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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)

FURTHER ANNOUNCEMENT

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF 60% EQUITY INTEREST IN KING PORT AUTO

Reference is made to the announcement of Dalian Port (PDA) Company Limited* (the “**Company**”) dated 28 June 2018 (the “**Announcement**”) in relation to the proposed disposal of 60% equity interest in Dalian United King Port Auto Trade Co., Ltd.* (“**King Port Auto**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

COMPLIANCE WITH THE HONG KONG LISTING RULES

As disclosed in the Announcement, the consideration of RMB937,200 as contained in the Equity Transfer Agreement is determined after an arm's length negotiation between the parties with reference to the valuation report issued by Liaoning Pan-China Assets Valuation Co., Ltd., an independent valuer, on 8 June 2018. The implied value of the equity transfer is comparable to the estimated value provided by the valuer. The valuation demonstrates that the consideration for the equity transfer is fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

Since the income approach was adopted by Liaoning Pan-China Assets Valuation Co., Ltd. for preparing the valuation report mentioned above in respect of the valuation of the equity interest in King Port Auto, such valuation constitutes a profit forecast under Rule 14.61 of the Hong Kong Listing Rules (the “**Profit Forecast**”). Accordingly, the Company discloses the following valuation details in compliance with Rule 14.62 of the Hong Kong Listing Rules.

PROFIT FORECAST IN RELATION TO THE VALUATION METHOD

In compliance with Rules 14.60A and 14.62 of the Listing Rules, the principal assumptions upon which the Profit Forecast are based are set out as follows:

(I) GENERAL ASSUMPTIONS

1. Transaction Assumption: It is assumed that all assets to be valued are in the process of transaction, and the valuer will make estimations in a simulated market according to the transaction conditions of assets to be valued.
2. Open Market Assumption: It is assumed that with respect to the asset traded or to be traded in the market, the transaction parties are equal in position and have opportunity and time to access sufficient market information and their transactions are on a voluntary, rational and non-mandatory, or unrestricted basis.
3. Continuing Operations of Assets Assumption: It is assumed that the assets to be valued can be used continuously based on the intended purpose, method of operation, scale, frequency and environmental conditions, etc. No consideration is given to the conversion of the use of the assets or the use of the assets under the best condition. The valuation results are subject to a restricted scope of applicability.
4. It is assumed that King Port Auto will continue to operate and there are no material changes in existing laws, regulations, regimes and social, political and economic policies within the countries and regions that King Port Auto shall be subject to during the continuous operation.
5. It is assumed that the financial and accounting information and other relevant information for the valuation provided by the Company and King Port Auto are true, correct, objective, complete, valid, in compliance with the laws and without any false or misleading statement or material omission while making full disclosure of material matters.
6. It is assumed that the exchange rate, interest rate and price level involved in the valuation and estimation fluctuate within a normal range, without taking into account of the effect of inflation.
7. It is assumed that there is no force majeure subsequent to the benchmark valuation date that would cause material effects on the production and operation of King Port Auto.

(II) SPECIFIC ASSUMPTIONS

1. It is assumed that the accounting policies adopted by King Port Auto subsequent to the benchmark valuation date are consistent with the accounting policies applied in the preparation of the valuation report (including those will be adopted as announced).
2. It is assumed that the fundamental business plan for the valuation provided by King Port Auto can be achieved as scheduled.
3. The forecast for the business conditions of King Port Auto is solely based on the existing way and level of management, without taking into account of the effects arising from the enhanced operation and management efficiencies and the expansion of scope of business as a result of significant events such as material changes in business model and business strategies and further investments.
4. It is assumed that the management and the core team of King Port Auto remain stable and implement management on King Port Auto with their competency for the development of the company.

Ernst & Young Hua Ming LLP, the reporting auditor of the Company, has reviewed the arithmetic accuracy of calculations of relevant forecasts in the valuation, which does not involve the adoption of accounting policies. The Board confirms that the Profit Forecast on equity interest of King Port Auto contained in the valuation report has been made after due and careful enquiry. The letters issued by Ernst & Young Hua Ming LLP and the Board are set forth in Appendix I and Appendix II respectively to this announcement.

The qualification of each of the experts who have given opinions contained in this announcement is set out below:

Name	Qualification	Date of Opinion Given
Ernst & Young Hua Ming LLP	Certified Public Accountants	12 July 2018
Liaoning Pan-China Assets Valuation Co., Ltd.	Qualified PRC valuer	8 June 2018

As at the date of this announcement, as far as the Directors are aware, none of the experts had any beneficial interests in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for any shares, convertible securities, warrants, options or derivative securities which carry voting rights in any member of the Group.

Each of the experts has given and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its letter and/or references to its name.

By Order of the Board
Dalian Port (PDA) Company Limited*
WANG Jilu LEE, Kin Yu Arthur
Joint Company Secretaries

Dalian City, Liaoning Province, the PRC
12 July 2018

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

Executive Directors: ZHANG Yiming and WEI Minghui

Non-executive Directors: BAI Jingtao, XU Song, ZHENG Shaoping and YIN Shihui

Independent non-executive Directors: LAW Man Tat, WANG Zhifeng and SUN Xiyun

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

* *for identification purposes only*

APPENDIX I – LETTER FROM ERNST & YOUNG HUA MING LLP

The following is the text of letter dated 12 July 2018 prepared by Ernst & Young Hua Ming LLP, Certified Public Accountants, for inclusion in this announcement.

The Board of Directors
Dalian Port (PDA) Company Limited (大連港股份有限公司)
Xingang Commercial Building,
Dayao Bay, Dalian Free Trade Zone,
116600, the PRC

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated 8 June 2018 prepared by Liaoning Pan-China Assets Valuation Co., Ltd. in respect of equity of the Dalian United King Port Auto Trade Co., Ltd. (the “**Target**”), the subsidiary of Dalian Port (PDA) Company Limited (the “**Company**”), as at 31 December 2017 is based. The valuation is set out in the announcement of the Company dated 28 June 2018 (the “**Announcement**”) in connection with the disposal of the Company’s 60% equity interest in the Target to Dalian Port Group Company Limited, the controlling shareholder of the Company. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibilities

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Basis of Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Ernst & Young Hua Ming LLP
Beijing, China

12 July 2018

APPENDIX II: LETTER FROM THE BOARD

The following is the text of the letter dated 12 July 2018 prepared by the Board for inclusion in this announcement.

To: Listing Division of The Stock Exchange of Hong Kong Limited,
11th Floor, One International Finance Centre,
1 Harbour View Street,
Central, Hong Kong

Dear Sir/Madam,

**RE: PROFIT FORECAST – CONFIRMATION LETTER UNDER THE
REQUIREMENTS OF RULE 14.62(3) OF THE RULES GOVERNING THE
LISTING OF SECURITIES ON THE STOCK EXCHANGE OF
HONG KONG LIMITED (THE “LISTING RULES”)**

Reference is made to the announcement of Dalian Port (PDA) Company Limited* (the “**Company**”) dated 28 June 2018 in relation to the valuation report of Dalian United King Port Auto Trade Co., Ltd. (“**King Port Auto**”) dated 8 June 2018 (the “**Valuation Report**”) prepared by Liaoning Pan-China Assets Valuation Company Limited* (the “**Valuer**”). The Valuer adopted the income approach in valuation of the equity of King Port Auto.

The board of directors of the Company has reviewed the bases and assumptions of the valuation and discussed the same with the Valuer and Ernst & Young Hua Ming LLP, the reporting auditor of the Company (the “**Reporting Auditor**”). The board of directors of the Company has also considered the confirmation letter issued by the Reporting Auditor on 12 July 2018 in relation to the calculations of the profit forecast in the Valuation Report.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the board of directors of the Company confirmed that the profit forecast used in the aforesaid Valuation Report has been made after due and careful enquiry.

Yours faithfully,
WANG Zhifeng
On behalf of the Board of Directors
Dalian Port (PDA) Company Limited
Director

12 July 2018