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(a sino-foreign joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 2880)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
Liaoning Port Co., Ltd.*
WANG Huiying LEE, Kin Yu Arthur
Joint Company Secretaries

Dalian City, Liaoning Province, the PRC
25 March 2021

As at the date of this announcement, the Board comprises:

Executive Directors: WEI Minghui, SUN Dequan and QI Yue

Non-executive Directors: CAO Dong, YUAN Yi and NA Danhong

Independent non-executive Directors: LI Zhiwei, LIU Chunyan and LAW Man Tat

* *The Company is registered as Non-Hong Kong Company under Part XI of the previous Companies Ordinance of Hong Kong (equivalent to Part 16 of the Companies Ordinance with effect from 3 March 2014) under the English name "Liaoning Port Co., Ltd."*

* *For identification purposes only*

Liaoning Port Co., Ltd.
Announcement of Permanent Conversion of
Surplus A-share Fundraising Proceeds
to Replenish Working Capital

The Company's Board of Directors and all Directors undertake that this Announcement does not contain any misrepresentation or misleading statement, and no material information is omitted, and that they will be held responsible individually or jointly and severally for the authenticity, accuracy, and completeness of the content of this Announcement.

Important Notes:

- Projects into which the surplus fundraising proceeds are invested: "Xingang 1-million-cubic-meter Crude Oil Storage Tank", "Special Ore Terminal Yard No. 4 Project" and, "Automobile Roll-on/Roll-off Vessel".
- Arrangements for the permanent replenishment of working capital using the surplus fundraising proceeds: It is proposed that the RMB 437,868,800 surplus (including RMB 85,813,300 of interest income accrued) of the A-share fundraising proceeds after deducting the

amounts invested will be used for permanent replenishment of working capital (the exact amount shall be calculated based on the actual balance of interest accrued at the bank on the day when the permanent working capital replenishment is executed).

- This proposal is still pending the approval of the Company's Board of Shareholders.

i. Basic Information of Fundraising

In 2010, the China Securities Regulatory Commission (CSRC) approved the initial public offering (of ordinary RMB shares) of Dalian Port (PDA) Company Limited. (currently known as "Liaoning Port Co., Ltd.", hereinafter referred to as "Liaoning Port" or the "Company") in 2010. The approval document is titled "Reply and Approval of the Initial Public Offering of Dalian Port (PDA) Company Limited." (Zheng Jian Xu Ke [2010] No. 1540). The Company publicly offered 761.82 million ordinary shares in RMB to public shareholders, and sold 738.18 million shares to Dalian Port Corporation Limited, issuing 1,500 million shares in total. The IPO price applicable to public shareholders is RMB 3.80 per share, and the total amount of funds raised is RMB 2,894,916,000.00. After deducting the issuance costs, the actual net amount of publicly raised funds is RMB 2,772,091,519.47. These funds had been paid up as of 16 November 2010. Reanda Certified Public Accountants Co., Ltd.

verified the payment and issued the "Li An Da Yan Zi [2010] No. 1701 Capital Verification Report". The Company deposited the funds raised into a special bank account.

ii. Progress in Financing and Investment Deals, Use of Fundraising Proceeds and Surplus Proceeds

As of 31 December 2020, RMB 2,420,036,000.00 of the fundraising proceeds had been actually used for the investment projects, with RMB 352,055,500.00 unused, and interest accrued on the funds totaled RMB 85,813,300.00. The decrease in the construction costs of the three financing and investment projects resulted in surplus funds - of RMB 233,552,300.00 (including the unpaid deposit) for the Xingang 1-million-cubic-meter Crude Oil Storage Tank Project, RMB 100,506,700.00 (including the unpaid project payment and quality guarantee deposit) for the Special Ore Terminal Yard No. 4 Project, and RMB 17,996,500.00 for the Automobile Roll-on/Roll-off Vessel. Information on the implementation of the projects in which the funds raised are invested is as follows:

Unit: RMB ('0,000)

No.	Project	Proceeds dedicated to the project	Proceeds invested (cumulative)	Remaining proceeds unused
1	Xingang 1-million-cubic-meter Crude Oil Storage Tank	76,000.00	52,644.77	23,355.23
2	Xingang Resort 600,000-cubic-meter Crude Oil Storage Tank	55,000.00	55,000.00	-
3	Xingang Shatuozi Phase-2 Crude Oil Storage Tank Project	2,960.00	2,960.00	-
4	LNG Project	32,000.00	32,000.00	-
5	Special Ore Terminal Yard No. 4 Project	52,000.00	41,949.33	10,050.67
6	Purchase of ore terminal unloader	3,720.00	3,720.00	-
7	Purchase of 300 grain trucks	15,000.00	15,000.00	-
8	Automobile Roll-on/Roll-off Vessel	23,000.00	21,200.35	1,799.65
9	New railway line in Muling	4,125.00	4,125.00	-
10	IT applications	5,000.00	5,000.00	-
11	Investment in Phase-3 Dayaowan Wharf	8,404.15	8,404.15	-
Total		277,209.15	242,003.60	35,205.55

On 26 March 2020, the "Proposal to Utilise Idle Proceeds from Fundraising to Replenish Working Capital" was reviewed and passed at the second meeting of the Company's fifth Board of Directors in 2020, and it was agreed that RMB 400 million (including interest of RMB 81 million accrued in the fundraising account) of idle proceeds from the fundraising be used to replenish working capital on a temporary basis. The utilisation period shall last no more than 12 months after the day when the Board of Directors approved the proposal. As of 25 March 2021, the Company re-deposited all the fundraising proceeds that were

previously used to replenish working capital into the special fundraising account.

**iii. Reasons for the Permanent Replenishment of Working Capital
Using the Surplus Fundraising Proceeds**

(1) The projects invested with the fundraising proceeds have been essentially completed, with only a small remainder amount to be paid for the projects.

Except for the Special Ore Terminal Yard No. 4 Project, for which the final settlement of account has not been completed, all the foregoing investment projects have been completed and accepted, and have been put into operation for many years. For many years, the surplus fundraising proceeds has been used to replenish working capital on a temporary basis. As of the end of 2020, all the construction, equipment installation and commissioning operations for the Special Ore Terminal Yard No. 4 Project had been completed, with only a small amount of project balance and the quality warranty deposit remained to be paid.

(2) The construction period of the fund-raising investment project is protracted, and it is proposed that the surplus proceeds be appropriately utilized after consideration of the actual amounts invested in the projects.

The 2010 A-share offering took place more than 10 years ago, but the investment projects have not yet been officially completed, mainly

because the BC44 construction has been resumed at the No. 4 Storage Yard, resulting in further delays in the final account settlement of the project. Given the small amount of unpaid project balance, the surplus fundraising proceeds can be permanently used to replenish working capital in due course, as long as the availability of future funding of the investment projects is guaranteed.

iv. Arrangements for the Permanent Replenishment of Working Capital Using the Surplus Fundraising Proceeds

- The Company plans to use the RMB 437,868,800 surplus (including RMB 85,813,300 of interest income accrued) of the A-share fundraising proceeds raised for project investments for permanent replenishment of working capital (the exact amount shall be calculated based on the actual balance of interest accrued at the bank on the day when the permanent working capital replenishment is executed). The permanent replenishment of working capital using the surplus fundraising proceeds proposed by the Company conforms to “Guidelines No. 2 for Supervision and Regulation of Listed Companies - Regulatory Requirements Concerning the Management and Use of Funds Raised by Listed Companies”, “Regulations of the Shanghai Stock Exchange on the Administration of Funds Raised by Listed Companies (Amendment

2013)”, “Measures on the Administration of Funds Raised” of the Company and other relevant regulations.

v. Impact of the Permanent Replenishment of Working Capital Using the Surplus Fundraising Proceeds on the Company

The permanent working capital replenishment using the surplus fundraising proceeds will not adversely affect the execution of the investment projects. Instead, this will help enhance the efficiency of the use of the fundraising proceeds, and simplify the decision-making and related operations entailed by the yearly roll-over of working capital replenishment, thereby enabling the Company to make long-term plans and arrangements for the use of the funds and to reduce financial expenses. This caters to the Company's actual business and development needs, and serves the interests of all the shareholders.

vi. Follow-up Arrangements regarding the Fundraising Investment Projects and Disposal of the Special Fundraising Account

1. Future funding of the Special Ore Terminal Yard No. 4 Project and all the other fundraising investment projects will be provided by the Company using its self-owned funds, and the permanent working capital replenishment using the surplus fundraising proceeds will not lead to any adverse effect on the implementation of the projects in the future.

2. After the completion of the permanent working capital replenishment, the Company will cancel the special account designated for depositing fundraising proceeds. Upon the cancellation of the special fundraising account, the fundraising supervision agreement executed by the Company, the sponsor and the depository bank will be automatically terminated.

vii. Review Formalities and Special Opinions

The proposed permanent working capital replenishment using the surplus A-share fundraising proceeds has been passed at the second meeting of the Company's sixth Board of Directors and at the first meeting of the Company's sixth Board of Supervisors in 2021, and remains to be submitted to the Board of Shareholders for review.

(i) Opinion of the Board of Directors

After deliberation, the Board agrees to the proposed permanent working capital replenishment using the surplus A-share fundraising proceeds, and that the exact amount to be transferred out should be the actual balance of the special account on the day when the transfer is carried out.

(ii) Opinion of Independent Directors

The Company's Independent Directors opine that the Company's decision to permanently replenish working capital using the surplus A-

share fundraising proceeds is a reasonable decision made by the Company based on the actual business operations, and this will help enhance the efficiency of the use of the fundraising proceeds, and serves the interests of all the shareholders, and that the necessary review formalities have been fulfilled, and the review was conducted in compliance with the "Stock Listing Rules of the Shanghai Stock Exchange", "Measures of the Shanghai Stock Exchange on the Administration of Funds Raised by Listed Companies" and other relevant regulations. Therefore, the Company's Independent Directors approve the Company's permanent working capital replenishment using the surplus A-share fundraising proceeds.

(iii)Opinion of the Board of Supervisors

The Company's Board of Supervisors opines that the Company's proposal to permanently replenish working capital using the surplus A-share fundraising proceeds is a prudent decision made by the Company based on its overall development seeking to fund routine operations and business development, and this will help enhance the efficiency of the use of the fundraising proceeds, and serves the interests of all the shareholders, and that the review procedure was conducted in compliance with relevant provisions of the "Stock Listing Rules of the Shanghai Stock Exchange", "Measures of the Shanghai Stock Exchange on the Administration of Funds Raised by Listed Companies" and other relevant

regulations, and does not affect the legitimate rights or interests of the Company or the shareholders. Therefore, with the Company's Board of Supervisors approves the Company's permanent working capital replenishment using the surplus A-share fundraising proceeds.

(iv)Opinion of the sponsor

After investigation, CITIC Securities opines that the permanent working capital replenishment made by Liaoning Port using the surplus A-share fundraising proceeds was approved at the second meeting of the Company's sixth Board of Directors and at the first meeting of the Company's sixth Board of Supervisors in 2021, the Independent Directors have expressed an explicit agreement, and the related legal formalities have been fulfilled, in compliance with the "Administrative Measures for Securities Offering Sponsorship Businesses", "Guidelines No. 2 for Supervision and Regulation of Listed Companies - Regulatory Requirements Concerning the Management and Use of Funds Raised by Listed Companies", "Stock Listing Rules of the Shanghai Stock Exchange", "Regulations of the Shanghai Stock Exchange on the Administration of Funds Raised by Listed Companies", and other relevant regulations.

In conclusion, CITIC Securities does not have any objection to Liaoning Port's proposed permanent working capital replenishment using the surplus A-share fundraising proceeds.

viii. Documents Supplied for Reference

1. Resolution of the second meeting of the Company's sixth Board of Directors in 2021;
2. Resolution of the first meeting of the Company's sixth Board of Supervisors in 2021;
3. Opinion of Independent Directors;
4. Opinion of the sponsor.

This Announcement is hereby issued.

Board of Directors of Liaoning Port Co., Ltd.

25 March 2021