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CONNECTED TRANSACTION PURCHASE OF MACHINERIES

SALE AND PURCHASE AGREEMENT

On 15 December 2022, Tianjin Port Yuanhang, a subsidiary of the Group, entered into the Sale and Purchase Agreement with Tianjin Jinan for the purchase of four sets of portal cranes, at the consideration of RMB65,878,600.

LISTING RULES IMPLICATIONS

Tianjin Jinan is a subsidiary of Tianjin Port Group (which is the controlling shareholder of the Company), and is therefore a connected person of the Company. Accordingly, the Transaction 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 all applicable percentage ratios are 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 SALE AND PURCHASE AGREEMENT

- Date : 15 December 2022
- Parties : (1) Purchaser: Tianjin Port Yuanhang
(2) Seller: Tianjin Jinan
- Asset to be acquired : Four sets of portal cranes, whereas the Seller shall also provide related services including but not limited to installation, testing and adjustment, as well as repair and maintenance during the warranty period. Within 300 days after the Sale and Purchase Agreement becoming effective, the Seller shall deliver such portal cranes to a designated location pursuant to the Purchaser's instruction, with all fees and insurance during transportation to be borne by the Seller.

Consideration : The aggregate consideration is RMB65,878,600, and is payable by instalments in accordance with the progress of the delivery and installation of the portal cranes in the following manner:-

- (i) upon the Sale and Purchase Agreement becoming effective, and after the Seller has submitted the relevant receipts, the Purchaser shall pay 10% of the aggregate consideration, being RMB6,587,860, to the Seller;
- (ii) after the Seller has completed the overall design and submitted the overall design drawings and related calculations confirmed by the Purchaser and relevant receipts, the Purchaser shall pay 30% of the aggregate consideration, being RMB19,763,580, to the Seller;
- (iii) after the Seller has submitted the steel structure manufacturing completion inspection certificate and the relevant receipts, the Purchaser shall pay 30% of the aggregate consideration, being RMB19,763,580, to the Seller;
- (iv) after the Seller has submitted the certificate of acceptance inspection duly signed by both parties and the relevant receipts, the Purchaser shall pay 25% of the aggregate consideration, being RMB16,469,650, to the Seller; and
- (v) upon the expiry of the warranty period (which is 12 months from the date of acceptance inspection), the Seller shall submit the relevant receipts, and the Purchaser shall pay 5% of the aggregate consideration, being RMB3,293,930, to the Seller.

Such consideration was arrived at through a tender process held by Tianjin Port Yuanhang 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 SALE AND PURCHASE AGREEMENT

The purpose of purchasing the portal cranes is to improve the overall operating efficiency and further enhance the cargo handling operational capacity of Tianjin Port Yuanhang, and reap greater benefits for the Group.

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

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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 of the Company. Its principal businesses include 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 other port ancillary services.

Tianjin Jinan is principally engaged in manufacturing and installation of lifting and transport equipment and large-scale handling system and equipment, large scale steel structural projects, mechanical and electrical equipment installation 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;

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“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;
“Sale and Purchase Agreement”	the agreement dated 15 December 2022 entered into between Tianjin Port Yuanhang and Tianjin Jinan for the sale and purchase of four sets of portal cranes, details of which are set out in the section headed “ <i>Principal terms of the Sale and Purchase Agreement</i> ” of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tianjin Jinan” or “Seller”	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 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 enterprise 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” or “Purchaser”	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 subsidiary of the Group;
“Transaction”	the transaction contemplated under the Sale and Purchase Agreement; and
“%”	per cent.

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

Hong Kong, 15 December 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*