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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  
17 December 2021

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

*Executive Directors:* ZHANG Yi and WEI Minghui

*Non-executive Directors:* ZHOU Qinghong, SI Zheng, XU Song and YANG Bing

*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 IN RELATION TO LAWSUITS

The board of directors of the Company and all of its directors warrant that there are no false representations and misleading statements contained in, or material omissions from, this announcement, and severally and jointly accept the responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

**IMPORTANT NOTICE:**

- The litigation stage of the cases: the first-instance judgement of 1 case has been issued and an appeal has been filed, and the first-instance judgement has not taken effect. The other 6 cases are in first instance.
- The status of the Company: as the plaintiff in 1 case and the defendant in 6 cases.
- The amount involved: the amount involved as the plaintiff in 1 case was RMB300 million and the amount involved as the defendant in 6 cases amounted to RMB1.06 billion in total.
- Whether they will have negative impact on the profit and loss of the Company: So far, the aforesaid cases have been accepted by relevant courts but some cases have not been officially opened for trial and no preliminary judgement can be made. The outcome of such litigation and compensation obligations (if any) cannot be reliably estimated for the time being.

**1. Basic information of lawsuits**

From 22 March 2021 to 22 June 2021, a total of 7 warehousing cases were brought against DCT Logistics Co., Ltd. (hereinafter referred to as “DCT Logistics”), a subsidiary of Liaoning Port Co., Ltd. (“the Company”), including:

A lawsuit filed by DCT Logistics against Shunde (Dalian) Supply Chain Management Co.,Ltd. (舜德(大連)供應鏈管理股份有限公司) (hereinafter referred to as “Shunde”) and natural persons Yin Li, Yin Yimin and Zhang Lihua, the

defendants, involving RMB300 million;

6 lawsuits filed respectively by Qingdao Kaitou International Trading Co., Ltd. (青島開投國際貿易有限公司), Fujian Rongjiang Imp.& Exp.Co., Ltd., Zhejiang Metals and Materials Co. (物產中大金屬集團有限公司), China Chengtong International Co. Ltd., QingDao ZhongYan Trade Co., Ltd. and Chongqing Yu Feng Imp. & Exp. Co., Ltd. (重慶渝豐進出口有限公司) (collectively referred to as “Import Agents” or “Warehousing Clients”) against DCT Logistics, the defendant, wherein the case brought by Qingdao Kaitou International Trading Co., Ltd., DCT Logistics and Shunde were the co-defendants, and in the other 5 cases, except for the Chongqing Yufeng case, Shunde was added as a third party. The cause of the cases was a dispute over a port cargo storage contract or a storage contract dispute with an aggregate amount of RMB1.06 billion involved.

DCT Logistics has engaged Shanghai Yingtai Law Firm (上海瀛泰律師事務所) as the agent in the above seven cases.

Among the 7 cases above, 4 cases were heard by Dalian Maritime Court, 2 cases by Ningbo Maritime Court and 1 case by Wuhan Maritime Court.

## **2. The facts and claims of the lawsuits and the reasons thereof**

From January 2020 to February 2021, Shunde, an independent third party to the Company, carried out cooperation with Qingdao Kaitou International Trade Co., Ltd. (青島開投國際貿易有限公司), Fujian Rongjiang Import & Export Co., Ltd., Zhejiang Metals and Materials Co. (物產中大金屬集團有限公司), China Chengtong International Co. Ltd., QingDao ZhongYan Trade Co., Ltd., Chongqing Yu Feng Imp. & Exp. Co., Ltd. (重慶渝豐進出口有限公司) and Zhejiang International Trading Co., Ltd. (浙江物產國際貿易有限公司) by entering into Import Agent Agreement or Agent Procurement Contract with such Import Agents by which the Import Agents agreed to license Shunde’s imported goods and establish a letter of credit in the name of the Import Agents for the payment of imported goods, and the risks and liabilities of related imported goods shall be borne by Shunde. Meanwhile, each of the Import Agents signed a Customs Declaration Logistics Warehousing Agreement or Import Freight Forwarding Agreement with DCT Logistics, a subsidiary of the Company, agreeing that DCT Logistics handles import goods customs declaration, goods warehousing and custody services for the Import Agents.

In practical business, such costs incurred under the Customs Declaration Logistics Warehousing Agreement or Import Freight Forwarding Agreement shall be settled by Shunde at the rate as agreed under the Stuffing/Devanning Agreement entered into between Shunde and DCT Logistics. Given that both the actual owner of the imported goods in such business and the relevant warehousing fee settler are Shunde, DCT Logistics released the relevant goods under the instructions of the actual cargo owner Shunde. As Shunde had failed to repay part of the import letter of credit to the import agent as scheduled, each of the seven Import Agents filed a suit against DCT Logistics in court, requesting DCT Logistics and Shunde to return the relevant goods under the Customs Declaration Logistics Warehousing Agreement or Import Freight Forwarding Agreement they signed with DCT Logistics.

Shunde undertook to bear the responsibility of compensation for any loss from the liability of DCT Logistics to third parties arising from DCT Logistics' delivery of goods to Shunde or a person designated by Shunde, as well as any direct and indirect losses therefrom to the production and operation of DCT Logistics. At the same time, natural persons Yin Li, Yin Yimin, and Zhang Lihua undertook to bear the risks and liabilities of DCT Logistics due to the delivery of goods to Shunde. Accordingly, DCT Logistics filed a lawsuit against Shunde and natural persons Yin Li, Yin Yimin and Zhang Lihua. In May 2021, DCT Logistics was approved by Dalian Maritime Court to file a pre-litigation property preservation against Shunde.

Subsequently upon full communication and negotiation with the parties to the litigation, Zhejiang International Trading Co., Ltd. (浙江物產國際貿易有限公司) reached a settlement with Shunde and withdrew its lawsuit against Shunde and DCT Logistics. The settlement arrangement does not involve any obligation of compensation on part of DCT Logistics. The other six Import Agents are discussing a settlement plan, including applying for withdrawal of the lawsuit after the settlement agreement is signed.

### **3. Lawsuit judgment**

On 29 November 2021, DCT Logistics received the first-instance judgment issued by Ningbo Maritime Court regarding China Chengtong International Co. Ltd.'s suing against DCT Logistics. The judgement ruled that the defendant DCT Logistics should pay approximately RMB110 million to the plaintiff China Chengtong

International Co. Ltd. and corresponding interest, and other litigation claims were dismissed.

DCT Logistics refused to accept the ruling, and filed an appeal to the Higher People's Court of Zhejiang Province on 9 December 2021. The court has accepted the case and the ruling of the first instance has not become effective.

All other cases are under trial and have not yet been ruled by the court.

#### **4. Retrial**

Regarding the case involving China Chengtong International Co. Ltd., DCT Logistics has filed an appeal with the Higher People's Court of Zhejiang Province on 9 December 2021, requesting the court to revoke the first instance judgment of Ningbo Maritime Court, and send the case back for reiteration, or revise the judgment according to law and refuse all litigation claim of the appellee; request to order the appellee to bear the case acceptance fees, property preservation application fees and other litigation costs in the first and second instances of this case.

Currently, the court has accepted DCT Logistics' request, but has not yet opened a hearing.

#### **5. The impact of the lawsuits in this announcement on the Company's current profit or subsequent profit**

Based on the available evidence and the professional opinions of external legal adviser, the Warehousing Clients are Shunde's import business agents, and the goods involved are actually owned by Shunde. DCT Logistics' release of the goods to the owner of the goods, Shunde, did not violate the rights of the Warehousing Clients; the advances provided by the Warehousing Clients to Shunde failed to be repaid by Shunde as scheduled, and there was no causal relationship with the delivery of goods by DCT Logistics. Even considering that RMB110 million involved in the case of China Chengtong International Co. Ltd. was recognised as a loss, such amount is immaterial for the Company.

DCT Logistics is a limited liability company with net assets of approximately RMB186 million. The Company and other members of the Group do not assume any guarantee liability or joint liability for any related responsibilities of DCT Logistics. Even assuming a worst case scenario should the Company need to write off its entire long-term investment in DCT Logistics, and the upper limit of the loss is

approximately RMB186 million, which remains immaterial for the company. At the same time, six other Import Agents, including China Chengtong International Co. Ltd., are discussing a settlement plan with Shunde, including applying for withdrawal of the lawsuit after signing a settlement agreement.

The Company will actively seek a reasonable reaction plan to safeguard the legitimate rights and interests of the Company, and in accordance with the requirements of laws and regulations, the Company will fulfill its information disclosure obligations on the progress of the litigation in a timely manner.

Announcement is hereby given.

Board of Directors of Liaoning Port Co., Ltd.

17 December 2021

*\*The Chinese text of this announcement shall prevail over the English text in the case of inconsistency.*