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Tat Hong Equipment Service Co., Ltd.

達豐設備服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2153)

**DISCLOSEABLE TRANSACTION IN RELATION TO
PURCHASES OF MACHINES**

PURCHASES OF MACHINES

On 13 April 2022, Jiangsu Hengxingmao, an indirect wholly-owned subsidiary of the Company, entered into the Purchase Agreements with Zoomlion for the purchase of the Machines at a price of approximately RMB52.2 million (equivalent to approximately HK\$64.2 million).

LISTING RULES IMPLICATIONS

Taking into account the Group's series of purchases of Machines of a similar nature as the present purchases that had been completed within a 12-month period before the date of the Purchase Agreements with Zoomlion, as the highest applicable percentage ratio (as defined in the Listing Rules) of the present purchases with Zoomlion, in aggregate with previous purchases as required under Rule 14.22 of the Listing Rules, exceeds 5% but is less than 25%, the said purchases constitute a discloseable transaction of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE PURCHASE

On 13 April 2022, Jiangsu Hengxingmao, an indirect wholly-owned subsidiary of the Company, entered into the Purchase Agreements with Zoomlion for the purchase of Machines, the salient terms of which are set out below:

Date: 13 April 2022

Parties: (i) Jiangsu Hengxingmao; and

(ii) Zoomlion, a joint stock company established in the PRC with limited liability, with its A shares listed domestically (Shenzhen Stock Exchange: 000157) and H shares listed in Hong Kong (Stock Exchange: 1157). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zoomlion is principally engaged in the research, development, manufacturing and sale of construction machinery and agricultural machinery.

Zoomlion's indirect subsidiary, namely Zoomlion International Trading (H.K.) Co., Limited, was a cornerstone investor of the Company in the Global Offering and holds approximately 7.5% of the total issued shares of the Company as at the date of this announcement.

Save for the aforesaid, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zoomlion is an Independent Third Party.

Assets purchased: The Machines, being 77 tower cranes and the relevant ancillary parts and components.

Contract price: RMB52,203,980 (equivalent to approximately HK\$64.2 million) and will be paid on a per Machine order basis generally in the following manner:

- (i) 10% of the purchase price for the relevant Machines order to be paid as prepayment upon giving order to Zoomlion to prepare the Machines for the Group's collection; and
- (ii) balance of the purchase price to be paid by various instalments starting from the month after the collection of the Machines, which is generally fully settled in or about a year.

Payment of the contract price will be funded by a combination of the proceeds raised from the Global Offering, the internal resources of the Group and/or bank borrowings of the Group. The terms (including the price) of the Purchase Agreements were determined after arm's length negotiations between the parties after taking into account (i) the reputation of Zoomlion; (ii) the quality of the Machines to be purchased; and (iii) the price of machines of a similar nature in the market, and in accordance with the standard purchase procedures of the Group including seeking, obtaining and considering quotations from other suppliers.

Collection of Machines: The Machines will be ordered and collected by the Group in batches. It is expected that all such Machines will have been collected by the Group by December 2022.

REASONS FOR AND BENEFITS OF THE PURCHASE

The Group is principally engaged in one-stop tower crane solution services from consultation, technical solution design, commissioning, construction to after-sale service primarily to the state-owned Special-tier and Tier 1 contractors in the PRC. The Machines to be purchased under the Purchase Agreements are purchased for the Group's ordinary and usual course of conducting its tower crane solution services business. As the Group expands its business, the purchase of tower cranes and relevant ancillary parts and components is necessary.

Before entering into the Purchase Agreements, the Group has sought and obtained quotations from other suppliers apart from Zoomlion. After considering, among others, the terms of sale of different suppliers, the Directors are of the view that the purchase from Zoomlion was made after arm's length negotiation and on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Group has previously purchased other Machines from Zoomlion. The total price of such previous purchases which have completed within a 12-month period before the Purchase Agreements amounted to approximately RMB210.0 million (equivalent to approximately HK\$258.1 million) in aggregate, comprising (i) part of the purchases which were disclosed in the Company's announcement dated 27 August 2021 in relation to purchases of machines from various suppliers and (ii) subsequently completed new purchases. As such previous purchases involve purchase of Machines from the same supplier and are of a similar nature as the present purchase from Zoomlion, they shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the said previous and present purchases, on an aggregated basis, exceed 5% but all of the applicable percentage ratios are less than 25%, the transactions in connection therewith in aggregate constitute a discloseable transaction of the Company which would be subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Tat Hong Equipment Service Co., Ltd., a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Global Offering”	the Hong Kong public offering and the international offering of the Company’s shares as detailed in the prospectus of the Company dated 30 December 2020
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and its connected person(s) (having the meaning ascribed to it under the Listing Rules)
“Jiangsu Hengxingmao”	Jiangsu Hengxingmao Financial Leasing Co., Ltd.* (江蘇恒興茂融資租賃有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and the Group’s centralised internal leasing entity to manage the purchase of most of its machinery, ancillary parts and components
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Machines”	tower cranes and the relevant ancillary parts and components that are or will be used by the Group for its ordinary and usual course of business

“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
“Purchase Agreements”	the purchase agreements entered into between Jiangsu Hengxingmao and Zoomlion on 13 April 2022 for the purchase of Machines from Zoomlion
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zoomlion”	Zoomlion Heavy Industry Science and Technology Co., Ltd.* (中聯重科股份有限公司), a joint stock company established in the PRC with limited liability, with its A shares listed domestically (Shenzhen Stock Exchange: 000157) and H shares listed in Hong Kong (Stock Exchange: 1157)

By order of the Board
Tat Hong Equipment Service Co., Ltd.
Ng San Tiong
Chairman and Non-executive Director

Hong Kong, 13 April 2022

As at the date of this announcement, the Board comprises Mr. Yau Kok San and Mr. Lin Han-wei as Executive Directors; Mr. Ng San Tiong, Mr. Sun Zhaolin, Mr. Liu Xin and Mr. Guo Jinjun as Non-executive Directors; and Ms. Pan I-Shan, Mr. Wan Kum Tho and Dr. Huang Chao-Jen as Independent non-executive Directors.

* *For identification purposes only*