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CONNECTED TRANSACTION PURCHASE OF MACHINERY

SALE AND PURCHASE AGREEMENT

On 28 March 2023, Fourth Company, a subsidiary of the Group, entered into the Sale and Purchase Agreement with Tianjin Jinan for the purchase of one set of portal crane, at the consideration of RMB15,980,900 (tax inclusive).

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 : 28 March 2023
- Parties : (1) Purchaser: Fourth Company
(2) Seller: Tianjin Jinan
- Asset to be acquired : One set of portal crane, whereas the Seller shall also provide related services including but not limited to the design, manufacturing, assembly, testing and adjustment, as well as quality guarantee period and after-sales service. Within 120 days after the Sale and Purchase Agreement becoming effective, the Seller shall deliver such portal crane to a location designated by the Purchaser and complete the installation as well as testing and adjustment.

Consideration : The consideration is RMB15,980,900 (tax inclusive), and is payable by instalments in accordance with the progress of the delivery and installation of the portal crane in the following manner:-

- (i) upon the Sale and Purchase Agreement becoming effective, and within 28 days after receiving and verifying the relevant documents and receipts submitted by the Seller, the Purchaser shall pay 30% of the total consideration as an advance payment to the Seller;
- (ii) upon the Seller delivered all the equipment according to the Sale and Purchase Agreement, and within 28 days after receiving and verifying the relevant documents and receipts submitted by the Seller, the Purchaser shall pay 40% of the total consideration to the Seller;
- (iii) after the testing and adjustment of the equipment is completed and the conditions for use are met, and within 28 days after receiving and verifying the relevant documents and receipts submitted by the Seller, the Purchaser shall pay 25% of the total consideration to the Seller; and
- (iv) within 28 days after receiving and verifying the certificate of expiry of the quality guarantee period (which is 12 months from the date of acceptance inspection) and the original of the relevant financial receipts submitted by the Seller, the Purchaser shall pay 5% of the total consideration to the Seller.

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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The purpose of purchasing the portal crane is to improve the overall operating efficiency and further enhance the cargo handling operational capacity of Fourth Company, 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.

Fourth Company 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;
“Fourth Company” or “Purchaser”	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 subsidiary of the Group;
“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 28 March 2023 entered into between Fourth Company and Tianjin Jinan for the sale and purchase of one set of portal crane, 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;
“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, 28 March 2023

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

** For identification purposes only*