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**Broadford Global Limited**

布羅德福國際有限公司

(incorporated in Hong Kong with limited liability)

**Dalian Port (PDA) Company Limited**

大連港股份有限公司

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

(Stock Code: 2880)

## JOINT ANNOUNCEMENT

**(1) EQUITY TRANSFER AGREEMENT  
(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY  
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG  
SECURITIES LIMITED  
ON BEHALF OF BROADFORD GLOBAL LIMITED  
TO ACQUIRE ALL THE ISSUED H SHARES IN  
DALIAN PORT (PDA) COMPANY LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED  
TO BE ACQUIRED  
BY BROADFORD GLOBAL LIMITED AND PARTIES ACTING IN  
CONCERT WITH IT (BUT INCLUDING THE H SHARES HELD  
BY CHINA MERCHANTS PORT HOLDINGS COMPANY LIMITED))  
AND  
(3) RESUMPTION OF TRADING IN THE H SHARES OF  
DALIAN PORT (PDA) COMPANY LIMITED**

Financial Adviser to Broadford Global Limited



### EQUITY TRANSFER AGREEMENT

The Company and Broadford jointly announce that on 31 May 2019, Liaoning SASAC and China Merchants Liaoning, an indirectly wholly-owned subsidiary of Broadford, entered into the Equity Transfer Agreement, pursuant to which and subject to satisfaction (or waiver, where applicable) of the ETA Conditions and Completion Conditions, Liaoning SASAC agreed to transfer 1.1% equity interest in Liaoning Port Group to China Merchants Liaoning. Upon Completion, China Merchants Liaoning will become the registered owner of an aggregate of 51% equity interest in Liaoning Port Group, and will through Liaoning Port Group, which currently holds approximately 47.31% of the total issued share capital of the Company, obtain an indirect control of the Company.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this announcement, Liaoning Port Group directly holds 100% equity interest in PDA, PDA in turn holds 5,310,255,162 A Shares and 722,166,000 H Shares, representing an aggregate of approximately 46.78% of the total issued share capital of the Company. Liaoning Port Group also directly holds approximately 45.93% equity interest in YKP, and YKP in turn holds approximately 99.76% equity interest in Liaoning Gangwan, which in turn holds 68,309,590 A Shares, representing approximately 0.53% of the total issued share capital of the Company. Accordingly, Liaoning Port Group indirectly holds an aggregate of approximately 47.31% of the total issued share capital of the Company. Broadford indirectly holds 2,714,736,000 H Shares through Team Able, a wholly-owned subsidiary of China Merchants Port Holdings which is a consolidated subsidiary of China Merchants Port Group (an indirect subsidiary of Broadford), representing an aggregate of approximately 21.05% of the total issued share capital of the Company.

Following Completion, Liaoning Port Group will be owned as to 51% by China Merchants Liaoning, thus Broadford and parties acting in concert with it will be indirectly interested in 5,378,564,752 A Shares and 3,436,902,000 H Shares (including 2,714,736,000 H Shares through Team Able), representing an aggregate of approximately 68.37% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, Broadford and parties acting in concert with it are required to make a mandatory unconditional cash offer as a result of the Equity Transfer for all outstanding H Shares (other than those already owned or agreed to be acquired by Broadford and parties acting in concert with it (but including the H Shares held by China Merchants Port Holdings through Team Able)). China Merchants Port Holdings is a company whose shares are listed on the Main Board of the Stock Exchange. Given that Broadford is the indirect controlling shareholder (as defined under the Listing Rules) of China Merchants Port Holdings, China Merchants Port Holdings shall consider the implication of the acceptance or non-acceptance of the Possible H Share Offer from Broadford under the Listing Rules.

China Merchants Liaoning, China Merchants Port Group and Team Able will make a submission to the China Securities Regulatory Commission for a waiver for China Merchants Liaoning and parties acting in concert with it to make a mandatory general cash offer in respect of all the A Shares. The obtaining of the waiver from the China Securities Regulatory Commission is an ETA Condition.

Subject to Completion having occurred, Broadford will implement the Possible H Share Offer, and CICC, as financial adviser to Broadford, will make the Possible H Share Offer on behalf of Broadford for all the H Shares (other than those already owned or agreed to be acquired by Broadford and parties acting in concert with it (but including the H Shares held by China Merchants Port Holdings through Team Able)) at the H Share Offer Price of HK\$1.0127 for each H Share. The H Share Offer Price has been determined with reference to the weighted average trading price of the H Shares as at 31 May 2019, being the date of signing of the Equity Transfer Agreement, after communication with the Executive. The terms of the Possible H Share Offer are set out under the section headed "Possible mandatory unconditional cash offer" below. CICC is satisfied that Broadford has sufficient financial resources available for the payment in full of the cash required to satisfy full acceptance of the Possible H Share Offer.

Based on the issued share capital of the Company as at the date of this announcement, there are 4,436,549,999 H Shares subject to the Possible H Share Offer (including the 2,714,736,000 H Shares held by China Merchants Port Holdings through Team Able), representing approximately 34.41% of the total issued share capital of the Company. The Possible H Share Offer is valued at approximately HK\$4,492,894,183.99 based on the H Share Offer Price of HK\$1.0127 for each H Share.

**Warning: the Possible H Share Offer is a possibility only.**

**Shareholders and potential investors should be aware of and take note that the Possible H Share Offer will only be made if Completion takes place. Completion is conditional upon satisfaction (or waiver, if applicable) of the Conditions which may or may not materialize. If any of the Conditions is not satisfied (or waived, if applicable) by the Long Stop Date, the Equity Transfer shall not proceed and the Possible H Share Offer shall not be made. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the H Shares.**

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, Broadford is required to despatch an offer document in relation to the Possible H Share Offer. A composite document containing, among others, the terms and conditions of the Possible H Share Offer (including the expected timetable), the recommendation from the Independent Board Committee and advice from the independent financial adviser to be appointed by the Independent Board Committee in respect of the Possible H Share Offer, and a form of acceptance in respect of the Possible H Share Offer, are required to be posted within the 21-day period mentioned above or on such later date as the Executive may approve. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the Possible H Share Offer is subject to prior fulfilment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. An application has been made by Broadford and the Company for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of such composite document to the seventh day after Completion and the consent has been granted to extend the deadline for the despatch of the composite document to a date falling within seven days of Completion or 7 October 2019, whichever is earlier.

## **RESUMPTION OF TRADING IN THE H SHARES**

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 June 2019, pending the publication of this announcement. Application has been made by the Company for resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 4 June 2019.

## **BACKGROUND**

References are made to the announcements of the Company dated 4 November 2018 and 30 November 2018. On 3 November 2018, Liaoning Port Group (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)), China Merchants Liaoning, Liaoning SASAC, Dalian SASAC and Yingkou SASAC entered into the Capital Increase Agreement, pursuant to which China Merchants Liaoning agreed to contribute, and Liaoning Port Group agreed to increase, an aggregate amount of RMB99,600,798.40 in the registered capital of Liaoning Port Group. Pursuant to the Capital Increase Agreement, China Merchants Liaoning shall pay in aggregate of RMB24,244,796,433.99 to Liaoning Port Group, the total consideration for the capital increase was determined mainly based on the results of an asset evaluation report in respect of the valuation of net asset of Liaoning Port Group, which was prepared by an independent third party appraiser according to relevant PRC regulations.

The Capital Increase was completed on 29 November 2018. As at the date of this announcement, Liaoning SASAC and China Merchants Liaoning hold 50.1% and 49.9% of the equity interest in Liaoning Port Group respectively.

It is also expected that after Completion, Liaoning SASAC will transfer 36.34% of the equity interest in Liaoning Port Group to Dalian SASAC and 2.66% of the equity interest in Liaoning Port Group to Yingkou SASAC for nil consideration. The transfer agreement in respect of the Yingkou SASAC Equity Transfer was executed on 3 June 2019. As at the date of this announcement, there was no agreement entered into by the parties in relation to the Dalian SASAC Equity Transfer.

## **THE EQUITY TRANSFER AGREEMENT**

**Date:** 31 May 2019

**Parties:** (1) Liaoning SASAC; and  
(2) China Merchants Liaoning

### **Subject matter**

Liaoning SASAC conditionally agreed to transfer 1.1% equity interest in Liaoning Port Group to China Merchants Liaoning for nil consideration. Upon Completion, China Merchants Liaoning will become the registered owner of the additional 1.1% equity interest in Liaoning Port Group. As such, China Merchants Liaoning will hold an aggregate of 51% equity interest in Liaoning Port Group upon Completion.

The Equity Transfer Agreement shall only become effective upon fulfilment of the later of the following ETA Conditions:

- (i) the date of the approval issued by SASAC approving the Equity Transfer and the indirect acquisition of equities of a listed company (i.e. the Company) by China Merchants Liaoning pursuant to the “Measures for the Supervision and Administration of State-owned Equities of Listed Companies (上市公司國有股權監督管理辦法)”;
- (ii) the date of the approval issued by the Liaoning Provincial Government approving the Equity Transfer; and

- (iii) the date of the approval issued by the China Securities Regulatory Commission waiving the mandatory general cash offer obligations of China Merchants Liaoning and parties acting in concert with it in respect of all the A Shares and all the A shares of RMB1.00 each in the capital of Yingkou Port Liability Company Limited (營口港務股份有限公司), which are listed and traded on the Shanghai Stock Exchange, triggered by the Equity Transfer (as at the date of this announcement, Yingkou Port Liability Company Limited (營口港務股份有限公司) was owned as to 78.29% by YKP).

All ETA Conditions cannot be waived by the parties to the Equity Transfer Agreement. The parties will proceed to make the applications to the relevant regulatory authorities for the above approval immediately after signing of the Equity Transfer Agreement. If the Equity Transfer Agreement becomes effective, Broadford and the Company will issue a further announcement as soon as practicable thereafter.

### **Consideration**

Nil consideration is payable by China Merchants Liaoning pursuant to the Equity Transfer.

### **Completion Conditions**

After the Equity Transfer Agreement becoming effective, Completion is conditional upon satisfaction (or waiver, if applicable) of all of the following Completion Conditions (in addition to the satisfaction of the Business Registration Condition):

- (i) Liaoning SASAC, China Merchants Liaoning, Dalian SASAC and Yingkou SASAC having executed the shareholders agreement and articles of association in respect of Liaoning Port Group;
- (ii) Liaoning SASAC having issued a written opinion to Liaoning Port Group approving the Dalian SASAC and Yingkou SASAC Equity Transfer (such approval will be sought after the execution of the relevant transfer agreements in respect of the Dalian SASAC and Yingkou SASAC Equity Transfer) (the transfer agreement in respect of the Yingkou SASAC Equity Transfer was executed on 3 June 2019 but no agreement has been entered into by the parties in relation to the Dalian SASAC Equity Transfer as at the date of this announcement);
- (iii) the Dalian SASAC and Yingkou SASAC Equity Transfer having been approved by the Liaoning Provincial Government;
- (iv) the shareholders' meeting of Liaoning Port Group (i.e. Liaoning SASAC and China Merchants Liaoning) having passed resolutions, approving (a) the new articles of association of Liaoning Port Group executed by Liaoning SASAC, China Merchants Liaoning, Dalian SASAC and Yingkou SASAC, and (b) the appointment of five directors nominated by China Merchants Liaoning (which excludes the existing directors of Liaoning Port Group nominated by China Merchants Liaoning) as directors of Liaoning Port Group (such appointment shall take effect from the completion of the change of business registration in respect of the Equity Transfer);
- (v) PDA, YKP and their respective subsidiaries having obtained the written consent from or issued notification to the relevant creditors (as applicable) in respect of the change of control of PDA and YKP triggered by the Equity Transfer; and

- (vi) YKP having obtained the written consent of Bank of Communications International Trust Co., Ltd. in respect of the change of control in YKP triggered by the Equity Transfer, pursuant to the Fairy Island Pier ETA.

For the avoidance of doubt, the shareholders agreement and articles of association in respect of Liaoning Port Group which are required to be executed before Completion pursuant to Completion Condition (i) shall only become effective upon the registration of Dalian SASAC and Yingkou SASAC as shareholders of Liaoning Port Group pursuant to the Dalian SASAC and Yingkou SASAC Equity Transfer (i.e. the completion of the Dalian SASAC and Yingkou SASAC Equity Transfer).

The parties to the Equity Transfer Agreement shall have the rights (but not the obligation) to waive all the Completion Conditions upon mutual agreement. If all Completion Conditions are satisfied and/or waived, Broadford and the Company will issue a further announcement as soon as practicable thereafter.

After the Equity Transfer Agreement becoming effective and upon the satisfaction (or waiver, if applicable) of all of the Completion Conditions, China Merchants Liaoning and Liaoning SASAC shall procure Liaoning Port Group to make the filing for the change of business registration in respect of the Equity Transfer within 10 business days or any other date agreed by the parties. Completion shall take place immediately upon the satisfaction of the Business Registration Condition.

In the event that any of the Conditions shall not have been satisfied (or waived, if applicable) by 5:00 p.m. of the Long Stop Date, the Equity Transfer Agreement shall automatically cease to be of any effect with immediate effect, the Equity Transfer shall not proceed and the Possible H Share Offer shall not be made.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this announcement, Liaoning Port Group directly holds 100% equity interest in PDA, PDA in turn holds 5,310,255,162 A Shares and 722,166,000 H Shares, representing an aggregate of approximately 46.78% of the total issued share capital of the Company. Liaoning Port Group also directly holds approximately 45.93% equity interest in YKP, and YKP in turn holds approximately 99.76% equity interest in Liaoning Gangwan, which in turn holds 68,309,590 A Shares, representing approximately 0.53% of the total issued share capital of the Company. Accordingly, Liaoning Port Group indirectly holds an aggregate of approximately 47.31% of the total issued share capital of the Company. Broadford indirectly holds 2,714,736,000 H Shares through Team Able, a wholly-owned subsidiary of China Merchants Port Holdings which is a consolidated subsidiary of China Merchants Port Group (an indirect subsidiary of Broadford), representing an aggregate of approximately 21.05% of the total issued share capital of the Company.

Following Completion, Liaoning Port Group will be owned as to 51% by China Merchants Liaoning, thus Broadford and parties acting in concert with it will be indirectly interested in 5,378,564,752 A Shares and 3,436,902,000 H Shares (including 2,714,736,000 H Shares through Team Able), representing an aggregate of approximately 68.37% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, Broadford and parties acting in concert with it are required to make a mandatory unconditional offer as a result of the Equity Transfer for all outstanding H Shares (other than those already owned or agreed to be acquired by Broadford and parties acting in concert with it (but including the H Shares held by China Merchants Port Holdings through Team Able)). China Merchants Port Holdings is a company whose shares are listed on the Main Board of the Stock Exchange. Given that Broadford is the indirect controlling shareholder (as defined under the Listing Rules) of China Merchants Port Holdings, China Merchants Port Holdings shall consider the implication of the acceptance or non-acceptance of the Possible H Share Offer from Broadford under the Listing Rules.

China Merchants Liaoning, China Merchants Port Group and Team Able will make a submission to the China Securities Regulatory Commission for a waiver for China Merchants Liaoning and parties acting in concert with it to make a mandatory general cash offer in respect of all the A Shares. The obtaining of the waiver from the China Securities Regulatory Commission is an ETA Condition.

Subject to Completion having occurred, Broadford will implement the Possible H Share Offer, and CICC, as financial adviser to Broadford, will make the Possible H Share Offer on behalf of Broadford for all the H Shares (other than those already owned or agreed to be acquired by Broadford and parties acting in concert with it (but including the H Shares held by China Merchants Port Holdings through Team Able)) at the H Share Offer Price of HK\$1.0127 for each H Share. The terms of the Possible H Share Offer are set out below.

Based on the issued share capital of the Company as at the date of this announcement, there are 4,436,549,999 H Shares subject to the Possible H Share Offer (including 2,714,736,000 H Shares held by China Merchants Port Holdings through Team Able), representing approximately 34.41% of the total issued share capital of the Company. The Possible H Share Offer is valued at approximately HK\$4,492,894,183.99 based on the H Share Offer Price of HK\$1.0127 for each H Share.

**Completion is conditional upon satisfaction (or waiver, if applicable) of the Conditions which may or may not materialize. If any of the Conditions is not satisfied (or waived, if applicable) by the Long Stop Date, the Equity Transfer shall not proceed and the Possible H Share Offer shall not be made. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the H Shares.**

#### **Principal terms of the Possible H Share Offer**

**For each H Share . . . . . HK\$1.0127 in cash**

The H Shares to be acquired under the Possible H Share Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date of this announcement, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of this announcement.

Based on the H Share Offer Price of HK\$1.0127 per H Share, the H Shares in the issued share capital of the Company held by Liaoning Port Group is valued at HK\$731,337,508.2. The Possible H Share Offer will be made to the Offer Shareholders. As at the date of this announcement, the total number of issued H Shares is 5,158,715,999. The Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares as at the date of this announcement. As Broadford and parties acting in concert with it (excluding China Merchants Port Holdings) will hold in aggregate 722,166,000 H Shares immediately after Completion, 4,436,549,999 H Shares will be subject to the Possible H Share Offer (including the H Shares held by China Merchants Port Holdings). As at the date of this announcement, China Merchants Port Holdings held 2,714,736,000 H Shares, representing approximately 21.05% of the total issued share capital of the Company, through Team Able. Any acceptance(s) of the Possible H Share Offer by the Offer Shareholders will be taken up by Broadford. Based on the H Share Offer Price of HK\$1.0127 per H Share, the total consideration of the Possible H Share Offer would be HK\$4,492,894,183.99 assuming full acceptance.

### **Offer Price**

Upon Completion, the Possible H Share Offer will be triggered pursuant to Rule 26.1 of the Takeovers Code whereby Broadford will be obliged to make an offer for all the H Shares (other than those already owned or agreed to be acquired by Broadford and parties acting in concert with it (but including the H Shares held by China Merchants Port Holdings through Team Able)) as a result of it acquiring a statutory control of Liaoning Port Group, which in turn holds a controlling interest in the Company. The H Share Offer Price has been determined with reference to the weighted average trading price of the H Shares as at 31 May 2019, being the date of signing of the Equity Transfer Agreement, after communication with the Executive.

### **Comparison of value**

The H Share Offer Price of HK\$1.0127 per H Share represents:

- the weighted average trading price on the day of signing of the Equity Transfer Agreement, which was HK\$1.0127 per H Share on 31 May 2019;
- a premium of 0.27% to the closing price of HK\$1.01 per H Share as quoted on the Stock Exchange on 31 May 2019, being the Last Trading Day;
- a premium of approximately 2.29% to the average closing price of approximately HK\$0.99 per H Share as quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 0.70% to the average closing price of approximately HK\$1.0057 per H Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 2.69% to the average closing price of approximately HK\$1.0407 per H Share as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day; and



- a discount of approximately 37.19% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$1.61 as at 31 December 2018 as set out in the annual report of the Company for the year ended 31 December 2018 published on 24 April 2019, based on RMB to HK\$ exchange rate of RMB0.87913 to HK\$1 (being the exchange rate as quoted by the People's Bank of China on 31 May 2019).

### **Highest and lowest H Share prices**

The highest and lowest closing prices of the H Shares quoted on the Stock Exchange during the six-month period preceding the Last Trading Day were HK\$1.19 per H Share on 26 February 2019 and HK\$0.96 per H Share on 21 December 2018, 23 May 2019 and 24 May 2019, respectively.

### **Aggregate value of the Possible H Share Offer**

There are 4,436,549,999 H Shares subject to the Possible H Share Offer and the Possible H Share Offer is valued at approximately HK\$4,492,894,183.99, on the basis of the H Share Offer Price of HK\$1.0127 per H Share.

### **Confirmation of financial resources**

Broadford intends to finance the Possible H Share Offer by a facility of up to of HK\$6,000,000,000 provided by Bank of China (Hong Kong) Limited. CICC, as the financial adviser to Broadford in respect of the Possible H Share Offer, is satisfied that Broadford has sufficient financial resources available for the payment in full of the cash required to satisfy full acceptance of the Possible H Share Offer.

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty under the Possible H Share Offer at a rate of 0.1% of the market value of H Shares or consideration payable by Broadford in respect of the relevant acceptances of the Possible H Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Possible H Share Offer. Broadford will bear its own portion of buyer's ad valorem stamp duty under the Possible H Share Offer at a rate of 0.1% of the market value of H Shares or consideration payable by Broadford in respect of the relevant acceptances of the Possible H Share Offer, whichever is higher. Broadford will arrange for payment of the seller's ad valorem stamp duty on behalf of accepting Offer Shareholders and the buyer's ad valorem stamp duty, in each case, in connection with the acceptance of the Possible H Share Offer and the transfer of H Shares.

### **Payment**

Payment in cash in respect of acceptances of the Possible H Share Offer will be made as soon as possible but, in any event, within seven business days (as defined in the Takeovers Code) of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of Broadford to render such acceptance of the Possible H Share Offer complete and valid.

No fractions of a cent (HK\$) will be payable and the amount of the consideration payable to an Offer Shareholder who accepts the Possible H Share Offer will be rounded up to the nearest cent (HK\$).

## Overseas Shareholders

As the Possible H Share Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Possible H Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Possible H Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

## BROADFORD'S INTERESTS IN SECURITIES OF THE COMPANY

Broadford confirms that, save as disclosed in this announcement, as at the date of this announcement:

- (a) save for (i) 5,310,255,162 A Shares and 722,166,000 H Shares held by PDA as at the date of this announcement; (ii) 68,309,590 A Shares held by Liaoning Gangwan as at the date of this announcement; (iii) 2,714,736,000 H Shares held by China Merchants Port Holdings through Team Able as at the date of this announcement; (iv) the equity interest to be secured under the Equity Transfer; (v) 34,300 A Shares held by China Merchants Wealth and (vi) 700 A Shares held by Bosera, neither Broadford nor any person acting in concert with it, including, among others, Liaoning SASAC and China Merchants Liaoning, owned or had control or direction over any voting rights or rights over the H Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for sale and purchase of A Shares by the Connected Fund Managers and the equity interest under (i) the Capital Increase, (ii) the Equity Transfer, (iii) the YKP Capital Increase, (iv) the Entrustment Arrangement and (v) the YKP Equity Transfer, neither Broadford nor any person acting in concert with it, including, among others, Liaoning SASAC, Dalian SASAC and Yingkou SASAC, had dealt for value in any H Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to the date of this announcement;
- (c) save for (i) the Capital Increase, (ii) the Equity Transfer, (iii) the YKP Capital Increase, (iv) the Entrustment Arrangement and (v) the YKP Equity Transfer, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of Broadford, China Merchants Liaoning or YKP or the H Shares and which might be material to the Possible H Share Offer;
- (d) other than the consideration for (i) the YKP Capital Increase, (ii) the Entrustment Agreement and (iii) the YKP Equity Transfer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by Broadford, China Merchants Liaoning or any parties acting in concert with them to (i) any Shareholder or any party acting in concert with it or (ii) Liaoning SASAC or any parties acting in concert with it in relation to or in connection with the Equity Transfer, the Possible H Share Offer and related transactions thereunder;
- (e) there is no special deal (as defined under Rule 25 of the Takeovers Code);

- (f) save for the Equity Transfer Agreement, the transfer agreements relating to the Dalian SASAC and Yingkou SASAC Equity Transfer and the Fairy Island Pier ETA, there is no agreement or arrangement to which Broadford or any person acting in concert with it, is a party which relates to circumstances in which it may or may not seek to invoke a pre-condition or a condition to the Possible H Share Offer;
- (g) neither Broadford, China Merchants Liaoning nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (h) neither Broadford, China Merchants Liaoning nor any person acting in concert with it has received any irrevocable commitment to accept the Possible H Share Offer; and
- (i) there is no outstanding derivative in respect of the securities in the Company entered into by Broadford, China Merchants Liaoning nor any person acting in concert with it.

After communication with the Executive, Rule 21.6 of the Takeovers Code applies to the Connected Fund Managers and they shall not be presumed to be acting in concert with Broadford before the publication of this announcement and the Connected Fund Managers' dealing in A Shares in the six months prior to the date of this announcement shall not affect the H Share Offer Price under Rule 26.3 of the Takeovers Code. Details of the Connected Fund Managers' dealing in A Shares in the six months prior to the date of this announcement will be disclosed in the composite document.

CICC is the financial adviser to Broadford in respect of the Possible H Share Offer. Accordingly, CICC and relevant members of the CICC group which hold Shares are presumed to be acting in concert with the Broadford in accordance with class (5) of the definition of "Acting in concert" in the Takeovers Code (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and also excluding Shares held on behalf of non-discretionary investment clients of the CICC group). Details of holdings, borrowings or lendings of, and dealings in, Shares (or options, rights over Shares, warrants or derivatives in respect of them) held by or entered into by other parts of the CICC group will be obtained as soon as possible after the date of this announcement. A further announcement will be made by the Company if the holdings, borrowings, lendings, or dealings of the other parts of the CICC group are significant and in any event, such information will be disclosed in the composite document. The statements in this announcement as to holdings, borrowings or lendings of, or their dealings in, or voting of Shares (or rights, rights over Shares, warrants or derivatives in respect of them) by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of such members of the CICC group.

Any dealings in Shares during the six months prior to the date of this announcement by the CICC group (excluding dealings in Shares by CICC group members who are exempt principal traders or exempt fund managers or dealings in Shares by CICC group members for the account of non-discretionary investment clients of the CICC group) will be disclosed in the composite document.

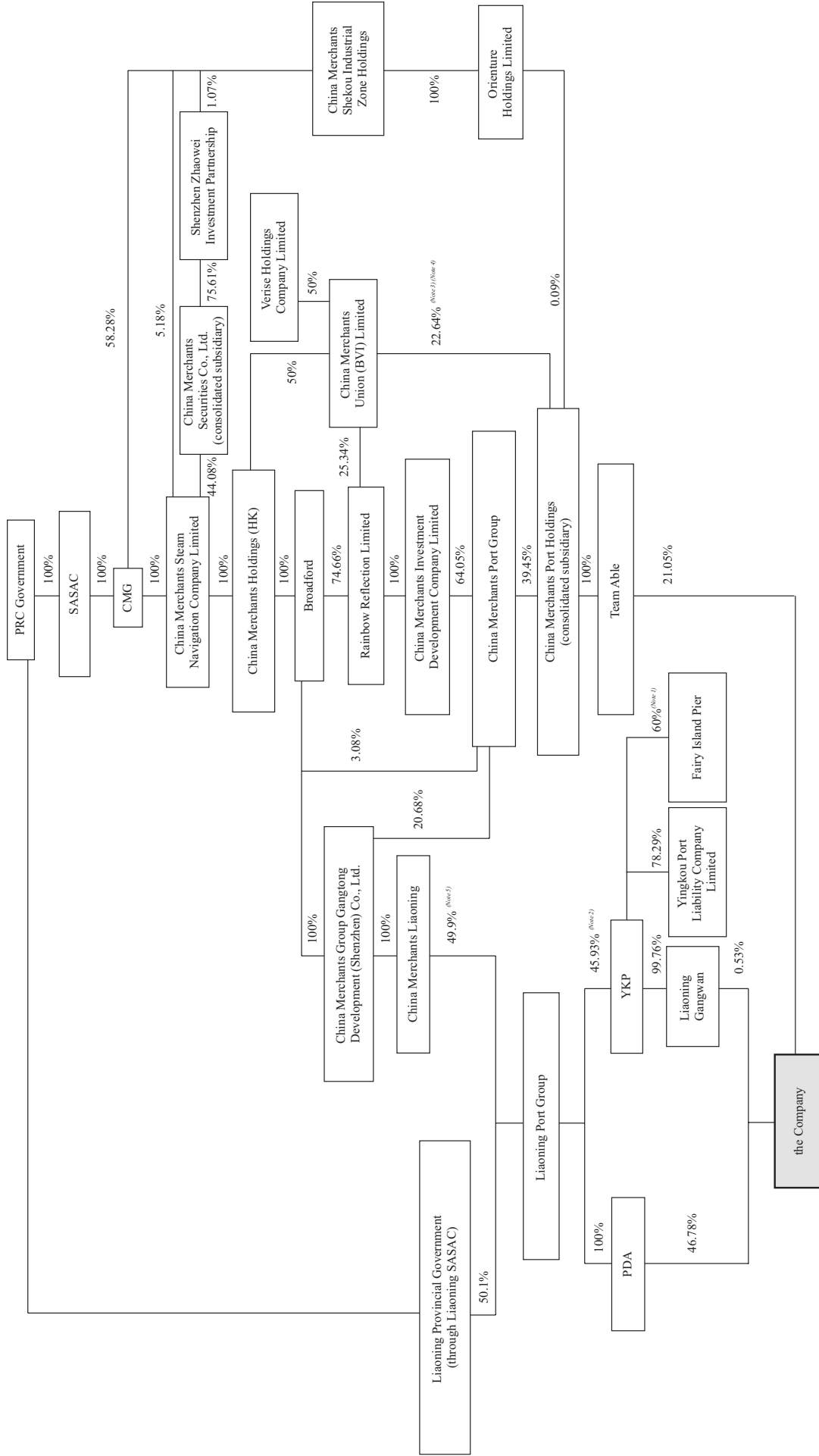
## SHAREHOLDING STRUCTURE

Set out below are the respective shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion (assuming completion of the YKP Equity Transfer but before completion of the Dalian SASAC and Yingkou SASAC Equity Transfer); and (iii) immediately after Completion (assuming completion of the Dalian SASAC and Yingkou SASAC Equity Transfer and the YKP Equity Transfer):

### (1) (a) Shareholding structure of the Company as at the date of this announcement

Shareholders	As at the date of this announcement			% of Shares held by the respective Shareholder
	Number of A Shares	Number of H Shares	Total number of Shares	
<b>Offeror and its concert parties (excludes the Shares held by the Connected Fund Managers by reason of the application of Rule 21.6 of the Takeovers Code)</b>				
PDA	5,310,255,162	722,166,000	6,032,421,162	46.78
Liaoning Gangwan	68,309,590	0	68,309,590	0.53
Team Able	0	2,714,736,000	2,714,736,000	21.05
<b>Public shareholders</b>	<b>2,357,255,248</b>	<b>1,721,813,999</b>	<b>4,079,069,247</b>	<b>31.63</b>
<b>Total</b>	<b>7,735,820,000</b>	<b>5,158,715,999</b>	<b>12,894,535,999</b>	<b>100</b>

(b) Shareholding chart of the Company as at the date of this announcement (excludes the Shares held by the Connected Fund Managers by reason of the application of Rule 21.6 of the Takeovers Code)



*Note 1:* YKP has purchased an aggregate of approximately 13.33% of the equity interest in Fairy Island Pier in September 2016, September 2017 and September 2018 (in respect of RMB200,000,000 (2.67%), RMB300,000,000 (4%) and RMB500,000,000 (6.67%) of the registered capital of Fairy Island Pier respectively) pursuant to the Fairy Island Pier ETA dated 1 September 2015, subsequent to which, it holds approximately 73.33% of the equity interest in Fairy Island Pier. The business registration of Fairy Island Pier has not been updated yet and YKP's equity interest in Fairy Island Pier is currently shown as 60% on the relevant business registration record.

*Note 2:* PDA has purchased 22.965% equity interest in YKP from Liaoning Port Group pursuant to the YKP ETA. Subsequent to the completion of the change of business registration with the State Administration for Market Regulation of the PRC in respect of the YKP Equity Transfer, PDA and Liaoning Port Group shall each be the registered owner of 22.965% equity interest in YKP.

*Note 3:* China Merchants Union (BVI) Limited has entrusted China Merchants Holdings (HK) to exercise its voting rights in China Merchants Port Holdings.

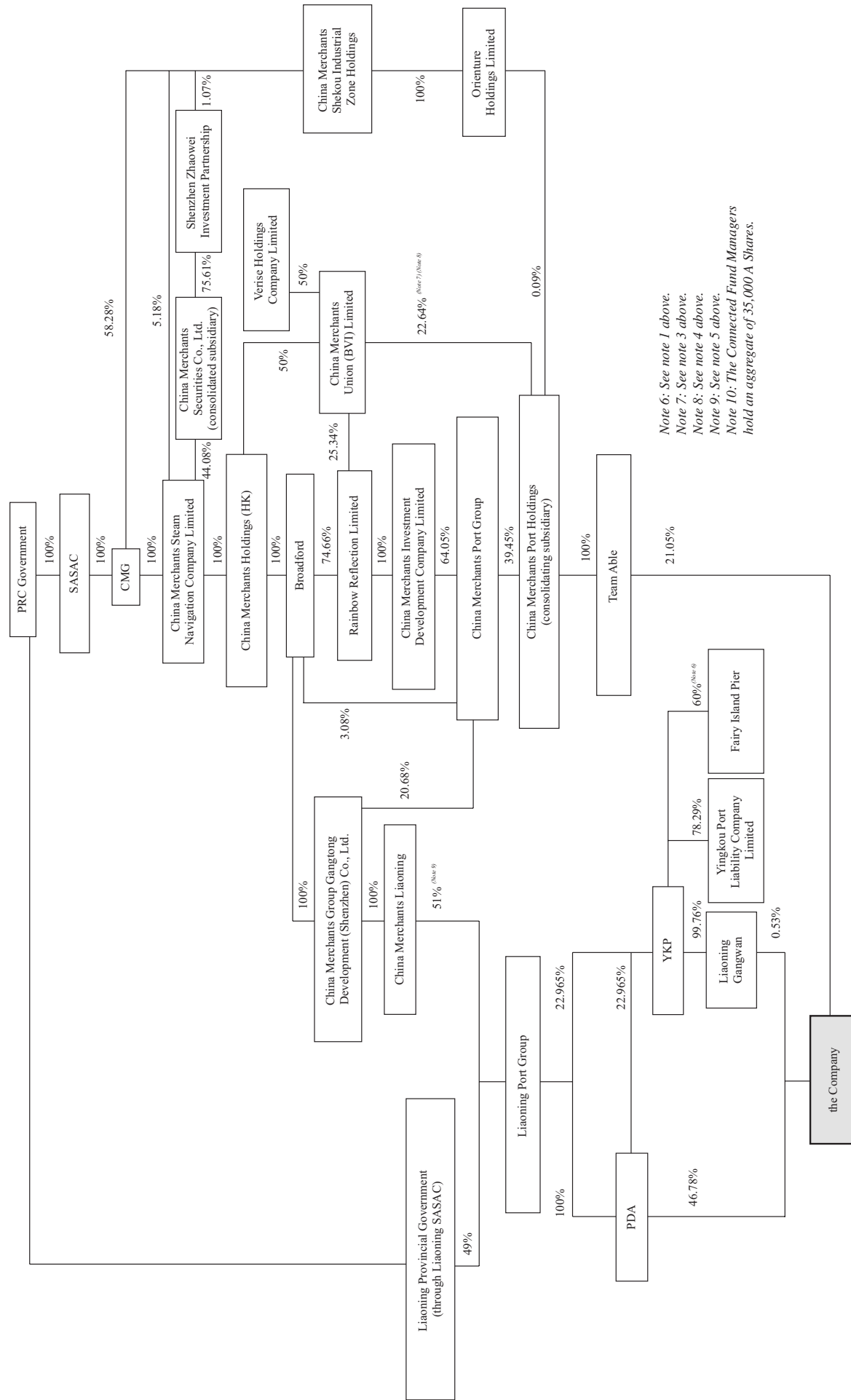
*Note 4:* Pursuant to an acting in concert agreement entered into between China Merchants Port Group and China Merchants Holdings (HK) dated 19 June 2018, it was agreed that after China Merchants Port Group had issued shares to China Merchants Investment Development Company Limited in return for China Merchants Investment Development Company Limited's interest in China Merchants Port Holdings, China Merchants Holdings (HK) shall unconditionally vote (in respect of the voting rights attached to the shares entrusted by China Merchants Union (BVI) Limited) in a consistent manner with China Merchants Port Group in resolutions resolved at China Merchants Port Holdings' shareholders' meetings, and shall vote in accordance with China Merchants Port Group's opinions.

*Note 5:* China Merchants Liaoning has entrusted China Merchants Port Group to manage and exercise the voting rights attached to its 49.9% shareholding interest in Liaoning Port Group.

**(2) (a) Shareholding structure of the Company immediately after Completion (assuming completion of the YKP Equity Transfer but before completion of the Dalian SASAC and Yingkou SASAC Equity Transfer)**

Shareholders	Immediately after Completion (assuming completion of the YKP Equity Transfer but before completion of the Dalian SASAC and Yingkou SASAC Equity Transfer)			% of Shares held by the respective Shareholder
	Number of A Shares	Number of H Shares	Total number of Shares	
<b>Offeror and its concert parties</b>				
PDA	5,310,255,162	722,166,000	6,032,421,162	46.78
Liaoning Gangwan	68,309,590	0	68,309,590	0.53
Team Able	0	2,714,736,000	2,714,736,000	21.05
Connected Fund				
Managers	35,000	0	35,000	0.00
<b>Public shareholders</b>	2,357,220,248	1,721,813,999	4,079,034,247	31.63
<b>Total</b>	7,735,820,000	5,158,715,999	12,894,535,999	100

**(b) Shareholding chart of the Company immediately after Completion (assuming completion of the YKP Equity Transfer but before completion of the Dalian SASAC and Yingkou SASAC Equity Transfer)**

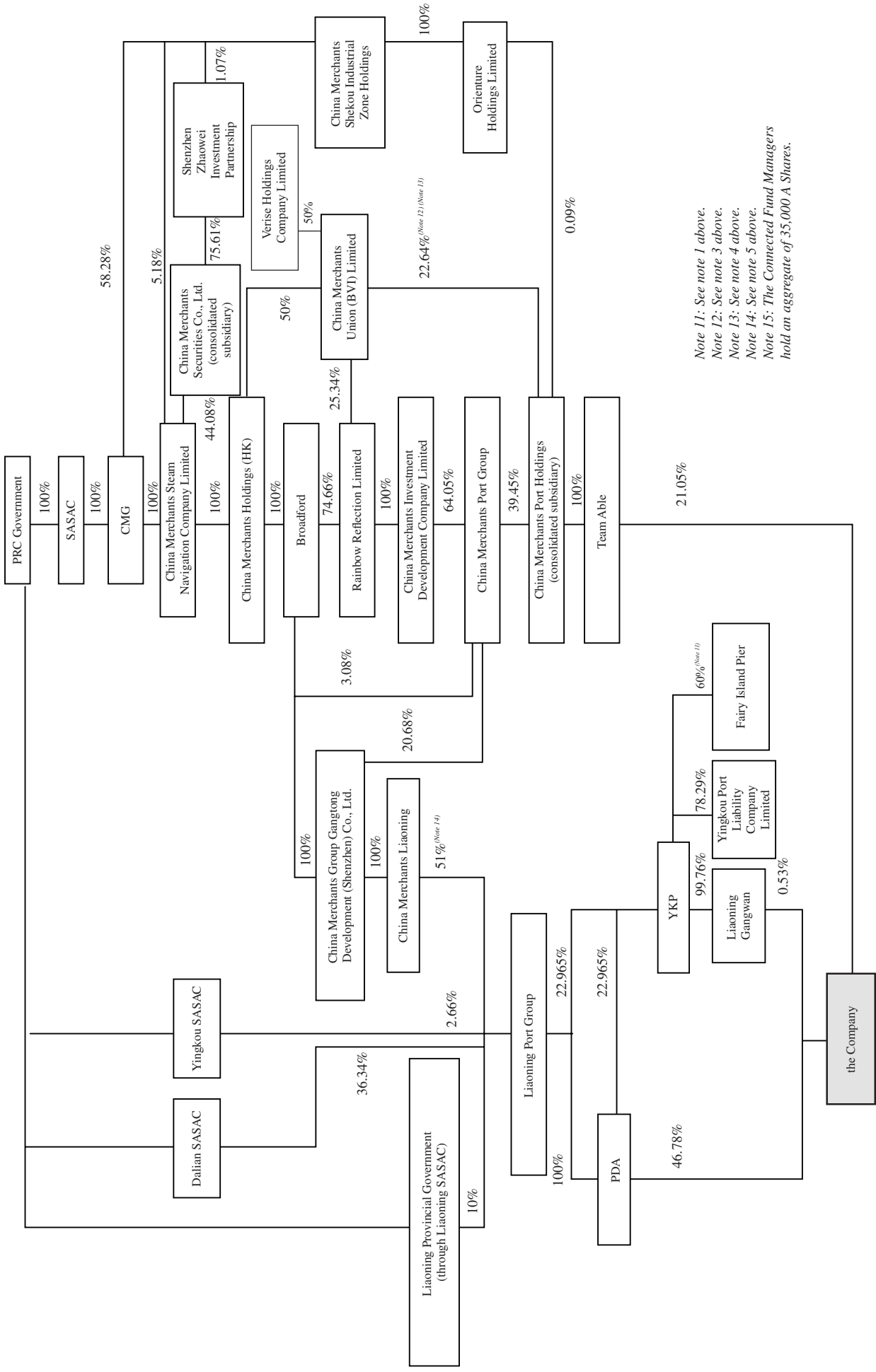


**(3) (a) Shareholding structure of the Company immediately after Completion (assuming completion of the Dalian SASAC and Yingkou SASAC Equity Transfer and the YKP Equity Transfer)**

Shareholders	Immediately after Completion (assuming completion of the Dalian SASAC and Yingkou SASAC Equity Transfer and the YKP Equity Transfer)			
	Number of A Shares	Number of H Shares	Total number of Shares	% of Shares held by the respective Shareholder
<b>Offeror and its concert parties</b>				
PDA	5,310,255,162	722,166,000	6,032,421,162	46.78
Liaoning Gangwan	68,309,590	0	68,309,590	0.53
Team Able	0	2,714,736,000	2,714,736,000	21.05
Connected Fund Managers	35,000	0	35,000	0.00
<b>Public shareholders</b>	2,357,220,248	1,721,813,999	4,079,034,247	31.63
<b>Total</b>	7,735,820,000	5,158,715,999	12,894,535,999	100



**(b) Shareholding chart of the Company immediately after Completion (assuming completion of the Dalian SASAC and Yingkou SASAC Equity Transfer and the YKP Equity Transfer)**



Note 11: See note 1 above.  
 Note 12: See note 3 above.  
 Note 13: See note 4 above.  
 Note 14: See note 5 above.  
 Note 15: The Connected Fund Managers hold an aggregate of 35,000 A Shares.

## **INFORMATION OF THE PARTIES**

### **The Company**

The Company is 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) since 2006 and 2010, respectively. The Group is principally engaged in the following businesses: oil/liquefied chemicals terminal and related logistics services (Oil Segment); container terminal and related logistics services (Container Segment); automobile terminal and related logistics services and trading services (Automobile Terminal Segment); bulk and general cargo terminal and related logistics services and trading services (General Cargo Segment); bulk grain terminal and related logistics and trading services (Bulk Grain Segment); passenger and roll-on, roll-off terminal and related logistics services (Passenger and Ro-Ro Segment) and port value-added services and ancillary port operations (Value-added Services Segment).

### **Liaoning Port Group**

Liaoning Port Group is a limited liability company established in the PRC which is owned as to 50.1% by the Liaoning SASAC and 49.9% by China Merchants Liaoning as at the date of this announcement. The principal activities of Liaoning Port Group are investment holding on port related activities.

### **China Merchants Liaoning**

China Merchants Liaoning is a limited liability company established in the PRC which is indirectly wholly-owned by Broadford and ultimately wholly-owned by CMG as at the date of this announcement. China Merchants Liaoning is a comprehensive platform for investments in port related activities and logistics services, and it also serves as a platform for the provision of information technology services to Liaoning Port Group.

### **Broadford**

Broadford is a limited liability company incorporated in Hong Kong in November 2017. As at the date of this announcement, Broadford is directly wholly-owned by China Merchants Holdings (HK) and ultimately wholly-owned by CMG. Broadford is one of the investment platforms of CMG in relation to the operation of CMG's port related business.

### **CMG**

CMG is an enterprise wholly-owned by the PRC Government (the State Council of the PRC) and supervised by the SASAC. It mainly provides services in three sectors, including transportation and related infrastructure, financial investment and asset management, and industry park and property development and management.

## **REASONS FOR THE EQUITY TRANSFER AND INTENTIONS OF BROADFORD REGARDING THE COMPANY**

Revitalization of Northeast China was first proposed in 2004, and in the past decade, various ministries and commissions of the PRC, including the State Council and the National Development and Reform Commission, have promulgated a series of policies to support the economic development in the Northeast part of the PRC. Such policies include “The State Council’s opinions on certain key measures in the implementation of new strategies to facilitate the stabilization of economy in the Northeast region” and “13th Five-Year Plan on revitalization of the Northeast region”, which set out the State’s strategic initiatives to revitalize the coastal economic zone of Liaoning Province through the integration of the port management in Liaoning Province.

In order to give effect to such State policies and strategic initiatives, the Liaoning Provincial Government and CMG executed an overall cooperation framework agreement on 10 June 2017 in relation to, among others, port integration and the enhancement of the strategic cooperation in different aspects including finance, logistics services and industry park development. The Capital Increase and the Equity Transfer form part of the cooperation and are Liaoning Government and CMG’s responses to the PRC Government’s series of strategic initiatives for the revitalization of China’s Northeast region.

Broadford intends that the Group will continue its existing principal activities and will maintain the listing status of the Company on the Main Board of the Stock Exchange after closing of the Possible H Share Offer. Broadford has no intention to re-deploy the employees or the fixed assets of the Group other than in its ordinary course of business by reason only of the Possible H Share Offer.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

Broadford intends to maintain the listing of H Shares on the Main Board of the Stock Exchange after the close of the Possible H Share Offer. The Company and Broadford will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the H Shares.

**If, at the close of the Possible H Share Offer, less than minimum prescribed percentage applicable to the Company, being 25% of the total issued share capital, is held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading in the H Shares; or (ii) there are insufficient H Shares in public hands to maintain an orderly market, it may consider exercising its discretion to suspend dealings in the H Shares until a level of sufficient public float is attained.**

## COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, Broadford is required to despatch an offer document in relation to the Possible H Share Offer. A composite document containing, among others, the terms and conditions of the Possible H Share Offer (including the expected timetable), the recommendation from the Independent Board Committee and advice from the independent financial adviser to be appointed by the Independent Board Committee in respect of the Possible H Share Offer, and a form of acceptance in respect of the Possible H Share Offer, are required to be posted within the 21-day period mentioned above or on such later date as the Executive may approve. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the Possible H Share Offer is subject to prior fulfilment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. An application has been made by Broadford and the Company for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of such composite document to the seventh day after Completion and the consent has been granted to extend the deadline for the despatch of the composite document to a date falling within seven days of Completion or 7 October 2019, whichever is earlier.

## INDEPENDENT BOARD COMMITTEE OF THE COMPANY

An Independent Board Committee, comprising all the non-executive directors of the Company who have no direct or indirect interest in the Possible H Share Offer has been appointed to advise the Offer Shareholders on the Possible H Share Offer. The Independent Board Committee will appoint an independent financial adviser to advise it in respect of the Possible H Share Offer. A further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

## DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, parties acting in concert with and associates (as defined under the Takeovers Code) of the Company and Broadford (including persons who own or control 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code)) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **RESUMPTION OF TRADING IN THE H SHARES**

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 June 2019, pending the publication of this announcement. Application has been made by the Company for resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 4 June 2019.

**Warning: the Possible H Share Offer is a possibility only.**

**Shareholders and potential investors should be aware of and take note that the Possible H Share Offer will only be made if the Completion takes place. Completion is conditional upon satisfaction (or waiver, if applicable) of the Conditions which may or may not materialize. If any of the Conditions is not satisfied (or waived, if applicable) by the Long Stop Date, the Equity Transfer shall not proceed and the Possible H Share Offer shall not be made. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the H Shares.**

## **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
“Bosera”	Bosera Asset Management Co., Ltd. (博時基金管理有限公司), a limited liability company established in the PRC and a person presumed to be acting in concert with Broadford under class (1) of the definition of “acting in concert” under the Takeovers Code
“Broadford”	Broadford Global Limited, a company incorporated in Hong Kong with limited liability and is directly wholly-owned by China Merchants Holdings (HK) and ultimately wholly-owned by CMG
“Business Registration Condition”	the completion of the change of business registration with the State Administration for Market Regulation of the PRC in respect of the Equity Transfer
“Capital Increase”	the conditional contribution of an amount of RMB99,600,798.40 in the registered capital of Liaoning Port Group by China Merchants Liaoning as contemplated under the Capital Increase Agreement

“Capital Increase Agreement”	the capital increase agreement dated 3 November 2018 (as amended and supplemented from time to time) entered into among Liaoning Port Group, China Merchants Liaoning, Liaoning SASAC, Dalian SASAC and Yingkou SASAC relating to the Capital Increase
“China Merchants Fund”	China Merchants Fund Management Co., Ltd. (招商基金管理有限公司), a limited liability company established in the PRC and a person presumed to be acting in concert with Broadford under class (1) of the definition of “acting in concert” under the Takeovers Code
“China Merchants Holdings (HK)”	China Merchants Holdings (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability and is ultimately wholly-owned by CMG
“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 indirectly wholly-owned by Broadford and ultimately wholly-owned by 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 established in the PRC whose A shares and B shares are listed on the Shenzhen Stock Exchange (stock code: 1872) and an indirectly owned subsidiary of CMG
“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 consolidated subsidiary of China Merchants Port Group and is therefore an indirectly owned subsidiary of CMG
“China Merchants Wealth”	China Merchants Wealth Asset Management Co., Ltd (招商財富資產管理有限公司), a limited liability company established in the PRC and a person presumed to be acting in concert with Broadford under class (1) of the definition of “acting in concert” under the Takeovers Code
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to Broadford in relation to the Possible H Share Offer. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 6 (advising on corporate finance) regulated activities

“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 under the direct control of the SASAC
“CMS”	China Merchants Securities Co., Ltd. (招商證券股份有限公司), a limited liability company established in the PRC and a person presumed to be acting in concert with Broadford under class (1) of the definition of “acting in concert” under the Takeovers Code
“Company”	Dalian Port (PDA) Company Limited (大連港股份有限公司), 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
“Completion”	completion of the Equity Transfer in accordance with the terms and conditions of the Equity Transfer Agreement and upon satisfaction (or waiver, if applicable) of the Conditions
“Completion Conditions”	the conditions (i) to (vi) listed under the section headed “Completion Conditions” in this announcement
“Conditions”	the ETA Conditions, the Completion Conditions and the Business Registration Condition
“Connected Fund Managers”	Bosera, China Merchants Fund, China Merchants Wealth and CMS
“Dalian SASAC”	State-owned Assets Supervision and Administration Commission of the People’s Government of Dalian
“Dalian SASAC Equity Transfer”	the transfer of 36.34% of the equity interest in Liaoning Port Group by Liaoning SASAC to Dalian SASAC for nil consideration
“Dalian SASAC and Yingkou SASAC Equity Transfer”	collectively, Dalian SASAC Equity Transfer and Yingkou SASAC Equity Transfer
“Entrustment Arrangement”	the entrustment of China Merchants Port Group by China Merchants Liaoning to exercise certain shareholder rights over China Merchants Liaoning’s 49.9% interest in Liaoning Port Group, pursuant to an entrustment agreement entered into between China Merchants Liaoning and China Merchants Port Group dated 13 December 2018
“Equity Transfer”	the transfer of 1.1% equity interest in Liaoning Port Group from Liaoning SASAC to China Merchants Liaoning for nil consideration as contemplated under the Equity Transfer Agreement

“Equity Transfer Agreement”	the equity transfer agreement dated 31 May 2019 entered into between Liaoning SASAC and China Merchants Liaoning relating to the Equity Transfer
“ETA Conditions”	the conditions precedent to the Equity Transfer Agreement becoming effective
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Fairy Island Pier”	Yingkou Port Fairy Island Pier Co., Ltd. (營口港仙人島碼頭有限公司), a limited liability company established in the PRC
“Fairy Island Pier ETA”	the equity transfer agreement relating to Fairy Island Pier executed by YKP and Bank of Communications International Trust Co., Ltd. dated 1 September 2015
“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
“H Share Offer Price”	the offer price of each H Share
“H Shareholder(s)”	holder(s) of the H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the board of directors of the Company established for the purpose of advising the Offer Shareholders in respect of the Possible H Share Offer
“Last Trading Day”	31 May 2019, being the last trading day immediately prior to the suspension of trading in the H Shares pending the publication of this announcement
“Liaoning Gangwan”	Liaoning Gangwan Financial Holding Group Co., Ltd. (遼寧港灣金融控股集團有限公司), a limited liability company established in the PRC and is directly owned by YKP as to approximately 99.76%, which is in turn owned by Liaoning Port Group as to approximately 45.93%
“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. (遼寧省東北港航發展有限公司), a limited liability company established in the PRC



“Liaoning SASAC”	State-owned Assets Supervision and Administration Commission of Liaoning Provincial Government
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2019, or such other date as agreed between China Merchants Liaoning and Liaoning SASAC (such date being no later than 31 December 2019)
“Offer Shareholder(s)”	H Shareholder(s) (other than Broadford and/or parties acting in concert with it (but including Team Able))
“Overseas Shareholder(s)”	H Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Possible H Share Offer”	the possible mandatory unconditional cash offer to be made by CICC, on behalf of Broadford, to acquire all the H Shares not already owned and/or agreed to be acquired by Broadford and/or parties acting in concert with it (but including the H Shares held by China Merchants Port Holdings) subject to the conditions set out in this announcement and in accordance with the Takeovers Code
“PDA”	Dalian Port Corporation Limited (大連港集團有限公司), the controlling shareholder of the Company and a limited liability company established in the PRC and directly wholly-owned by Liaoning Port Group
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau 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
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of RMB1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs

“Team Able”	Team Able International Limited, a company incorporated in Hong Kong with limited liability, a wholly owned subsidiary of China Merchants Port Holdings
“Yingkou SASAC”	State-owned Assets Supervision and Administration Commission of the People’s Government of Yingkou
“Yingkou SASAC Equity Transfer”	the transfer of 2.66% of the equity interest in Liaoning Port Group by Liaoning SASAC to Yingkou SASAC for nil consideration
“YKP”	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
“YKP Capital Increase”	the contribution of an amount of RMB11,000,000,000 in the share capital of YKP by Liaoning Port Group and 17 commercial banks as contemplated under the capital increase agreement entered into by YKP with Liaoning Port Group and 17 commercial banks on 28 November 2018
“YKP Equity Transfer”	the transfer of 22.965% equity interest in YKP from Liaoning Port Group to PDA for a consideration of RMB11,000,000,000 (fully settled) as contemplated under the YKP ETA
“YKP ETA”	the equity transfer agreement dated 14 December 2018 and the supplemental equity transfer agreement dated 14 May 2019 entered into between Liaoning Port Group and PDA relating to the YKP Equity Transfer
“%”	per cent.

By order of the director of  
**Broadford Global Limited**  
**DENG Weidong**  
*Director*

By order of the board of directors of  
**Dalian Port (PDA) Company Limited**  
**WANG, Huiying, LEE, Kin Yu Arthur**  
*Joint Company Secretaries*

Hong Kong, 4 June 2019

*As at the date of this announcement, the sole director of Broadford is DENG Weidong.*

*The director of Broadford accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and parties acting in concert with it) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than that expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the directors of the Company are:*

*Executive Director: WEI Minghui*

*Non-executive Director: XU Song*

*Independent Non-Executive Directors: WANG Zhifeng, SUN Xiyun and LAW Man Tat*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Broadford and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the sole director of Broadford) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*\* The English transliteration of the Chinese names of the PRC entities in this announcement, where indicated, is included for identification purpose only and is not the official English names for such PRC entities.*