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大連港股份有限公司

Dalian Port (PDA) Company Limited*

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

CONTINUING CONNECTED TRANSACTION NEW CONSTRUCTION MANAGEMENT AGREEMENT

Reference is made to the announcements issued by the Company dated 30 September 2009 and 26 April 2012 in relation to, amongst other matters, certain connected transactions including the continuing connected transactions under the Construction Management Services Agreement and the Supplemental Agreement entered into between PDA and DCM on 30 September 2009 and 26 April 2012, respectively.

On 29 August 2012, the New Construction Management Agreement was entered into between Construction Supervision Company and PDA pursuant to which Construction Supervision Company has taken over the role of DCM under the Construction Management Services Agreement and the Supplemental Agreement and would therefore provide Construction Management Services (as defined below) to PDA and/or its associates.

The Annual Cap for Construction Management Services contemplated under the New Construction Management Agreement, when aggregated with the transaction amount for services under the existing Construction Supervision Services Agreement between Construction Supervision Company and PDA, are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules due to one or more relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceeding 0.1% but less than 5%.

1. BACKGROUND AND THE NEW CONSTRUCTION MANAGEMENT AGREEMENT

Reference is made to the announcements issued by the Company dated 30 September

2009 and 26 April 2012 in relation to, amongst other matters, certain connected transactions including the continuing connected transactions pursuant to the Construction Management Services Agreement and the Supplemental Agreement between DCM and PDA dated 30 September 2009 and 26 April 2012, respectively.

DCM is a wholly-owned subsidiary of the Company and principally engaged in project management services, engineering services and consultancy services. PDA and/or its associates have an inherent demand for project management services, engineering services and consultancy services (collectively “**Construction Management Services**”) in the course of their business. Therefore, DCM and PDA entered into the Construction Management Services Agreement which was amended by the Supplemental Agreement. As the result of the recent Group restructuring, DCM will be dissolved by the end of 2012, therefore the Construction Management Services Agreement and Supplemental Agreement will come to end accordingly.

To better utilize the Group’s existing resources and to maximize revenue, Construction Supervision Company, a non-wholly owned subsidiary of the Company, and PDA entered into the New Construction Management Services Agreement for it to provide the Construction Management Services to PDA and/or its associates. The major terms of the agreement are summarized as follows:

<i>Date</i>	29 August 2012
<i>Parties</i>	1. Construction Supervision Company; and 2. PDA
<i>Pricing</i>	Pricing of the Construction Management Services is to be determined in accordance with: 1. the government-set price, being the price set by the PRC government (at central or local level) or its relevant departments by laws, regulations, determinations, orders and policies for a particular service; or 2. where the government-set price is not available, the market price, being the price at which the same or comparable services are provided to independent third parties in the ordinary course of business.
<i>Term</i>	From 1 July 2012 to 31 December 2012.
<i>Annual Cap</i>	The service fee payable for Construction Management Services for the six months ending 31 December 2012 shall not exceed RMB35.50 million.

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2. REASONS FOR ENTERING INTO THE AGREEMENT

As disclosed above, in order to better utilize the Group's existing resources to maximize revenue to the Group, on 29 August 2012 PDA and Construction Supervision Company entered into the New Construction Management Agreement for it to provide the Construction Management Services to PDA and/or its associates

The Annual Cap has been determined on the basis of the following:

- i. the amounts previously paid by PDA under the Construction Management Services Agreement to DCM during the three years ending on 31 December 2009, 2010 and 2011; and
- ii. the anticipated demand of PDA for Construction Management Services for the remaining period of 2012 which is expected to increase in the second half of the year, as historically PDA tends to carry out more construction activities in the second half of the year.

The Directors (including all independent non-executive Directors) are of the view that The New Construction Management Agreement was entered into in the ordinary and usual course of business of the Group and conducted on normal commercial terms, and that the Annual Cap is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Each of Mr. Hui Kai, Mr. Zhang Fengge, Mr. Xu Song, Mr. Xu Jian and Mr. Zhang Zuogang, being a Director, also holding a management position or directorship of PDA, has therefore abstained from voting on the board resolution approving the New Construction Management Agreement and the Annual Cap. Save as disclosed above, none of the Directors attending the board meeting has a material interest in the aforementioned agreement.

3. LISTING RULES IMPLICATIONS

The principal activities of the Group are: (i) the provision of terminal and related logistics services for oil products and liquefied chemicals; (ii) the provision of terminal and related logistics services for containers; (iii) automobile terminal and related logistics services; (iv) ore terminal and related logistics services; (v) general cargo terminal and related logistics services; (vi) bulk grain terminal and related logistics services; (vii) passenger and roll-on, roll-off terminal and related logistics services; and (viii) port value-added services and ancillary port operations.

Construction Supervision Company is a non-wholly owned subsidiary of the Company incorporated in the PRC. It is principally engaged in providing comprehensive port construction supervision services.

PDA is principally engaged in port development, port related logistics business,

financial services and property development. It is the controlling shareholder of the Company holding approximately 55.625% of the total issued share capital of the Company as at the date of announcement.

PDA, being the controlling shareholder of the Company, is a connected person of the Company as defined under Rule 14A.11 of the Listing Rules. As such, transactions contemplated under the New Construction Management Agreement constitute continuing connected transactions for the Company as defined under Rule 14A.13 of the Listing Rules.

The Annual Cap for Construction Management Services contemplated under the New Construction Management Agreement, when aggregated with the transaction amount for services under the existing Construction Supervision Services Agreement between Construction Supervision Company and PDA, are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules due to one or more relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceeding 0.1% but less than 5%.

4. DEFINITIONS

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

“Annual Cap”	the aggregate services fees payable in respect of services under the New Construction Management Agreement for the six months ending on 31 December 2012, being RMB35.50 million;
“Board”	the board of directors of the Company;
“Company”	大連港股份有限公司(Dalian Port (PDA) Company Limited*), a joint stock limited company incorporated in the PRC;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Construction Management Services Agreement”	The framework services agreement in relation to construction management services entered into between PDA and DCM on 30 September 2009;
“Construction Supervision Services Agreement”	The framework services agreement in relation to construction supervision services entered into between PDA and the Construction Supervision Company on 30 September 2009;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;

Construction Supervision Company	大連港口建設監理諮詢有限公司(Dalian Port Construction Supervision & Consultation Co.,Ltd.), a non-wholly owned subsidiary of the Company;
“DCM”	大連港口建設管理有限公司(Dalian Port Construction Management Company Limited), a wholly-owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
New Construction Management Agreement	the agreement entered into on 29 August 2012 between Construction Supervision Company and PDA with respect to the Construction Management Services to be provided by Construction Supervision Company to PDA and/or its associates.
“PDA”	大連港集團有限公司(Dalian Port Corporation Limited), the controlling shareholder of the Company and a limited liability company established in the PRC and wholly-owned by Dalian Municipal Government;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	The shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Supplemental Agreement”	the supplemental services agreement to the Construction Management Services Agreement entered into between PDA and DCM dated 26 April 2012.

By Order of the Board of Directors
ZHU Hongbo LEE, Kin Yu Arthur
Joint Company Secretaries

Dalian City, Liaoning Province, the PRC
29 August 2012

As at the date of this announcement, the Directors of the Company are:

Executive Directors: HUI, Kai, ZHANG Fengge, XU Song and ZHU Shiliang

Non-executive Directors: XU Jian and ZHANG Zuogang

Independent Non-executive Directors: LIU Yongze, GUI Liyi and WAN Kam To,
Peter

** The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under the English name "Dalian Port (PDA) Company Limited".*