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天津港發展控股有限公司

Tianjin Port Development Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03382)

DISCLOSEABLE AND CONNECTED TRANSACTION

EXCAVATION AGREEMENT

On 19 August 2013, Tianjin Port Yuanhang International, a non wholly-owned subsidiary of the Group, entered into the Excavation Agreement with Tianjin Port Engineering relating to the basin excavation works for the Iron Ore Terminal Project at the consideration of approximately RMB70.99 million.

LISTING RULES IMPLICATIONS

Tianjin Port Engineering is a non wholly-owned subsidiary of Tianjin Port Group (which is a controlling Shareholder) and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the transactions contemplated under the Excavation Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

On 9 January 2013, Tianjin Port Yuanhang International entered into the Existing Agreements with several subsidiaries of Tianjin Port Group (which are Tianjin Port Group's associates and are connected persons of the Company as defined under the Listing Rules) relating to the Iron Ore Terminal Project, details of which are set out in the January Announcement. As provided in the January Announcement, the transactions contemplated under the Existing Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. At the time that the Existing Agreements were entered into by the parties thereto, the applicable percentage ratios (as defined under the Listing Rules) were more than 0.1% but less than 5%, the Existing Agreements and the transactions contemplated thereunder were only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the Existing Agreements and the Excavation Agreement of the Iron Ore Terminal Project have been aggregated. As one or more of the applicable percentage ratios (as defined under the Listing Rules) are, on an aggregate basis, more than 5% but less than 25%, the Excavation Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Based on the aggregation of the transactions contemplated under the Existing Agreements and the Excavation Agreement under Rule 14.22 of the Listing Rules, one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but less than 25%, the transactions contemplated under the Excavation Agreement also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders as to the Excavation Agreement and the transactions contemplated thereunder. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Excavation Agreement and the transactions contemplated thereunder. As Tianjin Port Group is a controlling Shareholder materially interested in the transactions contemplated under the Excavation Agreement, Tianjin Port Group and its associates will abstain from voting in respect of such resolution.

GENERAL

A circular containing, among other things,

- (a) details of the terms of the Excavation Agreement and the transactions contemplated thereunder;
- (b) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Excavation Agreement and the transactions contemplated thereunder;
- (c) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Excavation Agreement and the transactions contemplated thereunder; and
- (d) a notice of the EGM;

will be despatched to the Shareholders on or before 9 September 2013.

PRINCIPAL TERMS OF THE EXCAVATION AGREEMENT

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| Date | : | 19 August 2013 |
| Parties | : | (1) Tianjin Port Yuanhang International (2) Tianjin Port Engineering |
| Scope | : | To be responsible for the basin excavation works for the Iron Ore Terminal Project. |

- Consideration : The consideration is approximately RMB70.99 million and shall be paid by instalments in accordance with the progress of the basin excavation works for the Iron Ore Terminal Project. Such consideration was arrived at through a tender process held by Tianjin Port Yuanhang International in accordance with the relevant PRC laws and regulations. It is expected that the consideration would be funded by internal resources and borrowings of the Group.
- Conditions precedent : The Excavation Agreement is subject to approval from the Independent Shareholders at the EGM.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EXCAVATION AGREEMENT

Tianjin Port Engineering is one of the largest service providers of project construction in the port of Tianjin and is experienced in the terminal and building construction projects in the port of Tianjin. The Board considers that by entering into the Excavation Agreement, Tianjin Port Yuanhang International will be able to benefit from the expertise and resources of Tianjin Port Engineering in the basin excavation works and reduce the cost of the Iron Ore Terminal Project as a whole.

INFORMATION ON THE PARTIES

The Group is principally engaged in containerised and non-containerised cargo handling services, sales and other port ancillary services at the port of Tianjin in the PRC, primarily through its subsidiaries and associated companies.

Tianjin Port Group is the controlling Shareholder. Its principal business includes port handling and stevedoring services, warehousing, logistics, and port area land development at the port of Tianjin in the PRC primarily through its group companies.

Tianjin Port Yuanhang International is principally engaged in non-containerised cargo handling and other port ancillary services.

Tianjin Port Engineering is principally engaged in civil engineering, port and coastal projects and waterway projects.

LISTING RULES IMPLICATIONS

Tianjin Port Engineering is a non wholly-owned subsidiary of Tianjin Port Group (which is a controlling Shareholder) and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the transactions contemplated under the Excavation Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

On 9 January 2013, Tianjin Port Yuanhang International entered into the Existing Agreements with several subsidiaries of Tianjin Port Group (which are Tianjin Port Group's associates and are connected persons of the Company as defined under the Listing Rules) relating to the Iron Ore Terminal Project, details of which are set out in the January Announcement. As provided in the January Announcement, the transactions contemplated under the Existing Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. At the time that the Existing Agreements were entered into by the parties thereto, the applicable percentage ratios (as defined under the Listing Rules) were more than 0.1% but less than 5%, the Existing Agreements and the transactions contemplated thereunder were only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the Existing Agreements and the Excavation Agreement of the Iron Ore Terminal Project have been aggregated. As one or more of the applicable percentage ratios (as defined under the Listing Rules) are, on an aggregate basis, more than 5% but less than 25%, the Excavation Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Based on the aggregation of the transactions contemplated under the Existing Agreements and the Excavation Agreement under Rule 14.22 of the Listing Rules, one or more of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but less than 25%, the transactions contemplated under the Excavation Agreement also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders as to the Excavation Agreement and the transactions contemplated thereunder. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Excavation Agreement and the transactions contemplated thereunder. As Tianjin Port Group is a controlling Shareholder materially interested in the transactions contemplated under the Excavation Agreement, Tianjin Port Group and its associates will abstain from voting in respect of such resolution.

The Directors (excluding members of the Independent Board Committee who will express their opinion after considering the recommendation of the independent financial adviser) are of the view that the terms of the Excavation Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

None of the Directors have material interests in the transactions contemplated under the Excavation Agreement. However, in view of good corporate governance practices, as Mr. Yu Rumin and Mr. Tian Changsong are both directors of the Company and Tianjin Port Group, and Mr. Li Quanyong is a director of the Company and the chief economist of Tianjin Port Group, they had all abstained from voting in the relevant Board resolutions approving the Excavation Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things,

- (a) details of the terms of the Excavation Agreement and the transactions contemplated thereunder;
- (b) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Excavation Agreement and the transactions contemplated thereunder;
- (c) a letter of advice from the independent financial adviser, to the Independent Board Committee and the Independent Shareholders in respect of the Excavation Agreement and the transactions contemplated thereunder; and
- (d) a notice of the EGM;

will be despatched to the Shareholders on or before 9 September 2013.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

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| “Board” | the board of Directors; |
| “Company” | Tianjin Port Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03382); |
| “Construction Agreement” | the agreement dated 9 January 2013 entered into between Tianjin Port Yuanhang International and Tianjin Port Engineering for the construction of the Iron Ore Terminal Project, details of which are set out in the January Announcement; |
| “Director(s)” | the director(s) of the Company; |
| “EGM” | the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, inter alia, the Excavation Agreement and the transactions contemplated thereunder; |

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| “Excavation Agreement” | the agreement dated 19 August 2013 entered into between Tianjin Port Yuanhang International and Tianjin Port Engineering relating to the basin excavation works for the Iron Ore Terminal Project, details of which are set out in the section headed “Principal Terms of the Excavation Agreement” of this announcement; |
| “Existing Agreements” | collectively, the Purchase and Installation Agreements, the Supervision Agreement, the Management Agreement and the Construction Agreement; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Independent Board Committee” | the independent board committee comprising all of the independent non-executive Directors; |
| “Independent Shareholders” | Shareholders, other than Tianjin Port Group and its associates (as defined under the Listing Rules); |
| “Iron Ore Terminal Project” | the construction project of specialised iron ore terminals at Tianjin Port Nanjiang berth no. 26; |
| “January Announcement” | the announcement of the Company dated 10 January 2013, relating to, among other things, the entering into the Existing Agreements and the terms of the Existing Agreements and the transactions contemplated thereunder; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Management Agreement” | the agreement dated 9 January 2013 entered into between Tianjin Port Yuanhang International and 天津港建設公司 (Tianjin Port Construction Company*, a company incorporated in the PRC and a wholly-owned subsidiary of Tianjin Port Group) for the provision of management services for the Iron Ore Terminal Project, details of which are set out in the January Announcement; |
| “PRC” | the People’s Republic of China; |

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| “Purchase and Installation Agreements” | the two agreements each dated 9 January 2013 entered into between Tianjin Port Yuanhang International and 天津港灣電力工程有限公司 (Tianjin Port Electricity Project Co., Ltd.*, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Tianjin Port Group) respectively for the purchase and installation of electricity system for the Iron Ore Terminal Project, details of which are set out in the January Announcement; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Shareholders” | the shareholders of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Supervision Agreement” | the agreement dated 9 January 2013 entered into between Tianjin Port Yuanhang International and 天津港工程監理諮詢有限公司 (Tianjin Port Engineering Supervisory & Consultant Co., Ltd.*, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Tianjin Port Group) for the provision of supervisory services for the Iron Ore Terminal Project, details of which are set out in the January Announcement; |
| “Tianjin Port Engineering” | 天津港航工程有限公司 (Tianjin Port & Channel Engineering Co., Ltd.*), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of Tianjin Port Group; |
| “Tianjin Port Group” | 天津港(集團)有限公司 (Tianjin Port (Group) Co., Ltd.*), an entity reorganised as a wholly state-owned company in the PRC on 29 July 2004 and the holding company of the business owned and operated by the former government regulatory body of the port of Tianjin; and the indirect holder of approximately 53.5% of the issued share capital of the Company as at the date of this announcement; |

“Tianjin Port Yuanhang
International”

天津港遠航國際礦石碼頭有限公司 (Tianjin Port Yuanhang International Ore Terminal Co., Ltd.*), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of the Group; and

“%”

per cent.

By Order of the Board
Tianjin Port Development Holdings Limited
Yu Rumin
Chairman

Hong Kong, 19 August 2013

As at the date of this announcement, the Board consists of Mr. Yu Rumin, Mr. Tian Changsong, Mr. Li Quanyong, Mr. Wang Rui and Mr. Dai Yan as executive directors; Professor Japhet Sebastian Law, Dr. Cheng Chi Pang, Leslie and Mr. Zhang Weidong as independent non-executive directors.

* *For identification purposes only*