

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 26 October 2023 and the circular of the Company dated 27 November 2023 in relation to, among others, the Terminal Facilities Design and Construction Services Agreement entered into between the Company and Liaoning Port Group for a term commencing on 1 January 2024 and ending on 31 December 2026.

In view of the increment in the number of smart terminal construction projects resulting from the increase in the Group's investment in smart equipment and facilities since 2024 and the postponement in the construction project, the Board envisages that the Original Annual Caps of the Terminal Facilities Design and Construction Services Agreement in respect of the financial years ending 31 December 2024, 2025 and 2026 will not be sufficient. The Board therefore has resolved to revise and increase the annual caps of the Terminal Facilities Design and Construction Services Agreement for the financial years ending 31 December 2024, 2025 and 2026. The terms of the Terminal Facilities Design and Construction Services Agreement have not been changed or modified in any way.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Liaoning Port Group is an indirect holding company of the Company and it is therefore a connected person of the Group as defined under Rule 14A.07 of the Listing Rules. As such, the transactions under the Terminal Facilities Design and Construction Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratio (as defined in the Listing Rules) in respect of the Revised Annual Caps, more than 0.1% but less than 5%, the transactions contemplated under the Terminal Facilities Design and Construction Services Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 26 October 2023 and the circular of the Company dated 27 November 2023 in relation to, among others, the Terminal Facilities Design and Construction Services Agreement entered into between the Company and Liaoning Port Group for a term commencing on 1 January 2024 and ending on 31 December 2026.

In view of the increment in the number of smart terminal construction projects resulting from the increase in the Group's investment in smart equipment and facilities since 2024 and the postponement in the construction projects, the Board envisages that the Original Annual Caps of the Terminal Facilities Design and Construction Services Agreement in respect of the financial years ending 31 December 2024, 2025 and 2026 will not be sufficient. The Board therefore has resolved to revise and increase the annual caps of the Terminal Facilities Design and Construction Services Agreement for the financial years ending 31 December 2024, 2025 and 2026. The terms of the Terminal Facilities Design and Construction Services Agreement have not been changed or modified in any way.

REVISION OF ANNUAL CAPS FOR THE TERMINAL FACILITIES DESIGN AND CONSTRUCTION SERVICES AGREEMENT

Terminal Facilities Design and Construction Services

Set out below are the Original Annual Caps and the Revised Annual Caps.

	For the financial year ending 31 December,		
	2024 (RMB '000)	2025 (RMB '000)	2026 (RMB '000)
Original Annual Caps	150,000 ⁽¹⁾ (15,000) ⁽²⁾	140,000 ⁽¹⁾ (25,000) ⁽²⁾	130,000 ⁽¹⁾ (20,000) ⁽²⁾
Revised Annual Caps	170,000 ⁽¹⁾ (35,000) ⁽²⁾	155,000 (40,000) ⁽²⁾	150,000 (40,000) ⁽²⁾

The historical transaction amount in respect of the Terminal Facilities Design and Construction Services Agreement for the nine months ended 30 September 2024 based on the unaudited management accounts of the Company was approximately RMB11,052,000⁽¹⁾.

Notes:

- (1) In determining the estimated annual caps for the financial years ending 31 December 2024, 2025 and 2026 in respect of the Terminal Facilities Design and Construction Services Agreement, the Company considered transactions that will constitute connected transactions both under either the Listing Rules and the Shanghai Listing Rules.
- (2) The figures set out in “()” relate to transactions that constituted connected transactions under Chapter 14A of the Listing Rules.

In determining the Revised Annual Caps for the financial years ending 31 December 2024, 2025 and 2026 under the Terminal Facilities Design and Construction Services Agreement, the Directors have considered the increment in the smart terminal construction projects resulting from the increase in the Group's investment in smart equipment and facilities and the postponement in the construction projects.

REASONS FOR AND BENEFITS OF THE REVISED ANNUAL CAPS AND THE CONTINUING CONNECTED TRANSACTIONS

Pursuant to the "Three-Year Implementation Plan for Strengthening and Supplementing the Chain of National Comprehensive Freight Hubs (2024-2026)" formulated by the Dalian Municipal Transportation Bureau in about August 2024, in order to promote the green and smart ways to develop port facilities and equipment, the Company and its associates or subsidiaries will increase their equipment investment, with a total investment amount of approximately RMB485 million in capital equipment procurement projects starting from 2024. Accordingly, the optimization and upgrade of equipment will continue to improve the intelligence and digitization level of the port, which further enhances its market competitiveness.

Furthermore, as disclosed in the announcements of the Company dated 26 August 2024 and 9 October 2024 and the circular of the Company dated 2 September 2024, the Company has entered into the Changxing Investment Development Entrustment Agreement and the Changxing Port Entrustment Agreement with PDA Group on 30 September 2024, which led to the consolidation of Changxing Investment Development and Changxing Port into the consolidated financial statements of the Company as subsidiaries of the Company. As a result, the transactions to be entered into by Changxing Investment Development and Changxing Port contemplated under the Terminal Facilities Design and Construction Services Agreement will also be regarded as connected transactions of the Company and will thereby be counted into the Original Annual Caps.

In addition, to ensure smooth port production operations, some construction projects expected to be completed in 2023 have been postponed to 2024, in which the transaction amounts are expected to exceed the Original Annual Caps.

Taking the continuous connected transaction in relation to the provision of design and construction services for the above-mentioned port facilities into account, the Board has resolved to revise and increase the annual caps of the Terminal Facilities Design and Construction Services Agreement for the financial years ending 31 December 2024, 2025 and 2026.

In view of the above, the Directors, including the independent non-executive Directors, are of the view that the terms of the Terminal Facilities Design and Construction Services Agreement, the transactions contemplated thereunder as well as the Revised Annual Caps are in the Group's ordinary and usual course of business, on normal commercial terms or better to the Group, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION REGARDING THE PARTIES

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).

Liaoning Port Group is a limited liability company established in the PRC and is principally engaged in international and domestic cargo handling, transportation, transshipment, warehousing and other port business and logistics services, providing waiting and boarding facilities and services for passengers, tugboat business, port logistics and port information technology consulting services. As at the date of this announcement, it is owned by China Merchants Liaoning with 51% equity interests and is ultimately controlled by CMG.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Liaoning Port Group is an indirect holding company of the Company and it is therefore a connected person of the Group as defined under Rule 14A.07 of the Listing Rules. As such, the transactions under the Terminal Facilities Design and Construction Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratio (as defined in the Listing Rules) in respect of the Revised Annual Caps, more than 0.1% but less than 5%, the transactions contemplated under the Terminal Facilities Design and Construction Services Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Each of Mr. WANG Zhixian, Mr. LI Guofeng, Mr. WEI Minghui and Mr. WANG Zhu, 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 Board resolution approving the revision of annual caps for the Terminal Facilities Design and Construction Services Agreement. 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 resolution(s).

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Changxing Investment Development”	Dalian Changxing Island Port Investment Development Co., Ltd.* (大連長興島港口投資發展有限公司), a limited liability company established in the PRC and owned as to approximately 53.42% by PDA Group and approximately 46.58% by the Company as at the date of this announcement
“Changxing Investment Development Entrustment Agreement”	the entrustment agreement entered into between the Company and PDA Group in relation to the Changxing Investment Development Entrustment on 30 September 2024
“Changxing Port”	Dalian Changxing Island Port Co., Ltd.* (大連長興島港口有限公司), a limited liability company established in the PRC and owned as to 40% by the Company, 40% by IMC Port & Logistics Holdings Pte. Ltd. (萬邦港口物流控股有限公司) and 20% by Changxing Development Construction Investment as at the date of this announcement
“Changxing Port Entrustment Agreement”	the entrustment agreement entered into between the Company and PDA Group in relation to the Changxing Port Entrustment on 30 September 2024
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“China Merchants Liaoning”	China Merchants (Liaoning) Port Development Company Limited* (招商局(遼寧)港口發展有限公司), a limited liability company established in the PRC and is ultimately owned by CMG
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“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 on 27 November 2017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original Annual Caps”	the original annual caps in respect of the transactions under the Terminal Facilities Design and Construction Services Agreement for the financial years ending 31 December 2024, 2025 and 2026 as set out in the announcement of the Company dated 26 October 2023
“PDA Group”	Dalian Port Corporation Limited (大連港集團有限公司), a limited liability company established in the PRC and ultimately controlled by CMG as at the date of this announcement
“Revised Annual Caps”	the revised annual caps in respect of the transactions under the Terminal Facilities Design and Construction Services Agreement for the financial years ending 31 December 2024, 2025 and 2026 as set out in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shanghai Listing Rules”	the Stock Listing Rules of the Shanghai Stock Exchange (上海證券交易所股票上市規則)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Terminal Facilities Design and Construction Services”	the provision by Liaoning Port Group and its associates or subsidiary(ies) (as the case may be) of terminal facilities design and construction services to the Group
“Terminal Facilities Design and Construction Services Agreement”	the framework agreement in relation to Terminal Facilities Design and Construction Services entered into between the Company and Liaoning Port Group on 26 October 2023
“%”	per cent

By Order of the Board
Liaoning Port Co., Ltd.*
WANG Huiying
Company Secretary

Dalian City, Liaoning Province, the PRC
11 December 2024

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

Executive Directors: WANG Zhixian and WEI Minghui

Non-executive Directors: LI Guofeng, WANG Zhu and YANG Bin

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*