

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**CONNECTED TRANSACTION
NON-EXERCISE OF THE RIGHT OF FIRST REFUSAL**

NON-EXERCISE OF THE RIGHT OF FIRST REFUSAL

On 14 June 2023, each of Tianjin Port Group (i.e. the controlling shareholder of the Company), Tianjin Chimbusco (i.e. a subsidiary of Tianjin Port Group) and Our Subsidiaries Which Held Tianjin Port Finance holds 52.000%, 2.174% and 45.826% equity interests of Tianjin Port Finance respectively. Tianjin Chimbusco proposed to transfer its 2.174% equity interest in Tianjin Port Finance to Tianjin Port Group at a consideration of approximately RMB58.52 million. Pursuant to the relevant provisions of the Articles of Association of Tianjin Port Finance, Our Subsidiaries Which Held Tianjin Port Finance are entitled to the Right of First Refusal with respect to the Equity Transfer.

After comprehensive consideration of the factors including the transaction background of the Equity Transfer and the overall development planning direction of the Group, on 14 June 2023, the Board resolved that Our Subsidiaries Which Held Tianjin Port Finance will not exercise the Right of First Refusal in respect of the Equity Transfer.

Following the completion of the Equity Transfer, Tianjin Port Finance will be held as to 54.174% by Tianjin Port Group. The Company's equity interest and control in Tianjin Port Finance, via Our Subsidiaries Which Held Tianjin Port Finance, will remain unchanged.

LISTING RULES IMPLICATIONS

Tianjin Port Group is the controlling shareholder of the Company indirectly, holding of approximately 53.5% of the equity interest of the Company, and Tianjin Chimbusco is a subsidiary of Tianjin Port Group. Therefore, Tianjin Port Group and Tianjin Chimbusco are both connected persons of the Company. Accordingly, the non-exercise of the Right of First Refusal by Our Subsidiaries Which Held Tianjin Port Finance 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 non-exercise of the Right of First Refusal are more than 0.1% but all applicable percentage ratios are less than 5%, the non-exercise of the Right of First Refusal 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.

NON-EXERCISE OF THE RIGHT OF FIRST REFUSAL

On 14 June 2023, each of Tianjin Port Group (i.e. the controlling shareholder of the Company), Tianjin Chimbusco (i.e. a subsidiary of Tianjin Port Group) and Our Subsidiaries Which Held Tianjin Port Finance holds 52.000%, 2.174% and 45.826% equity interests of Tianjin Port Finance respectively. Tianjin Chimbusco proposed to transfer its 2.174% equity interest in Tianjin Port Finance to Tianjin Port Group at a consideration of approximately RMB58.52 million.

The consideration of the Equity Transfer is determined with reference to the valuation report dated 16 May 2023 issued by Tianjian Guoxin Assets Appraisal (Tianjin) Co., Ltd.* (天健國信資產評估(天津)有限公司), an independent third-party valuation agency. Tianjian Guoxin Assets Appraisal (Tianjin) Co., Ltd. adopted the asset-based approach for the valuation of the market value of the entire shareholders' equity in Tianjin Chimbusco as at the valuation benchmark date (i.e. 30 November 2022), and the appraised value was approximately RMB2,691.78 million. The appraised value of the 2.174% equity interest in Tianjin Port Finance held by Tianjin Chimbusco is approximately RMB58.52 million.

Pursuant to the relevant provisions of the Articles of Association of Tianjin Port Finance, Our Subsidiaries Which Held Tianjin Port Finance are entitled to the Right of First Refusal with respect to the Equity Transfer.

After comprehensive consideration of the factors including the transaction background of the Equity Transfer and the overall development planning direction of the Group, on 14 June 2023, the Board resolved that Our Subsidiaries Which Held Tianjin Port Finance will not exercise the Right of First Refusal in respect of the Equity Transfer.

Set out below is the equity interest of Tianjin Port Finance before and after the completion of the Equity Transfer:

	Before the Equity Transfer is completed	After the Equity Transfer is completed
	%	%
Tianjin Chimbusco	2.174	0.000
Tianjin Port Group	52.000	54.174
Our Subsidiaries Which Held Tianjin Port Finance	45.826	45.826
Total	100.000	100.000

Following the completion of the Equity Transfer, Tianjin Port Finance will be held as to 54.174% by Tianjin Port Group. The Company's equity interest and control in Tianjin Port Finance, via Our Subsidiaries Which Held Tianjin Port Finance, will remain unchanged.

INFORMATION OF TIANJIN PORT FINANCE

Tianjin Port Finance is principally engaged in financial services, including provision of credit services, entrusted loan and entrusted investment services, and internal settlement services to Tianjin Port Group and its subsidiaries.

According to the audited financial statements of Tianjin Port Finance prepared under the China Accounting Standards for Business Enterprises, the audited total asset value and net asset value of Tianjin Port Finance as at 31 December 2022 was approximately RMB10,674.91 million and RMB2,700.88 million respectively.

Set out below are the audited net profit before and after tax of Tianjin Port Finance for the two years ended 31 December 2021 and 2022:

	For the year ended 31 December 2022	For the year ended 31 December 2021
	<i>RMB million</i> (audited)	<i>RMB million</i> (audited)
Net profit before tax	273.93	301.60
Net profit after tax	210.06	234.16

REASONS FOR AND BENEFITS OF NON-EXERCISE OF THE RIGHT OF FIRST REFUSAL

The Company has decided not to exercise the Right of First Refusal after comprehensive consideration of the transaction background of the Equity Transfer and the overall development planning direction of the Group, which are set out below:

- (1) Tianjin Port Finance is principally engaged in financial business and the Group is principally engaged in port loading and unloading logistics business. The purchase of additional equity interest in Tianjin Port Finance is inconsistent with the Group's development plan of focusing on its principal business.
- (2) After the completion of the Equity Transfer, the Company's equity interest and control in Tianjin Port Finance, via Our Subsidiaries Which Held Tianjin Port Finance, will remain unchanged. The non-exercise of the Right of First Refusal will neither have any adverse impact on the Company's daily business operations and financial conditions, nor any impact on the scope of the consolidated financial statements of the Company.

The Board (including the independent non-executive Directors) is of the view that although the non-exercise of the Right of First Refusal is not conducted in the Company's ordinary and usual course of business, it is on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Tianjin Port Group is the controlling shareholder of the Company, indirectly holding of approximately 53.5% of the equity interest of the Company, and Tianjin Chimbusco is a subsidiary of Tianjin Port Group. Therefore, Tianjin Port Group and Tianjin Chimbusco are both connected persons of the Company. Accordingly, the non-exercise of the Right of First Refusal by Our Subsidiaries Which Held Tianjin Port Finance 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 non-exercise of the Right of First Refusal are more than 0.1% but all applicable percentage ratios are less than 5%, the non-exercise of the Right of First Refusal 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 non-exercise of the Right of First Refusal. 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 Chimbusco is principally engaged in the sales of fuel.

For Our Subsidiaries Which Held Tianjin Port Finance, 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; No. 1 Co is principally engaged in containerised and non-containerised cargo handling services and other port ancillary services at the port of Tianjin in the PRC; Tianjin Ocean Shipping is principally engaged in containerised cargo handling services and other port ancillary services at the port of Tianjin in the PRC; and Tianjin Port Tugboat is principally engaged in tugboat services at the port of Tianjin in the PRC.

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 of the Company;
“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;
“Equity Transfer”	the proposed transfer of 2.174% equity interest in Tianjin Port Finance by Tianjin Chimbusco to Tianjin Port Group at a consideration of approximately RMB58.52 million;
“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;
“No. 1 Co”	天津港第一港埠有限公司(Tianjin Port No. 1 Stevedoring Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company;
“Our Subsidiaries Which Held Tianjin Port Finance”	Tianjin Port Co, No. 1 Co, Tianjin Ocean Shipping and Tianjin Port Tugboat, which are the four subsidiaries of the Company that directly held 38.000%, 3.478%, 2.174% and 2.174% of equity interest of Tianjin Port Finance respectively;
“PRC”	the People’s Republic of China;
“Right of First Refusal”	the right of first refusal which Our Subsidiaries Which Held Tianjin Port Finance are entitled to purchase the equity interest in Tianjin Port Finance pursuant to the Articles of Association of Tianjin Port Finance under the Equity Transfer;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tianjin Chimbusco”	天津中燃船舶燃料有限公司(CHIMBUSCO Marine Bunker (Tianjin) Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of Tianjin Port Group;
“Tianjin Ocean Shipping”	天津外輪理貨有限公司(Tianjin Ocean Shipping Tally Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company;
“Tianjin Port Co”	天津港股份有限公司 (Tianjin Port Holdings Co., Ltd.*), a limited liability company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600717) and approximately 56.81% of its equity interest is indirectly held by the Company as at the date of this announcement;
“Tianjin Port Finance”	天津港財務有限公司(Tianjin Port Finance Co., Ltd.*), a limited liability company incorporated in the PRC, a subsidiary of Tianjin Port Group and an associated company of 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 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 Tugboat”	天津港輪駁有限公司(Tianjin Port Tugboat Lighter Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company; and
“%”	per cent.

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

Hong Kong, 14 June 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*