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CONNECTED TRANSACTION

SYSTEM DEVELOPMENT AGREEMENT

On 30 March 2020, Tianjin Port Co, a subsidiary of the Group, entered into the System Development Agreement with Tianjin Port Information Technology for the development of the System at the consideration of approximately RMB7.18 million.

LISTING RULES IMPLICATIONS

Tianjin Port Information Technology 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 Transaction constitutes a connected transaction 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 Transaction are more than 0.1% but less than 5%, the Transaction is only subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

PRINCIPAL TERMS OF THE SYSTEM DEVELOPMENT AGREEMENT

- Date : 30 March 2020
- Parties : (1) Tianjin Port Co
(2) Tianjin Port Information Technology
- Scope : Tianjin Port Information Technology is responsible for the development of the intelligent monitoring and control system on ecology and atmospheric environment in accordance with the specifications required by Tianjin Port Co.

Consideration : The consideration is approximately RMB7.18 million, and is payable by instalments in accordance with the progress of the development of the System. Such consideration was arrived at through a tender process in accordance with the relevant PRC laws and regulations. It is expected that the consideration would be funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SYSTEM DEVELOPMENT AGREEMENT

By entering into the System Development Agreement, the Group will be able to monitor effectively the air quality at the port of Tianjin in real time, raise the standard of air quality at the port of Tianjin and further enhance the management of environmental protection.

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The Directors (including the independent non-executive Directors) are of the view that the Transaction is in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and the Transaction is in the interests of the Company and the shareholders of the Company as a whole.

None of the Directors had material interest in the Transaction. In view of good corporate governance practices, Chu Bin, Luo Xunjie and Wang Junzhong, the Directors, abstain from voting in respect of Board resolutions in relation to transactions with Tianjin Port Group and/or its associates (as defined in the Listing Rules).

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 through its group companies.

Tianjin Port Co 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 Information Technology is principally engaged in information technology infrastructure construction, communication and information system engineering, operation and maintenance, telecoms business, software application and development, system integration, network operation and internet service, electronic data interchange technology service.

DEFINITIONS

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

“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);
“Director(s)”	the director(s) of the Company;
“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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“System”	the intelligent monitoring and control system on ecology and atmospheric environment to be developed by Tianjin Port Information Technology pursuant to the System Development Agreement;
“System Development Agreement”	the agreement dated 30 March 2020 entered into between Tianjin Port Co and Tianjin Port Information Technology for the development of the System, details of which are set out in the section headed “Principal terms of the System Development Agreement” of this announcement;
“Tianjin Port Co”	天津港股份有限公司 (Tianjin Port Holdings Co., Ltd.*), a limited company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange (Stock code: 600717). As at the date of this announcement, approximately 56.81% of its equity interest is indirectly held by the Company;

“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 holding 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;
“Tianjin Port Information Technology”	天津港信息技術發展有限公司 (Tianjin Port Information Technology Development Co., Ltd.*), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Tianjin Port Group;
“Transaction”	the transaction contemplated under the System Development Agreement; and
“%”	per cent.

By Order of the Board
Tianjin Port Development Holdings Limited
Chu Bin
Chairman

Hong Kong, 30 March 2020

As at the date of this announcement, the Board comprises Mr. Chu Bin, Mr. Luo Xunjie, Mr. Sun Bin, Mr. Wang Junzhong and Ms. Shi Jing as executive Directors; Professor Japhet Sebastian Law, Mr. Cheng Chi Pang, Leslie and Mr. Zhang Weidong as independent non-executive Directors.

** For identification purposes only*