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*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 03382)**

## **CONNECTED TRANSACTION ENGINEERING PROCUREMENT CONSTRUCTION (EPC) CONTRACT**

### **EPC CONTRACT**

On 27 October 2022, Tianjin Port Yuanhang, a non-wholly owned subsidiary of the Group entered into the EPC Contract with the Contractors in respect of the Machine Repair Workshop Renovation Project, pursuant to which the Contractors agreed to provide EPC services to Tianjin Port Yuanhang at the aggregate consideration of approximately RMB3,435,000 (tax inclusive).

### **LISTING RULES IMPLICATIONS**

Tianjin Jingang Construction 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 Tianjin Jingang Construction is a party to the EPC Contract as one of the Contractors, the Transaction accordingly constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of 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 independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **PRINCIPAL TERMS OF THE EPC CONTRACT**

- Date : 27 October 2022
- Parties : (a) Tianjin Port Yuanhang
- (b) a consortium comprising the Contractors (as contractors) as follows:
- (i) Tianjin Jingang Construction (as consortium leader);  
and
- (ii) Shandong Changlong Sanhui Construction (as consortium member);

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shandong Changlong Sanhui Construction and its respective ultimate beneficial owner(s) are independent third parties.

- Construction period : The construction should commence within 10 days from the signing date of the EPC Contract; and the construction completion date is 31 December 2022.
- Scope of EPC construction services : Tianjin Port Yuanhang agreed to engage the Contractors to provide EPC services to Tianjin Port Yuanhang for the Machine Repair Workshop Renovation Project. The construction scope will mainly consist of laying the floor, installing new fresh air system and electric smoke exhaust window.
- Consideration and Payment Method : The Consideration payable by Tianjin Port Yuanhang to the Contractors under the EPC Contract shall be RMB3,435,000 (tax inclusive) which comprises (i) the design fee of approximately RMB330,000 (tax inclusive) and (ii) the construction fee of approximately RMB3,105,000 (tax inclusive).

The Consideration was determined by the parties after arm's length negotiation and through a tendering selection process. The Group invited public tender for the construction works under the EPC Contract, and selected the Contractors as the tender winner after conducting relevant evaluation procedures and taking consideration of various factors, including technical experience, professional qualifications, business reputation and project management abilities of all the tenderers, total expenses and other relevant factors.

The Consideration shall be settled in the following manner:

- (i) Progress payment

*Design fee*

After the signing of the EPC Contract, Tianjin Port Yuanhang shall pay 30% of the total design fee. The 70% of the total design fee shall be paid after the completion of construction drawing design documents and passing of the qualified review.

*Construction fee (All contract fee except design fee)*

Up to 90% of the total construction fee (inclusive of the advance payment) shall be paid on a monthly basis in accordance with the progress of the construction works.

Up to 95% of the construction fee (subject to project settlement audit) shall be paid after the completion and acceptance inspection of the project has been qualified and the project settlement audit has been completed. The final payment of 5% of the total settlement value shall be paid within 30 days after the completion and acceptance inspection of the project is qualified for two years.

(ii) Quality assurance fund

5% of the Consideration shall be retained by Tianjin Port Yuanhang as quality assurance fund, which shall be paid (without interests) within 30 days after the completion and acceptance inspection of the project for two years, but the completion of payment does not exempt the Contractors from the warranty responsibility within the design services life.

The Consideration is expected to be funded by internal resources of the Group.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

Each Contractor possesses the skills required for the Machine Repair Workshop Renovation Project, as well as having plentiful experience with the same type of projects. Tianjin Port Yuanhang would benefit from the professional skills and resources in design and construction of the Contractors, and further enhance the operational capacity of machine repair workshop, and reap greater benefits for the Group.

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

## **LISTING RULES IMPLICATIONS**

Tianjin Jingang Construction 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 Tianjin Jingang Construction is a party to the EPC Contract as one of the Contractors, the Transaction accordingly constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of 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 independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors had a material interest in the Transaction. In view of good corporate governance practices, Chu Bin, Luo Xunjie and Sun Bin, the Directors who are also directors and/or senior management of Tianjin Port Group, abstain from voting in the relevant Board resolutions in relation to transactions with Tianjin Port Group and/or its associates.

## **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. 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 Yuanhang is principally engaged in non-containerised cargo handling and ancillary services.

Tianjin Jingang Construction is principally engaged in provision of engineering design, project management and engineering consulting services.

Shandong Changlong Sanhui Construction is principally engaged in undertaking the general contracting of housing construction and municipal infrastructure projects.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“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);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Contractors”	Tianjin Jingang Construction and Shandong Changlong Sanhui Construction;
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules;

“Consideration”	RMB3,435,000, being the aggregate consideration payable by Tianjin Port Yuanhang to the Contractors under the EPC Contract;
“Director(s)”	the director(s) of the Company;
“EPC”	engineering, procurement and construction;
“EPC Contract”	the EPC agreement entered into between Tianjin Port Yuanhang (as principal) and the Contractors (as contractors) dated 27 October 2022 in relation to the Machine Repair Workshop Renovation Project;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	third party(ies) independent of the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Machine Repair Workshop Renovation Project”	the engineering, procurement and construction of the renovation project of the machine repair workshop in Tianjin Binhai New Area;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shandong Changlong Sanhui Construction”	山東長龍三輝建設工程有限公司 (Shandong Changlong Sanhui Construction Engineering Co., Ltd.*), a limited liability company incorporated in the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tianjin Jingang Construction”	天津津港建設有限公司 (Tianjin Jingang Construction Co., Ltd.*), a limited liability company incorporated in the PRC and a 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 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 Yuanhang”	天津港遠航散貨碼頭有限公司 (Tianjin Port Yuanhang Bulk Cargo Terminal Co., Ltd.*), a limited liability company incorporated in the PRC and a non-wholly owned subsidiary of the Group;
“Transaction”	the transaction contemplated under the EPC Contract; and
“%”	per cent.

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

Hong Kong, 27 October 2022

*As at the date of this announcement, the Board comprises Mr. Chu Bin, Mr. Luo Xunjie, Dr. Li Xiaoguang, Mr. Sun Bin and Mr. Yang Zhengliang as executive Directors; and Professor Japhet Sebastian Law, Mr. Cheng Chi Pang, Leslie and Mr. Zhang Weidong as independent non-executive Directors.*

\* *For identification purposes only*