
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Liaoning Port Co., Ltd.*, you should at once hand this circular, together with the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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辽宁港口股份有限公司
LIAONING PORT CO., LTD.*

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

(Stock Code: 2880)

**PROPOSED ELECTION OF INDEPENDENT NON-EXECUTIVE
DIRECTOR;
THE EXTENSION OF COMMITMENT PERIOD BY
THE CONTROLLING SHAREHOLDERS IN RELATION TO
AVOIDING HORIZONTAL COMPETITION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover shall have the same meaning as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 3 to 7 of this circular.

A notice convening the EGM to be held at Room 109, Liaoning Port Group Building, No. 1 Gangwan Street, Zhongshan District, Dalian, Liaoning, the PRC on Thursday, 22 December 2022 at 9:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meetings, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the form of proxy shall be deemed to be revoked. The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the EGM in person.

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

* *For identification purposes only*

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DEFINITIONS

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

“A Share(s)”	A Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Shanghai Stock Exchange;
“Articles of Association”	means the articles of association of the Company;
“associates”	has the meaning ascribed thereto under the Listing Rules;
“Board”	means the board of directors of the Company;
“CMG”	means China Merchants Group Limited (招商局集團有限公司), a state wholly-owned enterprise established under the laws of the PRC under the direct control of the SASAC;
“Company”	means Liaoning Port Co., Ltd. (遼寧港口股份有限公司), a joint stock limited company established in the PRC whose H Shares and A Shares are listed on the Main Board of the Stock Exchange (stock code: 2880) and the Shanghai Stock Exchange (stock code: 601880) respectively;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	means the director(s) of the Company;
“EGM”	means the extraordinary general meeting of the Company to be convened on Thursday, 22 December 2022 or any adjournment thereof;
“Group”	the Company and its subsidiaries;
“H Share(s)”	H Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Stock Exchange;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Latest Practicable Date”	29 November 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Liaoning Port Group”	Liaoning Port Group Limited (遼寧港口集團有限公司), formerly known as Liaoning North East Asia Gang Hang Development Co., Ltd. (遼寧東北亞港航發展有限公司), a limited liability company established in the PRC;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC” or “China”	means the People’s Republic of China;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Shareholders”	means the shareholders of the Company;
“Shares”	means A Shares and H Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“trading day”	with respect to A Shares, means a day on which the Shanghai Stock Exchange is open for dealing or trading in securities; and with respect to H Shares, means a day on which the Stock Exchange is open for dealing or trading in securities;
“YKP”	means Ying Kou Port Group Corporation Limited (營口港務集團有限公司), a limited liability company established in the PRC and is recognised as a subsidiary in the consolidated financial statements of Liaoning Port Group;
“%”	per cent.

LETTER FROM THE BOARD



辽宁港口股份有限公司
LIAONING PORT CO., LTD.*

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

Directors:

Executive Directors:

WANG Zhixian

WEI Minghui

Non-executive Directors:

ZHOU Qinghong

SI Zheng

XU Song

YANG Bing

Independent Non-executive Directors:

LI Zhiwei

LIU Chunyan

LAW Man Tat

Registered Office:

Xingang Commercial Building

Dayao Bay

Dalian Free Trade Zone

PRC

Place of Business in the PRC:

Xingang Commercial Building

Jingang Road

Dalian International Logistic Park Zone

Liaoning Province

PRC

2 December 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSED ELECTION OF INDEPENDENT NON-EXECUTIVE
DIRECTOR;
THE EXTENSION OF COMMITMENT PERIOD BY
THE CONTROLLING SHAREHOLDERS IN RELATION TO
AVOIDING HORIZONTAL COMPETITION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with all the information on the proposed election of an independent non-executive Director and the extension of the commitment period by the controlling shareholders of the Company in relation to avoiding horizontal competition (the “**Extension of Commitment Period**”) and to give you the notice of the EGM.

LETTER FROM THE BOARD

2. PROPOSED ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

As proposed by the Board, the nomination and remuneration committee of the Board has resolved to propose that Ms. Cheng Chaoying (程超英) (“**Ms. Cheng**”) be appointed as an independent non-executive Director subject to the Shareholders’ approval at the EGM. Ms. Cheng’s term of office will commence from the date of approval at the EGM until the expiration of the term of the sixth session of the Board (28 June 2023).

The biographical details of Ms. Cheng are set out below:

Ms. Cheng Chaoying (程超英), born in 1958, Chinese, was a vice president of China Construction Bank Jilin Branch, a deputy secretary of the Party Committee and vice president of China Construction Bank Dalian Branch. Ms. Cheng obtained a bachelor’s degree in infrastructure finance and credit from Northeast University of Finance and Economics.

As at the date of this circular, Ms. Cheng has confirmed that she meets the independence criteria as set out in Rule 3.13 of Listing Rules.

As at the date of this circular, save as disclosed above, Ms. Cheng (i) does not, nor did she in the past three years, hold directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments and professional qualifications; (ii) does not have any relationships with any other Directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Subject to the approval of the Shareholders by way of an ordinary resolution at the EGM, the term of appointment of Ms. Cheng will commence from the date of appointment until expiry of the term of the sixth session of the Board. Ms. Cheng will receive an annual emolument of RMB150,000 which is determined by the Board with reference to the salary standard of independent directors and supervisors of the Company and will be borne by the Company. No other bonus or compensation will be paid to Ms. Cheng as an independent non-executive Director.

Save as disclosed above, there is no other information relating to the appointment of Ms. Cheng that needs to be brought to the attention of the Shareholders and there is no other information relating to the appointment of Ms. Cheng which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

LETTER FROM THE BOARD

3. THE EXTENSION OF COMMITMENT PERIOD

The Company received supplementary letters of commitment on further avoiding horizontal competition from each of CMG, Liaoning Port Group and YKP, each of which is a controlling shareholder of the Company. The Board has approved the resolution regarding the Extension of Commitment Period.

Background of the Commitment Letters

CMG committed on 7 July 2020 that it would make its best efforts to resolve the issue of competition within the same industry between Liaoning Port Group and the Company by the end of 2022 through various measures including but not limited to asset restructuring, business restructuring and entrusted management.

Liaoning Port Group committed on 24 December 2017 that it would make its best efforts to resolve the issue of competition within the same industry between Liaoning Port Group and the Company by the end of 2022.

YKP committed on 7 July 2020 that it would make its best efforts to resolve the issue of competition within the same industry between YKP and the Company by the end of 2022 through various measures including but not limited to asset restructuring, business restructuring and entrusted management.

CMG, Liaoning Port Group and YKP are committed to performing the above commitments, which has facilitated the absorption and merger of Yingkou Port Liability Co., Ltd. (營口港務股份有限公司) by the Company and the injection of assets that meet the conditions for asset injection into the Company. CMG, Liaoning Port Group and YKP have further resolved the competition issue within the same industry in the underlying assets by entering into the entrusted management agreements with the Company.

Reasons of the Extension of Commitment Period

At current stage, it is expected that it will be difficult to completely resolve the problem of horizontal competition through asset injection by the deadline agreed in the original commitment letters as certain assets have major defects in profitability, ownership and other aspects and do not meet the conditions for asset injection.

In order to continue to facilitate the performance of the original commitments, each of CMG, Liaoning Port Group, and YKP separately made a further commitment, guaranteeing that each of them shall comply with the relevant regulations and the requirements of the relevant securities regulatory authorities. Provided that the applicable laws and regulations, the directives of prescriptive documents, and the relevant regulatory rules are observed and that the profitability of the relevant business meets the basic income requirements of the Company, each of them shall also, in the interests of all Shareholders, especially the minority Shareholders, and to ensure the development of the Company, make every effort to properly resolve the issue of substantive competition in the same industry by the end of 2025 through asset restructuring, business restructuring, and optimizing entrustment management models.

LETTER FROM THE BOARD

The supplemental commitments shall be subject to the consideration and approval of the Shareholders at the EGM by way of ordinary resolution.

4. EGM

The Company will convene the EGM for the Shareholders to consider and, if thought fit, to approve the proposed election of the independent non-executive Director and the Extension of Commitment Period. Details of the EGM and the resolutions to be considered in the meeting are set out in the notice of EGM on page EGM-1 to EGM-2.

CMG, together with its associates, collectively holding 16,586,998,459 Shares (comprising 12,293,749,764 A Shares and 4,293,248,695 H Shares) of the Company amounting to approximately 69.15% of the total issued share capital of the Company as of the Latest Practicable Date, are required to abstain from voting at the EGM in respect of the resolution of the Extension of the Commitment Period. Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable enquiry, as at the Latest Practicable Date, none of the Shareholders had any material interest in the proposed resolutions and would be required to abstain from voting on the proposed resolutions at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM will be taken by poll. The Company will announce the results of the poll in accordance with the Listing Rules after the EGM.

Book closure

Holders of H Shares whose names appear on the register of members of the Company at the close of business on Monday, 19 December 2022 will be entitled to attend the EGM upon completion of the necessary registration procedures. The H Shares register of members will be closed from Monday, 19 December 2022 to Thursday, 22 December 2022, both days inclusive, during which period no transfer of H Shares will be effected.

Where applicable, holders of the H Shares intending to attend the EGM are therefore required to lodge their respective instrument(s) of transfer and the relevant share certificate(s) to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 16 December 2022.

Proxy forms

Whether or not you intend to attend the EGM, you are requested to complete and return the relevant proxy form(s) in accordance with the instructions thereon. The proxy form should be returned as soon as possible and in any event not later than 24 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the relevant meetings should you so wish.

LETTER FROM THE BOARD

5. RECOMMENDATION OF THE BOARD

The Directors believe that the resolutions proposed for consideration and approval by the Shareholders at the EGM are in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. OTHER INFORMATION

Your attention is drawn to other sections of this circular.

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

Dalian City, Liaoning Province, the PRC

* *For identification purposes only*

NOTICE OF EGM

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辽宁港口股份有限公司
LIAONING PORT CO., LTD.*

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

(Stock Code: 2880)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 second extraordinary general meeting (the “**EGM**”) of Liaoning Port Co., Ltd. (the “**Company**”) will be held on Thursday, 22 December 2022 at 9:00 a.m. at Room 109, Liaoning Port Group Building, No. 1 Gangwan Street, Zhongshan District, Dalian City, Liaoning Province, the People’s Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions. Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the circular of the Company dated 2 December 2022 (the “**Circular**”).

AS ORDINARY RESOLUTIONS

1. To elect Ms. Cheng Chaoying (程超英) as an independent non-executive Director for the sixth session of the Board from the date of approval at the EGM. An annual emolument of RMB150,000 shall be paid to her for her service as a Director, and no other welfare or bonus shall be paid.
2. To consider and approve the Extension of Commitment Period by each of CMG, Liaoning Port Group and YKP.

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

Dalian City, Liaoning Province, the PRC
2 December 2022

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

NOTICE OF EGM

Notes:

1. The details in respect of the abovementioned ordinary resolutions are set out in the Circular.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf at the EGM. A proxy need not be a Shareholder. Shareholders shall have one vote for each Share that they hold.
3. In order to determine the holders of H Shares who are entitled to attend the EGM, the H Share registers of members of the Company shall be closed from Monday, 19 December 2022 to Thursday, 22 December 2022 (both days inclusive), during which no transfer of H Shares will be registered. Holders of H Share whose names appear on the registers of members at the close of business on Monday, 19 December 2022 are entitled to attend the EGM. In order to be entitled to attend and vote at the EGM, holders of H Shares whose transfers have not been registered shall lodge the transfer documents together with the relevant share certificates at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 16 December 2022.
4. The instruments appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be either under the company seal or under the hand of its director or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized.
5. The proxy form together with the power of attorney or other authorization document (if any) must be deposited at the office of Board, at the address as stated in Note 6 below for holders of the A Shares and at the H Share registrar, Computershare Hong Kong Investor Services Limited at the address as stated in Note 3 above for holders of the H Shares, not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjourned meeting should such Shareholders so wish.
6. The contact details of the office of the Board are as follows:

26/F Xingang Commercial Building
Jingang Road
Dalian International Logistic Park Zone
Liaoning Province
PRC
Postal Code: 116601
Telephone No.: 86 411 8759 8729
Facsimile No.: 86 411 8759 9854
7. The meeting is expected to be concluded within a day. Shareholders (in person or by proxy) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the meeting shall produce the identity documents.

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

Executive Directors: WANG Zhixian, WEI Minghui

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

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