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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)

**CONNECTED TRANSACTIONS
IN RELATION TO
ACQUISITION OF SHARES OF DPN AND EQUITY INTEREST IN YKP
TECHNOLOGY
AND
DISPOSAL OF EQUITY INTEREST IN CHINA MERCHANTS
TECHNOLOGY**

INTRODUCTION

On 26 September 2023 (after trading hours), the Company entered into the DPN Share Transfer Agreement and the YKP Technology Equity Transfer Agreement with China Merchants Technology, pursuant to which the Company agreed to purchase and China Merchants Technology agreed to sell (1) 79.03% of the total shares of DPN at a consideration of RMB63,716,000; and (2) 100% equity interest in YKP Technology at a consideration of RMB19,311,500. Upon the completion of the DPN Acquisition and the YKP Technology Acquisition, each of DPN and YKP Technology will become a subsidiary of the Company, the financial results of which will be consolidated into the consolidated financial statements of the Group, respectively.

On the same day, Dalian Port Container and Dalian Port Jifa Logistics, each being a wholly-owned subsidiary of the Company, entered into the China Merchants Technology Equity Transfer Agreement I and the China Merchants Technology Equity Transfer Agreement II with China Merchants Port Group, respectively, pursuant to which Dalian Port Container and Dalian Port Jifa Logistics agreed to sell and China Merchants Port Group agreed to purchase 22.3779% and 13.2563% equity interest in China Merchants Technology at a consideration of RMB57,083,400 and RMB33,815,300, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Merchants Technology is a non-wholly owned subsidiary of China Merchants Port Group, which in turn is an indirectly-owned subsidiary of CMG. CMG is an indirect holding company of the Company. Therefore, each of China Merchants Port Group and China Merchants Technology is a connected person of the Company as defined under Rule 14A.07 of the Listing Rules.

Accordingly, each of the DPN Acquisition, the YKP Technology Acquisition and the China Merchants Technology Disposals constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the respective applicable percentage ratios for the DPN Acquisition, the YKP Technology Acquisition and the China Merchants Technology Disposals exceed 0.1% but are less than 5%, each of the DPN Acquisition, the YKP Technology Acquisition and the China Merchants Technology Disposals constitutes a connected transaction of the Company subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

On 26 September 2023 (after trading hours), the Company entered into the DPN Share Transfer Agreement and the YKP Technology Equity Transfer Agreement with China Merchants Technology, pursuant to which the Company agreed to purchase and China Merchants Technology agreed to sell (1) 79.03% of the total shares of DPN at a consideration of RMB63,716,000; and (2) 100% equity interest in YKP Technology at a consideration of RMB19,311,500. Upon the completion of the DPN Acquisition and the YKP Technology Acquisition, each of DPN and YKP Technology will become a subsidiary of the Company, the financial results of which will be consolidated into the consolidated financial statements of the Group, respectively.

On the same day, Dalian Port Container and Dalian Port Jifa Logistics, each being a wholly-owned subsidiary of the Company, entered into the China Merchants Technology Equity Transfer Agreement I and the China Merchants Technology Equity Transfer Agreement II with China Merchants Port Group, respectively, pursuant to which Dalian Port Container and Dalian Port Jifa Logistics agreed to sell and China Merchants Port Group agreed to purchase 22.3779% and 13.2563% equity interest in China Merchants Technology at a consideration of RMB57,083,400 and RMB33,815,300, respectively.

2. THE DPN ACQUISITION, THE YKP TECHNOLOGY ACQUISITION AND THE CHINA MERCHANTS TECHNOLOGY DISPOSALS

The principal terms of the DPN Share Transfer Agreement, the YKP Technology Equity Transfer Agreement, the China Merchants Technology Equity Transfer Agreement I and the China Merchants Technology Equity Transfer Agreement II are summarized below:

	The DPN Share Transfer Agreement	The YKP Technology Equity Transfer Agreement	The China Merchants Technology Equity Transfer Agreement I	The China Merchants Technology Equity Transfer Agreement II
Date	26 September 2023	26 September 2023	26 September 2023	26 September 2023
Parties	(i) China Merchants Technology (as seller) (ii) the Company (as buyer)	(i) China Merchants Technology (as seller) (ii) the Company (as buyer)	(i) Dalian Port Container (as seller) (ii) China Merchants Port Group (as buyer)	(i) Dalian Port Jifa Logistics (as seller) (ii) China Merchants Port Group (as buyer)
Subject matter	According to the DPN Share Transfer Agreement, the Company shall acquire the DPN Shares from China Merchants Technology, that is, 79.03% of the total shares of DPN, in cash.	According to the YKP Technology Equity Transfer Agreement, the Company shall acquire the YKP Technology Equity Interest from China Merchants Technology, that is, 100% equity interest in YKP Technology, in cash.	According to the China Merchants Technology Equity Transfer Agreement I, Dalian Port Container shall dispose 22.3779% equity interest in China Merchants Technology to China Merchants Port Group, in cash.	According to the China Merchants Technology Equity Transfer Agreement II, Dalian Port Jifa Logistics shall dispose 13.2563% equity interest in China Merchants Technology to China Merchants Port Group, in cash.

	The DPN Share Transfer Agreement	The YKP Technology Equity Transfer Agreement	The China Merchants Technology Equity Transfer Agreement I	The China Merchants Technology Equity Transfer Agreement II
Consideration and payment terms	<p>The total consideration under the DPN Share Transfer Agreement is RMB63,716,000, which was determined on the basis of normal commercial terms and after arm's length negotiations between the parties as well as with reference to the DPN Valuation.</p> <p>Under the DPN Share Transfer Agreement, (i) within 10 working days after the DPN Share Transfer Agreement taking effect, the Company shall pay 90% of the total consideration of the DPN Acquisition, being the amount of RMB57,344,400, to China Merchants Technology; and (ii) within 30 days after the aforementioned payment been made, China Merchants Technology shall assist the Company to complete the change of registration at the registration authority of DPN. Within 10 working days after the change of registration for industry and commerce of DPN being completed, the Company shall pay the remaining 10% of the total consideration of the DPN Acquisition, being the amount of RMB6,371,600, to China Merchants Technology.</p>	<p>The total consideration under the YKP Technology Equity Transfer Agreement is RMB19,311,500, which was determined on the basis of normal commercial terms and after arm's length negotiations between the parties as well as with reference to the YKP Technology Valuation.</p> <p>Under the YKP Technology Equity Transfer Agreement, (i) within 10 working days after the YKP Technology Equity Transfer Agreement taking effect, the Company shall pay 90% of the total consideration of the YKP Technology Acquisition, being the amount of RMB17,380,400, to China Merchants Technology; and (ii) within 30 days after the aforementioned payment been made, China Merchants Technology shall assist the Company to complete the change of registration at the registration authority of YKP Technology. Within 10 working days after the change of registration for industry and commerce of YKP Technology being completed, the Company shall pay the remaining 10% of the total consideration of the YKP Technology Acquisition, being the amount of RMB1,931,100, to China Merchants Technology.</p>	<p>The total consideration under the China Merchants Technology Equity Transfer Agreement I is RMB57,083,400, which was determined on the basis of normal commercial terms and after arm's length negotiations between the parties as well as with reference to the China Merchants Technology Valuation.</p> <p>Under the China Merchants Technology Equity Transfer Agreement I, (i) within 10 working days after the China Merchants Technology Equity Transfer Agreement I taking effect, China Merchants Port Group shall pay 90% of the total consideration of the China Merchants Technology Disposal I, being the amount of RMB51,375,100, to Dalian Port Container; and (ii) within 30 days after the aforementioned payment been made, Dalian Port Container shall assist China Merchants Port Group to complete the change of registration at the registration authority of China Merchants Technology. Within 10 working days after the change of registration for industry and commerce in respect of the China Merchants Technology Disposal I being completed, China Merchants Port Group shall pay the remaining 10% of the total consideration of the China Merchants Technology Disposal I, being the amount of RMB5,708,300, to Dalian Port Container.</p>	<p>The total consideration under the China Merchants Technology Equity Transfer Agreement II is RMB33,815,300, which was determined on the basis of normal commercial terms and after arm's length negotiations between the parties as well as with reference to the China Merchants Technology Valuation.</p> <p>Under the China Merchants Technology Equity Transfer Agreement II, (i) within 10 working days after the China Merchants Technology Equity Transfer Agreement II taking effect, China Merchants Port Group shall pay 90% of the total consideration of the China Merchants Technology Disposal II, being the amount of RMB30,433,800, to Dalian Port Jifa Logistics; and (ii) within 30 days after the aforementioned payment been made, Dalian Port Jifa Logistics shall assist China Merchants Port Group to complete the change of registration at the registration authority of China Merchants Technology. Within 10 working days after the change of registration for industry and commerce in respect of the China Merchants Technology Disposal II being completed, China Merchants Port Group shall pay the remaining 10% of the total consideration of the China Merchants Technology Disposal II, being the amount of RMB3,381,500, to Dalian Port Jifa Logistics.</p>

	The DPN Share Transfer Agreement	The YKP Technology Equity Transfer Agreement	The China Merchants Technology Equity Transfer Agreement I	The China Merchants Technology Equity Transfer Agreement II
Arrangements in transit period	<p>According to the DPN Share Transfer Agreement, the profit or loss during the DPN Transition Period shall be enjoyed or borne by the Company. However, if China Merchants Technology has unauthorizedly approved DPN to engage in certain matters (including but not limited to change of registered capital of DPN or entering into any material contract outside ordinary course of business) without prior written consent of the Company during the DPN Transition Period, the liabilities or losses arising therefrom shall be borne by China Merchants Technology.</p>	<p>According to the YKP Technology Equity Transfer Agreement, the profit or loss during the YKP Technology Transition Period shall be enjoyed or borne by the Company. However, if China Merchants Technology has unauthorizedly approved YKP Technology to engage in certain matters (including but not limited to change of registered capital of YKP Technology or entering into any material contract outside ordinary course of business) without prior written consent of the Company during the YKP Technology Transition Period, the liabilities or losses arising therefrom shall be borne by China Merchants Technology.</p>	<p>According to the China Merchants Technology Equity Transfer Agreement I, the profit or loss during the China Merchants Technology Transition Period I shall be enjoyed or borne by China Merchants Port Group. However, if Dalian Port Container has unauthorizedly approved China Merchants Technology to engage in certain matters (including but not limited to change of registered capital of China Merchants Technology or entering into any material contract outside ordinary course of business) without prior written consent of China Merchants Port Group during the China Merchants Technology Transition Period I, the liabilities or losses arising therefrom shall be borne by Dalian Port Container.</p>	<p>According to the China Merchants Technology Equity Transfer Agreement II, the profit or loss during the China Merchants Technology Transition Period II shall be enjoyed or borne by China Merchants Port Group. However, if Dalian Port Jifa Logistics has unauthorizedly approved China Merchants Technology to engage in certain matters (including but not limited to change of registered capital of China Merchants Technology or entering into any material contract outside ordinary course of business) without prior written consent of China Merchants Port Group during the China Merchants Technology Transition Period II, the liabilities or losses arising therefrom shall be borne by Dalian Port Jifa Logistics.</p>

**The DPN Share
Transfer Agreement**

During the DPN Transition Period, China Merchants Technology shall be obliged to manage DPN and its assets in a benevolent manner. China Merchants Technology shall secure and promote normal operation of DPN during the DPN Transition Period, and shall promptly notify the Company of any material adverse impact caused on DPN during the DPN Transition Period and duly handle such impact accordingly. The material adverse impact referred to herein refers to the situations that DPN has been filed and accepted for bankruptcy, been declared insolvent, dissolved, liquidated, wound up, debt reorganization, its principal business or assets been taken over by a third party or been unable to engage in daily business activities for 30 consecutive days.

**The YKP Technology
Equity Transfer Agreement**

During the YKP Technology Transition Period, China Merchants Technology shall be obliged to manage YKP Technology and its assets in a benevolent manner. China Merchants Technology shall secure and promote normal operation of YKP Technology during the YKP Technology Transition Period, and shall promptly notify the Company of any material adverse impact caused on YKP Technology during the YKP Technology Transition Period and duly handle such impact accordingly. The material adverse impact referred to herein refers to the situations that YKP Technology has been filed and accepted for bankruptcy, been declared insolvent, dissolved, liquidated, wound up, debt reorganization, its principal business or assets been taken over by a third party or been unable to engage in daily business activities for 30 consecutive days.

**The China Merchants
Technology Equity
Transfer Agreement I**

During the China Merchants Technology Transition Period I, Dalian Port Container shall be obliged to manage China Merchants Technology and its assets in a benevolent manner. Dalian Port Container shall promote normal operation of China Merchants Technology during the China Merchants Technology Transition Period I, and shall promptly notify China Merchants Port Group of any material adverse impact caused on China Merchants Technology during the China Merchants Technology Transition Period I and duly handle such impact accordingly. The material adverse impact referred to herein refers to the situations that China Merchants Technology has been filed and accepted for bankruptcy, been declared insolvent, dissolved, liquidated, wound up, debt reorganization, its principal business or assets been taken over by a third party or been unable to engage in daily business activities for 30 consecutive days.

**The China Merchants
Technology Equity
Transfer Agreement II**

During the China Merchants Technology Transition Period II, Dalian Port Jifa Logistics shall be obliged to manage China Merchants Technology and its assets in a benevolent manner. Dalian Port Jifa Logistics shall promote normal operation of China Merchants Technology during the China Merchants Technology Transition Period II, and shall promptly notify China Merchants Port Group of any material adverse impact caused on China Merchants Technology during the China Merchants Technology Transition Period II and duly handle such impact accordingly. The material adverse impact referred to herein refers to the situations that China Merchants Technology has been filed and accepted for bankruptcy, been declared insolvent, dissolved, liquidated, wound up, debt reorganization, its principal business or assets been taken over by a third party or been unable to engage in daily business activities for 30 consecutive days.

	The DPN Share Transfer Agreement	The YKP Technology Equity Transfer Agreement	The China Merchants Technology Equity Transfer Agreement I	The China Merchants Technology Equity Transfer Agreement II
Completion	<p>Completion shall take place on the date of which the change of registration for industry and commerce with respect of the DPN Shares being done.</p> <p>Upon completion of the DPN Acquisition, DPN will become a non-wholly owned subsidiary of the Company.</p>	<p>Completion shall take place on the date of which the change of registration for industry and commerce with respect of the YKP Technology Equity Interest being done.</p> <p>Upon completion of the YKP Technology Acquisition, YKP Technology will become a wholly-owned subsidiary of the Company.</p>	<p>Completion shall take place on the date of which the change of registration for industry and commerce with respect of the 22.3779% equity interest in China Merchants Technology being done.</p>	<p>Completion shall take place on the date of which the change of registration for industry and commerce with respect of the 13.2563% equity interest in China Merchants Technology being done.</p>
Effectiveness	<p>The DPN Share Transfer Agreement shall take effect after being signed and sealed by the legal representatives or authorized representatives of the parties.</p>	<p>The YKP Technology Equity Transfer Agreement shall take effect after being signed and sealed by the legal representatives or authorized representatives of the parties.</p>	<p>The China Merchants Technology Equity Transfer Agreement I shall take effect after being signed and sealed by the legal representatives or authorized representatives of the parties.</p>	<p>The China Merchants Technology Equity Transfer Agreement II shall take effect after being signed and sealed by the legal representatives or authorized representatives of the parties.</p>

3. FINANCIAL INFORMATION OF DPN, YKP TECHNOLOGY AND CHINA MERCHANTS TECHNOLOGY

DPN

DPN is a joint stock limited company incorporated under the laws of the PRC. DPN is based itself upon modern logistics, custom clearance services, government examination and approval and other fields, provides electronic services on an integrated logistics information platform integrating logistics collaborative operation support, logistics supervision support, and information value-added services so as to share the efficiency and convenience of e-commerce and e-government with the port, shipping and logistics industry and government and regulatory authorities. With continuous efforts over the years, DPN has developed into the largest logistics public information platform operator and professional information construction enterprise in the Northeast and Bohai Rim region. At the same time, DPN has established a comprehensive and integrated IT service system covering the entire logistics chain by focusing on core products, which can provide customers with overall services including IT system planning, application software development, software product implementation, computer system integration, IT support operation and application system maintenance, management consulting and professional solutions. As at the date of this announcement, 79.03% of the total shares of DPN is owned by China Merchants Technology and the remaining of 20.97% is owned by Dalian Big Data Operation. Dalian Big Data Operation is ultimately wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Dalian. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Dalian Big Data Operation and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Set out below is the consolidated financial information of DPN for the years ended/as at 31 December 2021 and 2022 and for the six months ended/as at 30 June 2023.

	For the year ended/as at 31 December 2021 <i>(RMB)</i> <i>(audited)</i>	For the year ended/as at 31 December 2022 <i>(RMB)</i> <i>(audited)</i>	For the six months ended/as at 30 June 2023 <i>(RMB)</i> <i>(unaudited)</i>
Net assets	87,797,375.11	110,772,610.91	62,595,718.26
Profit/(loss) before taxation	20,362,411.35	24,984,990.94	(12,186,388.31)
Profit/(loss) after taxation	18,816,113.70	22,975,235.80	(9,450,767.43)

On 18 December 2020, Dalian Port Container and Dalian Port Jifa Logistics made capital contribution to China Merchants Technology with their 79.03% equity interest in DPN, the appraisal value of which amounted to RMB66,576,800.

YKP Technology

YKP Technology is a limited liability company established under the laws of the PRC. YKP Technology has engineering construction qualification and is principally engaged in port informatization construction project and communication project construction. As at the date of this announcement, YKP Technology is a wholly owned subsidiary of China Merchants Technology.

Set out below is the financial information of YKP Technology for the years ended/as at 31 December 2021 and 2022 and for the six months ended/as at 30 June 2023.

	For the year ended/as at 31 December 2021 <i>(RMB)</i> <i>(audited)</i>	For the year ended/as at 31 December 2022 <i>(RMB)</i> <i>(audited)</i>	For the six months ended/as at 30 June 2023 <i>(RMB)</i> <i>(unaudited)</i>
Net assets	38,167,957.90	62,772,753.90	22,437,209.70
Profit before taxation	23,676,697.05	29,457,691.28	7,733,061.98
Profit after taxation	20,511,705.88	24,604,796.00	7,426,883.31

On 18 December 2020, YKP made capital contribution to China Merchants Technology with its 100% equity interest in YKP Technology, the appraisal value of which amounted to RMB13,918,100.

China Merchants Technology

China Merchants Technology is a limited liability company established under the laws of the PRC, the principal business of which is to provide customers with integrated solutions for smart ports and smart parks, as well as a package of turnkey projects and postlaunch system operation and maintenance services. The main products include terminal operation, park platform, port and shipping logistics ecosystem community platform and enterprise management. As at the date of this announcement, China Merchants Technology is a non-wholly owned subsidiary of China Merchants Port Group, and is owned as to 13.1813% by China Merchants Port Group, 43.7351% by China Merchants Port Holdings, 13.2563% by Dalian Port Jifa Logistics, 22.3779% by Dalian Port Container and 7.4495% by YKP.

On 26 September 2023, YKP also entered into an equity transfer agreement with China Merchants Port Group to dispose 7.4495% equity interest in China Merchants Technology to China Merchants Port Group for a cash consideration of RMB19,002,800, which is determined with reference to the China Merchants Technology Valuation.

Set out below is the consolidated financial information of China Merchants Technology for the years ended/as at 31 December 2021 and 2022 and for the six months ended/as at 30 June 2023.

	For the year ended/as at 31 December 2021	For the year ended/as at 31 December 2022	For the six months ended/as at 30 June 2023
	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(audited)</i>	<i>(RMB)</i> <i>(unaudited)</i>
Net assets	237,541,464.02	309,648,195.87	233,374,431.68
Profit before taxation	62,440,570.63	77,945,819.02	1,537,141.19
Profit after taxation	58,091,217.41	72,106,731.85	4,032,464.97

4. FINANCIAL EFFECT OF THE CHINA MERCHANTS TECHNOLOGY DISPOSALS ON THE COMPANY

It is expected that the Group will record investment gain of approximately RMB6.36 million as a result of the China Merchants Technology Disposals, which is calculated based on the difference between (i) the book value of the 35.6342% equity interest in China Merchants Technology, which will be disposed to China Merchants Port Group, of RMB84.54 million as at 28 February 2023; and (ii) the total consideration of approximately RMB90.90 million to be received by the Group for the China Merchants Technology Disposals. Shareholders should note that the actual financial effect of the China Merchants Technology Disposals will be assessed based on the actual financial position of China Merchants Technology upon completion and is subject to audit by the auditors of the Company. The actual financial effect of the China Merchants Technology Disposals will be reflected in the consolidated financial statements of the Company.

The Board intends to apply the net proceeds from the China Merchants Technology Disposals to supplement liquidity.

5. REASONS FOR AND BENEFITS OF THE DPN ACQUISITION, THE YKP TECHNOLOGY ACQUISITION AND THE CHINA MERCHANTS TECHNOLOGY DISPOSALS

The acquisition by the Company in respect of the YKP Technology Equity Interest, the DPN Shares and the disposal of 35.6342% equity interest in China Merchants Technology by subsidiaries of the Company were mainly based on the Company's strategic development needs. At present, the Company is in a critical period of strategic transformation and development and the transformation and upgrading of its principal port business. It needs digital empowerment for the development of its principal port business and a strong IT team to support the construction of the "digital Liaoning port" and intelligent port. The existing shareholding structure of China Merchants Technology is unable to meet the needs of the business development of the Company. In order to further safeguard the healthy development of the digital business of the Company and China Merchants Port Group, after negotiation and research by both parties, it is agreed that IT companies including China Merchants Technology have been restructured by means of equity transfer. Upon completion of the said restructuring, the Company will create its own IT business division under the guidelines of new ideas, new measures, new perspectives and new development. Based on the actual industrial development needs and with a focus on key areas including intelligent port, intelligent logistics and digital transformation, the Company empowers its principal business by striving for the Company's digital industrial development, and pushing forward the upgrading and transformation and high-quality development of its principal business while seizing the opportunities arising from governments at all levels in Liaoning province in respect of the task concerning public information platforms interface at provincial and municipal levels to be undertaken by Liaoning Port Group Limited in an effort to realize greater development potential.

Upon the completion of the DPN Acquisition, the YKP Technology Acquisition and the China Merchants Technology Disposals, each of DPN and YKP Technology will become a subsidiary of the Company and the Group will no longer hold equity interest in China Merchants Technology. The Company will have its own IT team, which will be conducive to the strategic planning of "building a world-class strong port" and "digital Liaoning port".

The Directors (including the independent non-executive Directors) consider that the terms of the DPN Share Transfer Agreement, the YKP Technology Equity Transfer Agreement and the China Merchants Technology Equity Transfer Agreements and the transactions contemplated thereunder are in the ordinary and usual course of business of the Company and are fair and reasonable, on normal commercial terms or better after arm's length negotiations among the parties and in the interests of the Company and its Shareholders as a whole.

6. INFORMATION OF THE PARTIES

Information of the Group

The Group is principally engaged in oil/liquefied chemical terminal and the related logistics services (oil segment); container terminal and related logistics services (container segment); automobile terminal and related logistics services (automobile terminal segment); bulk and general cargo terminal and related logistics services (bulk and general cargo segment); bulk grain terminal and related logistics services (bulk grain segment); passenger and roll-on, roll-off terminal and related logistics services (passenger and ro-ro segment) and value-added and ancillary port operations (value-added services segment).

Dalian Port Container is a limited liability company established in the PRC and is a wholly owned subsidiary of the Company as at the date of this announcement. Dalian Port Container is principally engaged in provision of terminal facilities to vessels, provision of container loading and storage and arrangement of containers in the port area, leasing of port facilities, equipment and port machines, and maintenance services.

Dalian Port Jifa Logistics is a limited liability company established in the PRC and is a wholly owned subsidiary of Dalian Port Container as at the date of this announcement. Dalian Port Jifa Logistics is principally engaged in customs-supervised cargo warehousing services and bonded warehouse operations, road cargo transportation (network freight), port cargo handling activities, general cargo storage services and Internet information services.

Information of China Merchants Port Group

China Merchants Port Group is a joint stock limited company incorporated in Shenzhen, the PRC on 19 July 1990 and is principally engaged in port business, port ancillary business and bonded logistics business. The shares of China Merchants Port Group are listed on the Shenzhen Stock Exchange (stock code: 001872/201872).

Information of China Merchants Technology

Please refer to the section headed “3. Financial Information of DPN, YKP Technology and China Merchants Technology” above for details.

7. LISTING RULES IMPLICATIONS

As at the date of this announcement, China Merchants Technology is a non-wholly owned subsidiary of China Merchants Port Group, which in turn is an indirectly-owned subsidiary of CMG. CMG is an indirect holding company of the Company. Therefore, each of China Merchants Port Group and China Merchants Technology is a connected person of the Company as defined under Rule 14A.07 of the Listing Rules.

Accordingly, each of the DPN Acquisition, the YKP Technology Acquisition and the China Merchants Technology Disposals constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the respective applicable percentage ratios for the DPN Acquisition, the YKP Technology Acquisition and the China Merchants Technology Disposals exceed 0.1% but are less than 5%, each of the DPN Acquisition, the YKP Technology Acquisition and the China Merchants Technology Disposals constitutes a connected transaction of the Company subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Mr. WANG Zhixian, Mr. WEI Minghui and Mr. XU Xin, being a Director also holding a management position or directorship with CMG or its associates (other than the Group), has abstained from voting on the relevant Board resolution. Save as disclosed above, none of the Directors attending the board meeting had a material interest in or is required to abstain from voting on the relevant Board resolution.

8. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“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
“Board”	the board of Directors
“China Merchants Port Holdings”	China Merchants Port Holdings Company Limited (招商局港口控股有限公司), a limited liability company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange (stock code: 144) and is a subsidiary of China Merchants Port Group and is therefore an indirectly owned subsidiary of CMG
“China Merchants Port Group”	China Merchants Port Group Co., Ltd.* (招商局港口集團股份有限公司), a joint stock limited company incorporated in the PRC whose A shares and B shares are listed on the Shenzhen Stock Exchange (stock code: 001872/201872) and an indirectly-owned subsidiary of CMG
“China Merchants Technology”	China Merchants International Technology Company Limited* (招商局國際科技有限公司), a limited liability company incorporated in PRC and is a non-wholly owned subsidiary of China Merchants Port Group as at the date of this announcement

“China Merchants Technology Completion Date I”	the date on which the completion of China Merchants Technology Disposal I takes place as contemplated under the China Merchants Technology Equity Transfer Agreement I
“China Merchants Technology Completion Date II”	the date on which the completion of China Merchants Technology Disposal II takes place as contemplated under the China Merchants Technology Equity Transfer Agreement II
“China Merchants Technology Disposal(s)”	the disposal(s) of equity interest in China Merchants Technology by each of Dalian Port Container and Dalian Port Jifa Logistics to China Merchants Port Group under the China Merchants Technology Equity Transfer Agreements, including the China Merchants Technology Disposal I and the China Merchants Technology Disposal II
“China Merchants Technology Disposal I”	the disposal of 22.3779% equity interest in China Merchants Technology by Dalian Port Container to China Merchants Port Group in accordance with the China Merchants Technology Equity Transfer Agreement I
“China Merchants Technology Disposal II”	the disposal of 13.2563% equity interest in China Merchants Technology by Dalian Port Jifa Logistics to China Merchants Port Group in accordance with the China Merchants Technology Equity Transfer Agreement II
“China Merchants Technology Equity Transfer Agreements”	collectively, the China Merchants Technology Equity Transfer Agreement I and the China Merchants Technology Equity Transfer Agreement II
“China Merchants Technology Equity Transfer Agreement I”	an equity transfer agreement dated 26 September 2023 entered into between Dalian Port Container and China Merchants Port Group in relation to the disposal of 22.3779% equity interest in China Merchants Technology by Dalian Port Container
“China Merchants Technology Equity Transfer Agreement II”	an equity transfer agreement dated 26 September 2023 entered into between Dalian Port Jifa Logistics and China Merchants Port Group in relation to the disposal of 13.2563% equity interest in China Merchants Technology by Dalian Port Jifa Logistics
“China Merchants Technology Transition Period I”	the period starting from the China Merchants Technology Valuation Reference Date until the China Merchants Technology Completion Date I as contemplated under the China Merchants Technology Equity Transfer Agreement I

“China Merchants Technology Transition Period II”	the period starting from the China Merchants Technology Valuation Reference Date until the China Merchants Technology Completion Date II as contemplated under the China Merchants Technology Equity Transfer Agreement II
“China Merchants Technology Valuation”	the appraised value of all shareholders’ equity of China Merchants Technology of RMB255.0885 million as at the China Merchants Technology Valuation Reference Date by Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司), being an independent valuer qualified in the PRC, using the asset based approach. According to the valuation report issued by Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司) on 7 August 2023, the valuation on all shareholders’ equity of China Merchants Technology was conducted based on the pro forma financial statements which is prepared under the assumption that the DPN Acquisition and the YKP Technology Acquisition have completed as at 28 February 2023 so that China Merchants Technology shall not hold any DPN Shares and YKP Technology Equity Interest as at the China Merchants Technology Valuation Reference Date. As at the China Merchants Technology Valuation Reference Date, the book value of net assets of China Merchants Technology amounted to RMB225.2505 million
“China Merchants Technology Valuation Reference Date”	28 February 2023
“CMG”	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 which is under the direct control of the SASAC
“Company”	Liaoning Port Co., Ltd.* (遼寧港口股份有限公司), a joint stock limited company incorporated 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Dalian Big Data Operation”	Dalian Big Data Operation Co., Ltd.* (大連市大數據運營有限公司) which is ultimately wholly-owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Dalian
“Dalian Port Container”	Dalian Port Container Development Co., Ltd.* (大連港集裝箱發展有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement

“Dalian Port Jifa Logistics”	Dalian Port Jifa Logistics Co., Ltd.* (大連港集發物流有限責任公司), a wholly-owned subsidiary of Dalian Port Container as at the date of this announcement
“Director(s)”	the director(s) of the Company
“DPN”	Dalian Port Logistics Network Co., Ltd.* (大連口岸物流網股份有限公司), a joint stock limited company incorporated in the PRC and is owned as to 79.03% by China Merchants Technology and 20.97% by Dalian Big Data Operation as at the date of this announcement
“DPN Acquisition”	the acquisition of 79.03% of the shares of DPN by the Company from China Merchants Technology under the DPN Share Transfer Agreement
“DPN Completion Date”	the date on which completion of the DPN Acquisition takes place as contemplated under the DPN Share Transfer Agreement
“DPN Share(s)”	79.03% of the total shares of DPN
“DPN Share Transfer Agreement”	a share transfer agreement dated 26 September 2023 entered into between the Company and China Merchants Technology in relation to the acquisition of 79.03% of the shares of DPN by the Company
“DPN Transition Period”	the period starting from the DPN Valuation Reference Date until the DPN Completion Date as contemplated under the DPN Share Transfer Agreement
“DPN Valuation”	the appraised value of all shareholders’ equity of DPN of RMB80.6225 million as at the DPN Valuation Reference Date by Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司), being an independent valuer qualified in the PRC, using the asset based approach. As at the DPN Valuation Reference Date, the book value of net assets of DPN amounted to RMB72.5614 million
“DPN Valuation Reference Date”	28 February 2023
“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
“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”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“YKP”	Yingkou 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
“YKP Technology”	Yingkou Gangxin Technology Co., Ltd.* (營口港信科技有限公司), a limited liability company established in the PRC and is wholly owned by China Merchants Technology as at the date of this announcement
“YKP Technology Acquisition”	the acquisition of 100% equity interest in YKP Technology by the Company from China Merchants Technology under the YKP Technology Equity Transfer Agreement
“YKP Technology Completion Date”	the date on which completion of the YKP Technology Acquisition takes place as contemplated under the YKP Technology Equity Transfer Agreement
“YKP Technology Equity Interest”	the entire equity interest in YKP Technology
“YKP Technology Transition Period”	the period starting from the YKP Technology Valuation Reference Date until the YKP Technology Completion Date as contemplated under the YKP Technology Equity Transfer Agreement

“YKP Technology Valuation”	the appraised value of all shareholders’ equity of YKP Technology of RMB19.3115 million as at YKP Technology Valuation Reference Date by Shanghai Lixin Appraisal Co., Ltd.* (上海立信資產評估有限公司), being an independent valuer qualified in the PRC, using the asset based approach. As at the YKP Technology Valuation Reference Date, the book value of net assets of YKP Technology amounted to RMB16.8961 million
“YKP Technology Valuation Reference Date”	28 February 2023
“YKP Technology Equity Transfer Agreement”	an equity transfer agreement dated 26 September 2023 entered into between the Company and China Merchants Technology in relation to the acquisition of the entire equity interest in YKP Technology by the Company
“%”	per cent

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

Dalian City, Liaoning Province, the PRC
26 September 2023

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

Executive Directors: WANG Zhixian and WEI Minghui

Non-executive Directors: XU Xin and YANG Bing

Independent non-executive Directors: LIU Chunyan, CHENG Chaoying and CHAN Wai Hei

* *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*