certified public accountant to be realized by each of the Performance Undertakings Assets in each of the years from 2024 to 2027
"Pricing Benchmark Date"	the pricing benchmark date of the issuance of Consideration Shares, which is the date of the announcement of resolutions of the meeting of the Board (the 19th meeting of the fourth session of the Board) to consider the Proposed Restructuring of the Company, i.e. 13 July 2024
"**Pricing Date**"	the pricing benchmark date of the Proposed Issuance of A Shares, which is the first day of the period of issuance of New A Shares
"**Proposed Issuance of A Shares**"	the proposed issuance of New A Shares by the Company to no more than 35 (including 35) qualified target subscribers under relevant PRC laws and regulations to raise ancillary funds pursuant to the Measures for the Administration of Registration of Securities Offering by Listed Companies of CSRC and other relevant laws and regulations
"**Proposed Restructuring**"	the purchase of the Target Assets by the Company by way of issuance of Consideration Shares and cash payments under the Asset Purchase Agreements pursuant to the Measures for the Administration of the Material Asset Restructurings of Listed Companies of CSRC and other relevant laws and regulations
"**Proposed Transaction**"	Proposed Restructuring and Proposed Issuance of A Shares

“**Qingdao Port Group**”	Shandong Port Qingdao Port Group Co., Ltd.* (山東港口青島港集團有限公司), a company established in the PRC with limited liability on 12 August 1988 and the controlling shareholder of the Company, which directly and indirectly held approximately 55.77% of the equity interests of the Company as at the date of this announcement
“**Rizhao Port Group**”	Shandong Port Rizhao Port Group Co., Ltd.
“**Rizhao Shihua**”	Rizhao Shihua Crude Oil Terminal Co., Ltd.
“**RMB**”	Renminbi, the lawful currency of 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)
“**Securities Law**”	Securities Law of the People’s Republic of China* (《中華人民共和國證券法》)
“**Sellers**”	Rizhao Port Group and Yantai Port Group
“**Shandong Port Group**”	Shandong Port Group Co., Ltd.* (山東省港口集團有限公司), a company established on 2 August 2019 in the PRC with limited liability, holding 100% equity interests in Qingdao Port Group, Rizhao Port Group and Yantai Port Group as at the date of this announcement
“**Shandong 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)
“**Share(s)**”	A Share(s) and H Share(s)

"**Shareholder(s)**"	shareholder(s) of the Company
"ShineWing"	ShineWing Certified Public Accountants (Special general partnership) * (信永中和會計師事務所(特殊普通合夥))
"**Sinomart Development**"	Sinomart KTS Development Limited* (經貿冠德發展有限公司)
"**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 under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), to advise as an independent financial adviser to the Independent Board Committee and the Independent Shareholders on matters relating to the Proposed Restructuring
"**Specific Mandate**"	the specific mandate to be sought from the Independent Shareholders at the EGM to issue (i) the Consideration Shares under the Asset Purchase Agreements; and (ii) New A Shares under the Proposed Issuance of A Shares
"**SSE**"	the Shanghai Stock Exchange
"**Takeovers Code**"	the Hong Kong Code on Takeovers and Mergers* (《公司收購及合併守則》) issued by the Securities and Futures Commission of Hong Kong
"**Target Assets**"	100% equity interests in Oil Company and 50.00% equity interests in Rizhao Shihua held by Rizhao Port Group, and 53.88% equity interests in United Pipeline and 51.00% equity interests in Gangyuan Pipeline held by Yantai Port Group

"**Target Companies**"	Oil Company, Rizhao Shihua, United Pipeline and Gangyuan Pipeline
"**Trading Day(s)**"	a day(s) on which the SSE or the Hong Kong Stock Exchange (if applicable) is open for dealing or trading in securities
"**Undertakings Performance Indicators**"	the performance indicators to be achieved by each of the Performance Undertakings Assets during the Performance Undertakings Period undertaken by the Sellers
"**United Pipeline**"	Shandong United Energy Pipeline Transportation Co., Ltd.
"**Valuation Benchmark Date**"	the valuation benchmark date of the Target Assets, i.e. 31 March 2024
"**Working Day(s)**"	working days in the PRC
"**Yantai Port Group**"	Shandong Port Yantai Port Group Co., Ltd.
"**%**"	per cent

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.

Based on rounding, the total number of figures presented in this announcement may differ slightly from the actual totals.

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, 12 July 2024

As at the date of this announcement, the executive Directors are Mr. SU Jianguang and Mr. ZHANG Baohua; the non-executive Directors are Mr. LI Wucheng, Mr. ZHU Tao, Mr. CUI Liang and Ms. WANG Fuling; and the independent non-executive Directors are Ms. LI Yan, Mr. JIANG Min and Mr. LAI Kwok Ho.

Appendix I – Assumptions Adopted in the Profit Forecast

I. General Assumptions

The general assumptions used in the profit forecast for each of the Target Companies and their related subsidiaries and associated companies are set forth below:

1. Transaction assumption

Pursuant to the transaction assumption, all the assets to be valuated are in the course of transaction and the valuation by the valuer is based on simulated market including terms of transaction of the assets to be valuated. Transaction assumption is the most basic pre-condition for the conduct of asset valuation.

2. Open market assumption

Pursuant to the open market assumption, the parties to an asset traded in the market, or proposed to be traded in the market, are on an equal footing with each other, and the parties to the transaction of the asset have the access to and time to obtain sufficient market information from each other to enable them to make rational judgments as to the function and use of the asset, and the price at which it will be traded. The open market assumption is based on the assumption that assets can be bought and sold openly in the market.

3. Assumption of going concern

The assumption of going concern is a valuation assumption made by considering the assets of the enterprise as a whole as the valuation target. That is, the enterprise, as a business entity, continues to operate in accordance with its business objectives in the external environment where it operates. The operator of the enterprise is responsible and competent for assuming responsibilities; and the enterprise operates legally and is able to make appropriate profits to maintain its ability to continue as a going concern. For all types of business assets of an enterprise, it means the ability to continue to use them as they are currently used and in the manner, scale, frequency and environment in which they are used, or to use them on a modified basis.

II. Assumptions for the Valuation of Oil Company, its Subsidiaries and Associated Companies

(I) Special Assumptions

1. For this valuation, it is assumed that the external economic environment remains unchanged as at the valuation benchmark date and that there are no significant changes in the country's prevailing macroeconomy.

2. There have been no significant changes in the socio-economic environment in which the enterprise operates and in the policies implemented with respect to taxes and tax rates.

3. The future management team of the enterprise is responsible and accountable and continues to maintain the current business management model.

4. The valuation is based only on the operating capacity as at the benchmark date. No consideration is given to the possible expansion of operating capacity in the future due to circumstances such as management, business strategies and additional investments, or to subsequent changes in production and operations that may occur.

5. The assets subject to this valuation are determined based on the actual balances as at the valuation benchmark date, while the prevailing market prices of the assets are based on the domestic ruling prices as at the valuation benchmark date.

6. For this valuation, it is assumed that the underlying information and financial information provided by the principal and the valuated entity are true, accurate and complete.

7. All business licenses required for the production and operation of the valuated entity have been approved as scheduled and will be renewed by application upon expiry in the future.

8. Considering the historical situation of policy continuity, it is assumed that the preferential land use tax policy for bulk commodity warehousing facilities lands owned (including self-use and leased) or leased by logistics enterprises can be continued after the expiry of the policy.

9. It is assumed that cash inflows related to assets after the valuation benchmark date are average inflows and cash outflows are average outflows.

When the above conditions change, the valuation result is generally invalidated.

(II) Assumptions for Income Projections

1. There are no significant changes in relevant national laws, regulations and policies in force and the national macroeconomic situation, and there are no significant changes in the political, economic and social environment of the region in which the parties to this transaction are situated.

2. It is assumed that the enterprise continues to operate in view of the actual situation of assets as at the valuation benchmark date.

3. It is assumed that the proprietor of the valuated entity is responsible and accountable and the management of the valuated entity is competent in discharging its duties.

4. It is assumed that the valuated entity is in full compliance with all the relevant laws and regulations unless otherwise stated.

5. It is assumed that the accounting policies to be adopted by the valuated entity in the future are basically consistent with those adopted in the preparation of this report in material aspects.

6. It is assumed that the business scope and business mode of the valuated entity are consistent with the current ones on the basis of the existing management approaches and management level.

7. In this valuation, it is assumed that in the future forecast period, the valuated entity's main business, product structure, revenue and cost composition, sales strategy and cost control, etc. will maintain its status after completion without major changes.

8. In the future forecast periods, various expenses of the valuated entity will not greatly change on the current base, but will continue its trend of recent years and synchronously change with the changes in the scale of operation.

9. In view of the frequent changes in the cash at bank and on hand of the enterprise or its bank deposits in the course of production and operation and the fact that idle funds have been considered as overflow assets, interest income generated from the deposits and other uncertain gains and losses other than interest-paying liabilities are not taken into account in the valuation.

10. There are no material changes in the relevant interest rates, exchange rates, taxation bases and tax rates, as well as government levies.

11. There are no other force majeure factors or unforeseeable factors that may give rise to material adverse impacts on the enterprise.

When there is any significant change in the above assumptions, the valuation firm will not assume the responsibility for different valuation conclusions resulting from the change of assumptions.

III. Assumptions for the Valuation of Rizhao Shihua

(I) Special Assumptions

1. For this valuation, it is assumed that the external economic environment remains unchanged as at the valuation benchmark date and that there are no significant changes in the country's prevailing macroeconomy.

2. There have been no significant changes in the socio-economic environment in which the enterprise operates and in the policies implemented with respect to taxes and tax rates.

3. The future management team of the enterprise is responsible and accountable and continues to maintain the current business management model.

4. The valuation is based only on the operating capacity as at the benchmark date. No consideration is given to the possible expansion of operating capacity in the future due to circumstances such as management, business strategies and additional investments, or to subsequent changes in production and operations that may occur.

5. The assets subject to this valuation are determined based on the actual balances as at the valuation benchmark date, while the prevailing market prices of the assets are based on the domestic ruling prices as at the valuation benchmark date.

6. For this valuation, it is assumed that the underlying information and financial information provided by the principal and the valuated entity are true, accurate and complete.

7. All business licenses required for the production and operation of the valuated entity have been approved as scheduled and will be renewed by application upon expiry in the future.

8. It is assumed that cash inflows related to assets after the valuation benchmark date are average inflows and cash outflows are average outflows.

When the above conditions change, the valuation result is generally invalidated.

(II) Assumptions for Income Projections

1. There are no significant changes in relevant national laws, regulations and policies in force and the national macroeconomic situation, and there are no significant changes in the political, economic and social environment of the region in which the parties to this transaction are situated.

2. It is assumed that the enterprise continues to operate in view of the actual situation of assets as at the valuation benchmark date.

3. It is assumed that the proprietor of the valuated entity is responsible and accountable and the management of the valuated entity is competent in discharging its duties.

4. It is assumed that the valuated entity is in full compliance with all the relevant laws and regulations unless otherwise stated.

5. It is assumed that the accounting policies to be adopted by the valuated entity in the future are basically consistent with those adopted in the preparation of this report in material aspects.

6. It is assumed that the business scope and business mode of the valuated entity are consistent with the current ones on the basis of the existing management approaches and management level.

7. In this valuation, it is assumed that in the future forecast period, the valuated entity's main business, product structure, revenue and cost composition, sales strategy and cost control, etc. will maintain its status after completion without major changes.

8. In the future forecast periods, various expenses of the valuated entity will not greatly change on the current base, but will continue its trend of recent years and synchronously change with the changes in the scale of operation.

9. In view of the frequent changes in the cash at bank and on hand of the enterprise or its bank deposits in the course of production and operation and the fact that idle funds have been considered as overflow assets, interest income generated from the deposits and other uncertain gains and losses other than interest-paying liabilities are not taken into account in the valuation.

10. There are no material changes in the relevant interest rates, exchange rates, taxation bases and tax rates, as well as government levies.

11. There are no other force majeure factors or unforeseeable factors that may give rise to material adverse impacts on the enterprise.

When there is any significant change in the above assumptions, the valuation firm will not assume the responsibility for different valuation conclusions resulting from the change of assumptions.

IV. Assumptions for the Valuation of United Pipeline

(I) Special Assumptions

1. For this valuation, it is assumed that the external economic environment remains unchanged as at the valuation benchmark date and that there are no significant changes in the country's prevailing macroeconomy;

2. There have been no significant changes in the socio-economic environment in which the enterprise operates and in the policies implemented with respect to taxes and tax rates;

3. The future management team of the enterprise is responsible and accountable and continues to maintain the current business management model;

4. The valuation is based only on the operating capacity as at the benchmark date. No consideration is given to the possible expansion of operating capacity in the future due to circumstances such as management, business strategies and additional investments, or to subsequent changes in production and operations that may occur;

5. The assets subject to this valuation are determined based on the actual balances as at the valuation benchmark date, while the prevailing market prices of the assets are based on the domestic ruling prices as at the valuation benchmark date;

6. For this valuation, it is assumed that the underlying information and financial information provided by the principal and the valuated entity are true, accurate and complete;

7. All business licenses required for the production and operation of the valuated entity have been approved as scheduled and will be renewed by application upon expiry in the future;

8. It is assumed that cash inflows related to assets after the valuation benchmark date are average inflows and cash outflows are average outflows.

9. Considering the historical situation of policy continuity, it is assumed that the preferential land use tax policy for bulk commodity warehousing facilities lands owned (including self-use and leased) or leased by logistics enterprises can be continued after the expiry of the policy.

10. In this valuation, it is assumed that the refining businesses of the customers of the valuated entities, namely, Shandong Huaxing Petrochemical Group Co., Ltd.* ("**Huaxing Petrochemical**"), Zhenghe Group Co., Ltd.* ("**Zhenghe Group**") and Shandong Changyi Petrochemical Co., Ltd.* ("**Changyi Petrochemical**"), are able to continue to operate at their current scales.

When the above conditions change, the valuation result is generally invalidated.

(II) Assumptions for Income Projections

1. There are no significant changes in relevant national laws, regulations and policies in force and the national macroeconomic situation, and there are no significant changes in the political, economic and social environment of the region in which the parties to this transaction are situated.

2. It is assumed that the enterprise continues to operate in view of the actual situation of assets as at the valuation benchmark date.

3. It is assumed that the proprietor of the valuated entity is responsible and accountable and the management of the valuated entity is competent in discharging its duties.

4. It is assumed that the valuated entity is in full compliance with all the relevant laws and regulations unless otherwise stated.

5. It is assumed that the accounting policies to be adopted by the valuated entity in the future are basically consistent with those adopted in the preparation of this report in material aspects.

6. It is assumed that the business scope and business mode of the valuated entity are consistent with the current ones on the basis of the existing management approaches and management level.

7. In this valuation, it is assumed that in the future forecast period, the valuated entity's main business, product structure, revenue and cost composition, sales strategy and cost control, etc. will maintain its status after completion without major changes.

8. In this valuation, it is assumed that the refining businesses of the customers of the valuated entities, namely, Huaxing Petrochemical, Zhenghe Group and Changyi Petrochemical, are able to continue to operate at their current scales.

9. In the future forecast periods, various expenses of the valuated entity will not greatly change on the current base, but will continue its trend of recent years and synchronously change with the changes in the scale of operation.

10. In view of the frequent changes in the cash at bank and on hand of the enterprise or its bank deposits in the course of production and operation and the fact that idle funds have

been considered as overflow assets, interest income generated from the deposits and other uncertain gains and losses other than interest-paying liabilities are not taken into account in the valuation.

11. There are no material changes in the relevant interest rates, exchange rates, taxation bases and tax rates, as well as government levies.

12. There are no other force majeure factors or unforeseeable factors that may give rise to material adverse impacts on the enterprise.

When there is any significant change in the above assumptions, the valuation firm will not assume the responsibility for different valuation conclusions resulting from the change of assumptions.

V. Assumptions for the Valuation of Gangyuan Pipeline

(I) Special Assumptions

1. For this valuation, it is assumed that the external economic environment remains unchanged as at the valuation benchmark date and that there are no significant changes in the country's prevailing macroeconomy.

2. There have been no significant changes in the socio-economic environment in which the enterprise operates and in the policies implemented with respect to taxes and tax rates.

3. The future management team of the enterprise is responsible and accountable and continues to maintain the current business management model.

4. The valuation is based only on the operating capacity as at the benchmark date. No consideration is given to the possible expansion of operating capacity in the future due to circumstances such as management, business strategies and additional investments, or to subsequent changes in production and operations that may occur.

5. The assets subject to this valuation are determined based on the actual balances as at the valuation benchmark date, while the prevailing market prices of the assets are based on the domestic ruling prices as at the valuation benchmark date.

6. For this valuation, it is assumed that the underlying information and financial information provided by the principal and the valuated entity are true, accurate and complete.

7. All business licenses required for the production and operation of the valuated entity have been approved as scheduled and will be renewed by application upon expiry in the future.

8. It is assumed that cash inflows related to assets after the valuation benchmark date are average inflows and cash outflows are average outflows.

9. Considering the historical situation of policy continuity, it is assumed that the preferential land use tax policy for bulk commodity warehousing facilities lands owned (including self-use and leased) or leased by logistics enterprises can be continued after the expiry of the policy.

10. In this valuation, it is assumed that the refining businesses of the customers of the valuated entities, namely, Huaxing Petrochemical, Zhenghe Group and Changyi Petrochemical, are able to continue to operate at their current scales.

When the above conditions change, the valuation result is generally invalidated.

(II) Assumptions for Income Projections

1. There are no significant changes in relevant national laws, regulations and policies in force and the national macroeconomic situation, and there are no significant changes in the political, economic and social environment of the region in which the parties to this transaction are situated.

2. It is assumed that the enterprise continues to operate in view of the actual situation of assets as at the valuation benchmark date.

3. It is assumed that the proprietor of the valuated entity is responsible and accountable and the management of the valuated entity is competent in discharging its duties.

4. It is assumed that the valuated entity is in full compliance with all the relevant laws and regulations unless otherwise stated.

5. It is assumed that the accounting policies to be adopted by the valuated entity in the future are basically consistent with those adopted in the preparation of this report in material aspects.

6. It is assumed that the business scope and business mode of the valuated entity are consistent with the current ones on the basis of the existing management approaches and management level.

7. In this valuation, it is assumed that in the future forecast period, the valuated entity's main business, product structure, revenue and cost composition, sales strategy and cost control, etc. will maintain its status after completion without major changes.

8. In this valuation, it is assumed that the refining businesses of the customers of the valuated entities, namely, Huaxing Petrochemical, Zhenghe Group and Changyi Petrochemical, are able to continue to operate at their current scales.

9. In the future forecast periods, various expenses of the valuated entity will not greatly change on the current base, but will continue its trend of recent years and synchronously change with the changes in the scale of operation.

10. In view of the frequent changes in the cash at bank and on hand of the enterprise or its bank deposits in the course of production and operation and the fact that idle funds have been considered as overflow assets, interest income generated from the deposits and other uncertain gains and losses other than interest-paying liabilities are not taken into account in the valuation.

11. There are no material changes in the relevant interest rates, exchange rates, taxation bases and tax rates, as well as government levies.

12. There are no other force majeure factors or unforeseeable factors that may give rise to material adverse impacts on the enterprise.

When there is any significant change in the above assumptions, the valuation firm will not assume the responsibility for different valuation conclusions resulting from the change of assumptions.

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF RIZHAO PORT OIL TERMINAL CO., LTD.

XYZH/2024JNAA6F0058

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Rizhao Port Oil Terminal Co., Ltd. (the "**Target Company**") as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF RIZHAO MINGDA SHIPPING SERVICE CO., LTD.

XYZH/2024JNAA6F0059

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows of Rizhao Mingda Shipping Service Co., Ltd., the subsidiary of Rizhao Port Oil Terminal Co., Ltd. (the "**Target Company**") , in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

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12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF RIZHAO LANSHAN WANHE LIQUEFACTION DOCK CO., LTD.

XYZH/2024JNAA6F0061

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows of Rizhao Lanshan Wanhe Liquefaction Dock Co., Ltd., the subsidiary of Rizhao Port Oil Terminal Co., Ltd. (the "**Target Company**") , in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF RIZHAO PORT GOLD BRICK OIL STORAGE AND TRANSPORTATION CO., LTD.

XYZH/2024JNAA6F0062

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows of Rizhao Port Gold Brick Oil Storage and Transportation Co., Ltd., the joint venture of Rizhao Port Oil Terminal Co., Ltd. (the "**Target Company**"), in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司), in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

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12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF RIZHAO PORT DAHUA HEFENG PETROCHEMICAL TERMINAL CO., LTD.

XYZH/2024JNAA6F0063

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows of Rizhao Port Dahua Hefeng Petrochemical Terminal Co., Ltd., the associated company of Rizhao Port Oil Terminal Co., Ltd. (the "**Target Company**") , in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF SHANDONG DONGMING PETROCHEMICAL GROUP MINGGANG STORAGE AND TRANSPORTATION CO., LTD.

XYZH/2024JNAA6F0066

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows of Shandong Dongming Petrochemical Group Minggang Storage and Transportation Co., Ltd., the associated company of Rizhao Port Oil Terminal Co., Ltd. (the "**Target Company**") , in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF RIZHAO CHIMBUSCO MARINE BUNKER SUPPLY LIMITED COMPANY

XYZH/2024JNAA6F0065

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows of Rizhao CHIMBUSCO Marine Bunker Supply Limited Company, the associated company of Rizhao Port Oil Terminal Co., Ltd. (the "**Target Company**") , in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Target Company as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 100% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 100% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF RIZHAO SHIHUA CRUDE OIL TERMINAL CO., LTD.

XYZH/2024JNAA6F0064

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Rizhao Shihua Crude Oil Terminal Co., Ltd. (the "**Target Company**") as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 50.00% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 50.00% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF SHANDONG UNITED ENERGY PIPELINE TRANSPORTATION CO., LTD.

XYZH/2024JNAA6F0060

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Shandong United Energy Pipeline Transportation Co., Ltd. (the "**Target Company**") as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 53.88% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 53.88% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

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THE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF SHANDONG GANGYUAN PIPELINE LOGISTICS CO., LTD.

XYZH/2024JNAA6F0057

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

We have completed our assurance engagement and issued a reviewed report on the calculations of the discounted future estimated cash flows in the business valuation report (the "**Valuation**") dated 28 June 2024 prepared by China United Assets Appraisal Group Co., Ltd.* (中聯資產評估集團有限公司) in respect of the appraisal of the fair value of the 100% equity interests in the Shandong Gangyuan Pipeline Logistics Co., Ltd. (the "**Target Company**") as at 31 March 2024. The Valuation is set out in the announcement published by Qingdao Port International Co., Ltd. (the "**Company**") dated 12 July 2024 (the "**Announcement**") in connection with the acquisition by the Company of the 51.00% equity interests in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

I. Directors' Responsibility for the Discounted Future Estimated Cash Flows

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

II. Accountant's Responsibilities

It is our responsibility, pursuant to Rule 14.60A(2) of the Hong Kong Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows. We conducted our work in accordance with the requirements of *China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with the code of professional ethics, and plan and perform our work to issue the opinion.

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

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

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

III. Opinion

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

IV. Purpose and Restriction on Use

This report is intended solely for the Company to acquire the 51.00% equity interests in the Target Company and should be used and disclosed in connection with the requirement in Rule 14.60A of the Hong Kong Listing Rules and should not be used for any other purpose without our consent. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

ShineWing Certified Public Accountants (Special general partnership)

Registered in Beijing, China

12 July, 2024

山东港口 SHANDONG PORT GROUP | 青岛港国际股份有限公司 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)

Dear Sir/Madam,

Confirmation Letter from the Board Regarding the Profit Forecast Associated with the Transaction Contemplated under the Proposed Restructuring

We refer to the valuation reports and valuation statements (the "**Valuation Reports and Statements**") prepared by China United Assets Appraisal Group Co., Ltd. (中聯資產評估集團有限公司) (the "**Independent Valuer**"), in relation to the valuation of all equity interests in Rizhao Port Oil Terminal Co. Ltd. (日照港油品碼頭有限公司) ("**Oil Company**"), Rizhao Shihua Crude Oil Terminal Co., Ltd. (日照實華原油碼頭有限公司) ("**Rizhao Shihua**"), Shandong United Energy Pipeline Transportation Co., Ltd. (山東聯合能源管道輸送有限公司) ("**United Pipeline**"), Shandong Gangyuan Pipeline Logistics Co., Ltd. (山東港源管道物流有限公司) ("**Gangyuan Pipeline**") and their subsidiaries and certain associated companies (the "**Profit Forecast Targets**"), as of the valuation benchmark date (i.e., 31 March 2024), which was determined based on the income approach and by taking into account the cash flow projection of the relevant businesses, and therefore constitutes 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 12 July 2024 in respect of the major and connected transactions in relation to the Proposed Restructuring unless the context otherwise requires.

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

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

By order of the Board

Qingdao Port International Co., Ltd.

SU Jianguang

Chairman