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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)

CONNECTED TRANSACTIONS PURCHASE OF MACHINERIES

SECOND COMPANY SALE AND PURCHASE AGREEMENT

On 23 October 2014, Second Company, a wholly-owned subsidiary of the Group, entered into the Second Company Sale and Purchase Agreement with Tianjin Jinan for the acquisition of one set of 40t-43m portal crane at the consideration of approximately RMB14.81 million.

FOURTH COMPANY SALE AND PURCHASE AGREEMENT

On 23 October 2014, Fourth Company, a wholly-owned subsidiary of the Group, entered into the Fourth Company Sale and Purchase Agreement with Tianjin Jinan for the acquisition of two sets of 12t-33m portal cranes at the consideration of approximately RMB14.99 million.

CHINA COAL SALE AND PURCHASE AGREEMENT

On 23 October 2014, Tianjin Port China Coal Huaneng, a non wholly-owned subsidiary of the Group, entered into the China Coal Sale and Purchase Agreement with Tianjin Jinan for the acquisition of two sets of 40t-45m portal cranes at the consideration of approximately RMB32.71 million.

LISTING RULES IMPLICATIONS

Tianjin Jinan is a subsidiary of Tianjin Port Group (which is a controlling shareholder of the Company) and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the transactions contemplated under each of the Sale and Purchase Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under each of the Sale and Purchase Agreements are more than 0.1% but less than 5%, the transactions contemplated under each of the Sale and Purchase Agreements are only subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

SECOND COMPANY SALE AND PURCHASE AGREEMENT

1. PRINCIPAL TERMS OF THE SECOND COMPANY SALE AND PURCHASE AGREEMENT

- Date : 23 October 2014
- Parties : (1) Purchaser: Second Company
(2) Seller: Tianjin Jinan
- Asset to be acquired : One set of 40t-43m portal crane with the provision of installation and related services.
- Consideration : The consideration is approximately RMB14.81 million and shall be paid by instalments in accordance with the progress of the delivery and installation of the 40t-43m portal crane. Such consideration was arrived at through a tender process held by Second Company 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.

2. REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND COMPANY SALE AND PURCHASE AGREEMENT

The purpose of purchasing the portal crane is to increase the cargo handling capacity of the Group and improve the overall operating efficiency and could benefit the Group in terms of long-term investment.

FOURTH COMPANY SALE AND PURCHASE AGREEMENT

1. PRINCIPAL TERMS OF THE FOURTH COMPANY SALE AND PURCHASE AGREEMENT

- Date : 23 October 2014
- Parties : (1) Purchaser: Fourth Company
(2) Seller: Tianjin Jinan
- Assets to be acquired : Two sets of 12t-33m portal cranes with the provision of installation and related services.
- Consideration : The consideration is approximately RMB14.99 million and shall be paid by instalments in accordance with the progress of the delivery and installation of the 12t-33m portal cranes. Such consideration was arrived at through a tender process held by Fourth Company in accordance with the relevant PRC laws and regulations. It is expected that the consideration would be funded by internal resources of the Group.

2. REASONS FOR AND BENEFITS OF ENTERING INTO THE FOURTH COMPANY SALE AND PURCHASE AGREEMENT

The purpose of purchasing the portal cranes is to increase the cargo handling capacity of the Group and improve the overall operating efficiency and could benefit the Group in terms of long-term investment.

CHINA COAL SALE AND PURCHASE AGREEMENT

1. PRINCIPAL TERMS OF THE CHINA COAL SALE AND PURCHASE AGREEMENT

- Date : 23 October 2014
- Parties : (1) Purchaser: Tianjin Port China Coal Huaneng
(2) Seller: Tianjin Jinan
- Assets to be acquired : Two sets of 40t-45m portal cranes with the provision of installation and related services.
- Consideration : The consideration is approximately RMB32.71 million and shall be paid by instalments in accordance with the progress of the delivery and installation of the 40t-45m portal cranes. Such consideration was arrived at through a tender process held by Tianjin Port China Coal Huaneng in accordance with the relevant PRC laws and regulations. It is expected that the consideration would be funded by internal resources of the Group.

2. REASONS FOR AND BENEFITS OF ENTERING INTO THE CHINA COAL SALE AND PURCHASE AGREEMENT

The purpose of purchasing the portal cranes is to increase the cargo handling capacity of the Group and improve the overall operating efficiency and could benefit the Group in terms of long-term investment.

LISTING RULES IMPLICATIONS

Tianjin Jinan is a subsidiary of Tianjin Port Group (which is a controlling shareholder of the Company) and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the transactions contemplated under each of the Sale and Purchase Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under each of the Sale and Purchase Agreements are more than 0.1% but less than 5%, the transactions contemplated under each of the Sale and Purchase Agreements are only subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under each of the Sale and Purchase Agreements are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors had material interest in the transactions contemplated under each of the Sale and Purchase Agreements. However, in view of good corporate governance practices, as Ms. Zhang Lili and Mr. Zheng Qingyue 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 respect of such Board resolutions.

GENERAL

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 of the Company. 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.

Second Company is principally engaged in non-containerised cargo handling and other port ancillary services.

Fourth Company is principally engaged in non-containerised cargo handling and other port ancillary services.

Tianjin Port China Coal Huaneng is principally engaged in non-containerised cargo handling and other port ancillary services.

Tianjin Jinan is principally engaged in manufacturing and installation of lifting and transport equipment and large-scale handling system equipment, large steel works, mechanical and electrical equipment installation engineering.

DEFINITIONS

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

“Board”	the board of Directors;
“China Coal Sale and Purchase Agreement”	the agreement dated 23 October 2014 entered into between Tianjin Port China Coal Huaneng and Tianjin Jinan for the sale and purchase of two sets of 40t-45m portal cranes, details of which are set out in the section headed “Principal terms of the China Coal Sale and Purchase Agreement” of this announcement;

“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);
“Director(s)”	the director(s) of the Company;
“Fourth Company”	天津港第四港埠有限公司 (Tianjin Port No. 4 Stevedoring Co., Ltd.*), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Group;
“Fourth Company Sale and Purchase Agreement”	the agreement dated 23 October 2014 entered into between Fourth Company and Tianjin Jinan for the sale and purchase of two sets of 12t-33m portal cranes, details of which are set out in the section headed “Principal terms of the Fourth Company Sale and Purchase Agreement” of this announcement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreements”	collectively, the Second Company Sale and Purchase Agreement, the Fourth Company Sale and Purchase Agreement and the China Coal Sale and Purchase Agreement;
“Second Company”	天津港第二港埠有限公司 (Tianjin Port No. 2 Stevedoring Co., Ltd.*), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Group;
“Second Company Sale and Purchase Agreement”	the agreement dated 23 October 2014 entered into between Second Company and Tianjin Jinan for the sale and purchase of one set of 40t-43m portal crane, details of which are set out in the section headed “Principal terms of the Second Company Sale and Purchase Agreement” of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Tianjin Jinan”	天津金岸重工有限公司 (Tianjin Jinan Heavy Equipment Co., Ltd.*), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of Tianjin Port Group;
“Tianjin Port China Coal Huaneng”	天津港中煤華能煤碼頭有限公司 (Tianjin Port China Coal Hua'neng Coal Terminal Co., Ltd.*), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of the 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 53.5% of the issued share capital of the Company as at the date of this announcement; and
“%”	per cent.

By Order of the Board
Tianjin Port Development Holdings Limited
Zhang Lili
Chairman

Hong Kong, 23 October 2014

As at the date of this announcement, the Board consists of Ms. Zhang Lili, Mr. Zheng Qingyue, Mr. Li Quanyong, Mr. Wang Rui and Ms. Shi Jing 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*