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**MAJOR AND CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF THE EXISTING FINANCIAL SERVICES FRAMEWORK
AGREEMENT**

Reference is made to the announcement of the Company dated 28 September 2021 where it was announced, among other things, that the Company entered into the Existing Financial Services Framework Agreement with Tianjin Port Finance and Tianjin Port Group.

As the Existing Financial Services Framework Agreement will expire on 31 December 2024, on 30 April 2024, the Company entered into the New Financial Services Framework Agreement with Tianjin Port Finance and Tianjin Port Group to continue the Transactions.

LISTING RULES IMPLICATIONS

Tianjin Port Group is the controlling shareholder of the Company indirectly interested in 53.5% of the issued share capital of the Company. Tianjin Port Finance is a subsidiary of Tianjin Port Group. Hence, Tianjin Port Group and Tianjin Port Finance are both connected persons of the Company as defined in the Listing Rules. Accordingly, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As provision of loans to the Group by Tianjin Port Finance (category (2) of the financial services referred to below) constitutes financial assistance received by the Group from a connected person and the transactions in relation to the loans to be obtained by the Group as contemplated under the New Financial Services Framework Agreement will not be secured by the assets of the Group and are on normal commercial terms, accordingly, such transactions are exempt from the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Exempt Proposed Annual Caps are more than 0.1% but all of the applicable percentage ratios are less than 5%, hence the Exempt Continuing Connected Transactions are only subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Non-exempt Proposed Annual Caps are 25% or more, in addition to constituting continuing connected transactions of the Company, the Non-exempt Continuing Connected Transactions also constitute major transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, the Non-exempt Continuing Connected Transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and the relevant major transaction requirements under Chapter 14 of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps. An independent financial adviser has also been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this connection.

The EGM will be convened and held by the Company for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the New Financial Services Framework Agreement, the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps. As Tianjin Port Group is a controlling shareholder of the Company and is materially interested in the Non-exempt Continuing Connected Transactions, Tianjin Port Group and its associates will abstain from voting in respect of such resolution.

GENERAL

An additional time is required to prepare and/or finalise certain information to be included in the circular to the Shareholders, the Company expects the circular containing, among other things, details of the New Financial Services Framework Agreement, the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps, the recommendation from the Independent Board Committee to the Independent Shareholders, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and a notice of the EGM will be despatched to the Shareholders on or before 24 June 2024.

BACKGROUND

Reference is made to the announcement of the Company dated 28 September 2021 where it was announced, among other things, that the Company entered into the Existing Financial Services Framework Agreement with Tianjin Port Finance and Tianjin Port Group.

As the Existing Financial Services Framework Agreement will expire on 31 December 2024, on 30 April 2024, the Company entered into the New Financial Services Framework Agreement with Tianjin Port Finance and Tianjin Port Group to continue the Transactions.

NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT

(a) Principal terms

Date : 30 April 2024

Parties : (1) the Company (as services recipient)
(2) Tianjin Port Finance (as services provider)
(3) Tianjin Port Group (as guarantor to Tianjin Port Finance)

Term : 1 January 2025 to 31 December 2027

Condition Precedent:

The New Financial Services Framework Agreement is conditional upon each party, pursuant to the relevant provisions of its articles of association, constitutional documents or similar documents, and the applicable listing rules respectively, having obtained the respective requisite authorisations or approvals, including but not limited to the approvals as required in accordance with the applicable listing rules, from the board of directors, shareholders and/or independent shareholders.

Nature of services:

Provision of financial services by Tianjin Port Finance to members of the Group, including:

- (1) deposit services;
- (2) provision of loans (excluding entrustment loans referred to in category (5) below);
- (3) notes acceptance and discounting services;
- (4) settlement services;

- (5) arrangement of entrustment loans between members of the Group, whereby Tianjin Port Finance serves as a financial agency through which funds of any member of the Group are channeled for use by other members of the Group; and
- (6) non-financial guarantees, financial advisory services and other advisory services (together with the services (3) to (5) above, collectively, “**Other Financial Services**”).

Pursuant to the New Financial Services Framework Agreement, the Group is not under any obligation to utilise the financial services provided by Tianjin Port Finance, and has the right to decide whether to maintain its collaboration with Tianjin Port Finance with respect to financial services.

Fees and charges:

The terms and conditions on which Tianjin Port Finance provides services to the members of the Group shall be no less favourable than those as provided to the Group by other major state-owned commercial banks in the PRC for the services of similar nature during the same period, and pursuant to the New Financial Services Framework Agreement, fees and charges by Tianjin Port Finance shall be determined in accordance with the following bases:

(1) *deposit services:*

Interest rates for deposits placed by members of the Group must not be lower than (i) the relevant benchmark interest rates for deposits (存款基準利率) set by PBOC; and (ii) the interest rates provided by other major state-owned commercial banks in the PRC for deposits of similar nature during the same period;

(2) *provision of loans:*

Interest rates of loan provided by Tianjin Port Finance to the members of the Group must not be higher than the interest rates charged by other major state-owned commercial banks in the PRC for borrowings of similar nature during the same period;

(3) *notes acceptance and discounting services:*

Both fees charged for notes acceptance and discounting services and the interest rates for discounting services must not be higher than the fees for notes acceptance and discounting services and interest rates for discounting services charged by other major state-owned commercial banks in the PRC for providing services of similar nature during the same period;

(4) *settlement services:*

Fees charged for settlement services must not be higher than (i) the relevant benchmark charging fee set by PBOC (if applicable); and (ii) the fees charged by other major state-owned commercial banks in the PRC for providing services of similar nature during the same period;

(5) *arrangement of entrustment loans:*

Fees charged for the services for entrustment loans must not be higher than the fees charged by other major state-owned commercial banks in the PRC for providing services of similar nature during the same period; and

(6) *non-financial guarantees, financial advisory services and other advisory services:*

Fees charged for these services must not be higher than (i) the relevant benchmark charging fees set by PBOC (if applicable); and (ii) the fees charged by other major state-owned commercial banks in the PRC for providing services of similar nature during the same period.

Other provisions:

In relation to the funds deposited by the Group with Tianjin Port Finance, when Tianjin Port Finance is not lending such funds to members of Tianjin Port Group, Tianjin Port Finance can only deposit such funds with PBOC or other commercial banks in the PRC with similar ratings.

In the event that Tianjin Port Finance misuses or defaults on the deposits placed by the Group with Tianjin Port Finance, which renders the Group unable to withdraw such deposits (including accrued interest), such member of the Group will then have the right of set-off, pursuant to which such member of the Group can lawfully set off such deposits (including accrued interest) against the outstanding loans (including accrued interest) advanced by Tianjin Port Finance to the such member of the Group. If Tianjin Port Finance is subject to penalties from the regulatory authorities in accordance with relevant laws and regulations resulting in losses to the Group, the Group has the right to take legal measures for recourse and Tianjin Port Finance shall compensate the Group in full in accordance with the judicial adjudication. However, for the loans advanced by Tianjin Port Finance to any member of the Group, if such member of the Group defaults and thus fails to punctually repay the loans extended by Tianjin Port Finance, Tianjin Port Finance has no right to offset such outstanding loans against the deposits placed by other non-defaulting members of the Group, notwithstanding that Tianjin Port Finance may pursue the liability for breaching of contracts by the relevant defaulting member(s) of the Group in accordance with the provisions of the relevant loan agreement(s) and applicable laws.

Termination:

The Company may unilaterally terminate the New Financial Services Framework Agreement if:

- (1) any of the following events occur which exposes or potentially exposes the Group to substantial risks or losses:
 - breach or potential breach of any PRC laws and regulations by Tianjin Port Finance;
 - Tianjin Port Finance experiences or foresees to experience any major operational problems or liquidity difficulties;
 - non-performance of any terms or default of the New Financial Services Framework Agreement by Tianjin Port Finance; or
- (2) the performance of its obligations by the Company and/or the Group under the New Financial Services Framework Agreement will result in a breach or possible breach of laws and regulations (including the Listing Rules).

Undertakings by Tianjin Port Group:

As part of the New Financial Services Framework Agreement, Tianjin Port Group undertakes to the Company, among other things, that:

- (1) Tianjin Port Group has issued a letter of commitment to NFRA that it will inject capital to Tianjin Port Finance when necessary. If it is unable to provide capital support, it will not prevent other investors from implementing reasonable plans to invest in Tianjin Port Finance. It will not withdraw capital investment when Tianjin Port Finance experiences liquidity difficulties and will provide liquidity support as far as possible; and
- (2) Tianjin Port Group undertakes and warrants that for all the substantial risks or losses (including but not limited to the Group's deposits, interests and related expenses incurred) caused or potentially caused by (i) Tianjin Port Finance's breaches or potential breaches of PRC laws and regulations, or by (ii) the occurrence or potential occurrence of any major operational problems or liquidity difficulty experienced by Tianjin Port Finance, or by (iii) non-performance of any terms or default of the New Financial Services Framework Agreement by Tianjin Port Finance, Tianjin Port Finance will immediately make full compensation to the Group in accordance with the judicial adjudication, and that Tianjin Port Group undertakes and guarantees that it will bear joint liability for such compensation.

Internal control and risk management measures:

In order to safeguard the interests of the Company and the Shareholders, the New Financial Services Framework Agreement provides the following internal control and risk management measures:

- (1) Tianjin Port Finance shall ensure the secure operation of its fund management information system, which has passed all the security tests for the bank-enterprise direct connection interface, and adopts the digital certificates authentication mode to ensure the security of the Group's funds;
- (2) Tianjin Port Finance guarantees that it will strictly comply with and operate in accordance with the requirements of the "Finance Company Management Measures for Group Enterprise"* (《企業集團財務公司管理辦法》) issued by the NFRA, and its gearing, liquidity and other ratios should comply with the requirements specified by NFRA and other PRC laws and regulations as amended from time to time;
- (3) Tianjin Port Finance shall at all times monitor its credit risks. If (i) any specific situation arises that may affect the security of the deposits placed by the Group with Tianjin Port Finance, or (ii) any other circumstances occur that may cause serious concern to such deposits, Tianjin Port Finance shall give written notice to the Company and the Group within two business days after the occurrence of such situations or circumstances, and to take measures to avoid or contain any losses. Upon receiving the notification, the Group has the right to withdraw its deposits (including the accrued interest) forthwith, or if it is unable to do so, each of the member(s) of the Group may lawfully set off the deposits (including accrued interest) placed by such member of the Group with Tianjin Port Finance against the outstanding loans (including accrued interest) extended by Tianjin Port Finance to such member of the Group;
- (4) during the term of the New Financial Services Framework Agreement, Tianjin Port Finance shall provide the Company with a report before 10:00 a.m. on every business day on the amount of deposits and loans of the Group (the "**Report**"). The Report will be reviewed, on a daily basis, by the Company to monitor the average daily amount of deposits (including accrued interest) placed by the Group and the average daily amount of outstanding loans extended by Tianjin Port Finance to the Group, both of which are calculated on a monthly basis;
- (5) during the term of the New Financial Services Framework Agreement, Tianjin Port Finance shall provide the Company on the fifth business day of every month with its financial statements and other returns submitted by Tianjin Port Finance to the NFRA in the immediately preceding month;

- (6) during the term of the New Financial Services Framework Agreement, Tianjin Port Finance shall provide the Company with a copy of every regulatory report within three business days after its submission by Tianjin Port Finance to the NFRA; and
- (7) during the term of the New Financial Services Framework Agreement, Tianjin Port Finance shall implement all measures in relation to risk control.

In addition, the fund management information system of Tianjin Port Finance allows real-time monitoring of the actual balance of the deposits (including accrued interest) placed by the Group with Tianjin Port Finance, therefore Tianjin Port Finance can assist the Company to ensure that the actual daily balance of such deposits does not exceed the Non-exempt Proposed Annual Caps. If the deposits placed by the Group with Tianjin Port Finance are close to exceeding the Non-exempt Proposed Annual Caps, Tianjin Port Finance will inform the Company in a timely manner.

The audit committee of the Company, which comprises all the independent non-executive Directors, will monitor and review the continuing connected transactions under the relevant agreements of the Group every year to ensure that the Transactions are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company will conduct annual review on the continuing connected transactions under such agreements pursuant to the requirements under the Listing Rules.

(b) Exempt Continuing Connected Transactions

Historical figures and the Exempt Proposed Annual Caps

Set out below are (i) the historical total related services charges of the Exempt Continuing Connected Transactions (Other Financial Services: categories (3) to (6) of the financial services referred to above) paid by the Group to Tianjin Port Finance for the three years ended 31 December 2023 and three months ended 31 March 2024; and (ii) the Exempt Proposed Annual Caps:

Historical figures				Exempt Proposed Annual Caps		
<i>(RMB in million)</i>				<i>(RMB in million)</i>		
For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023	For the three months ended 31 March 2024	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
0.24	1.12	0.31	0.10	20	20	20

Basis of the Exempt Proposed Annual Caps

The Exempt Proposed Annual Caps are determined after considering the following factors:

- (1) the historical figures of total related services fees paid by the Group to Tianjin Port Finance in relation to the Exempt Continuing Connected Transactions;
- (2) the expectation on the demand for Other Financial Services in light of the expected business growth of the Group;
- (3) the anticipated annual inflation rate of 3.0% (with reference to the 2024 State Council Government Work Report which expected that the consumer prices in the PRC will increase by 3.0% in 2024); and
- (4) the Group's utilisation of Other Financial Services provided by Tianjin Port Finance is expected to increase. Considering that the terms provided by Tianjin Port Finance to the Group are no less favorable than those provided by other commercial banks in PRC, and the increase of the utilisation of Other Financial Services provided by Tianjin Port Finance is conducive to increasing profits of Tianjin Port Finance, thereby helping to increase the Group's profits in accordance with the Group's shareholding interests in Tianjin Port Finance.

(c) Non-exempt Continuing Connected Transactions

Historical figures and the Non-exempt Proposed Annual Caps

Set out below are (i) the historical maximum daily outstanding balance of the deposits (including accrued interest) placed by the Group with Tianjin Port Finance (deposit services: category (1) of the financial services referred to above) for the three years ended 31 December 2023 and three months ended 31 March 2024 and (ii) the Non-exempt Proposed Annual Caps:

Historical figures and historical annual caps				Non-exempt Proposed Annual Caps		
<i>(RMB in million)</i>				<i>(RMB in million)</i>		
For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023	For the three months ended 31 March 2024	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
3,472 (2021 cap: 8,000)	3,631 (2022 cap: 8,000)	3,259 (2023 cap: 8,000)	3,282 (2024 cap: 8,000)	8,000	8,000	8,000

During the period between 1 January 2024 and 29 April 2024 (the day before the date of this announcement), the maximum daily outstanding balance of deposits (including accrued interest) placed by the Group with Tianjin Port Finance was approximately RMB 3,282 million.

Basis of the Non-exempt Proposed Annual Caps

The Non-exempt Proposed Annual Caps are determined after considering the following factors:

- (1) cash and deposits of the Group (excluding restricted bank deposits) as at 31 December 2021, 31 December 2022 and 31 December 2023 of HK\$9.00 billion, HK\$7.95 billion and HK\$6.41 billion respectively;
- (2) the Non-exempt Proposed Annual Caps represent approximately 108.8%, 112.6% and 137.7% of the cash and deposits (excluding restricted bank deposits) of the Group as at 31 December 2021, 31 December 2022 and 31 December 2023 respectively;

- (3) the anticipated growth of business of the Group, with reference to the growth rate of 8.1%, 3.0% and 5.2% in China's gross domestic product (GDP) in 2021, 2022 and 2023 respectively;
- (4) the scale of operation of the Group is expected to remain stable for the next three years with a steady operating cash inflow. Net cash inflow generated from operating activities of the Group for the three years ended 31 December 2021, 2022 and 2023 amounted to approximately HK\$3.53 billion, HK\$3.09 billion and HK\$2.85 billion respectively;
- (5) the utilisation of settlement platform provided by Tianjin Port Finance is expected to increase. The Group uses the settlement platform provided by Tianjin Port Finance for the settlement of income and expenditure (including drawdown and repayment of borrowings from Tianjin Port Finance) during the ordinary and usual course of business among the members of Tianjin Port Group, which can shorten the time for transit and turnaround, reduce fund transfer frequency and increase fund management efficiency. The maximum daily outstanding balances of deposits remaining the same can meet the daily needs for receipts and payments, enhance flexibility and ensure smooth settlement. When a smaller amount of funds are required for settlement, the outstanding balances of deposits will also change accordingly;
- (6) the treasury requirements of the Group as a whole (including management of surplus cash, funding requirements for capital expenditures and repayment of borrowings) taking into account the settlement trend of the Group's business partners to ensure the its financial stability and maintain stable gearing ratios, with reference to the Group's gearing ratio (ratio of total borrowings to total equity) of approximately 18.8% as at 31 December 2023; and
- (7) Tianjin Port Finance is under the supervision of the NFRA with stringent internal control and risk management measures.

(d) Reasons for and benefits of entering into the Transactions

Given that the Group holds in aggregate 45.826% of the shareholding interest in Tianjin Port Finance, the reasons and benefits for the Group to use the services of Tianjin Port Finance include, but are not limited to: (i) formulating a deposit mix between Tianjin Port Finance and other commercial banks in the PRC, while at the same time retaining sufficient working capital flexibility; (ii) enhancing cost savings by reducing the amount of finance fees and charges payable to other commercial banks in the PRC as the terms offered by Tianjin Port Finance to the Group are no less favorable than those offered by other commercial banks in the PRC; and (iii) sharing profits of Tianjin Port Finance attributable to the Group in accordance with shareholding interests in Tianjin Port Finance. It is expected that Tianjin Port Finance, being an affiliate company of the Group, will be placed in a better position to serve the financial needs of the Group as it has a better understanding of the operation and development needs of the Group. Accordingly, it is envisaged that Tianjin Port Finance will be more efficient in terms of processing transactions for the Group than other commercial banks in the PRC.

As a financial services provider of the Group, the risk profile faced by Tianjin Port Finance is no higher than that of other commercial banks in the PRC, whereas there are numerous advantages of utilising the financial services provided by Tianjin Port Finance over similar services provided by other commercial banks in the PRC (as disclosed below):

- similar to other commercial banks in the PRC, Tianjin Port Finance is regulated by the PBOC and the NFRA, and it is required to provide services pursuant to the relevant rules, regulations and requirements including capital risk guidelines and requisite capital adequacy ratios as stipulated or promulgated by such regulatory authorities from time to time. In particular, Tianjin Port Finance follows a more stringent capital adequacy ratio policy than that is required of finance companies by the NFRA;
- Tianjin Port Finance has implemented stringent internal control and risk management measures, the efficiency and effectiveness of which are regularly reviewed by the NFRA. Furthermore, Tianjin Port Finance will allow the Company to inspect its books and accounts upon the Company's request;

- pursuant to its articles of association, Tianjin Port Finance operates independently and is responsible for its own financial performance. When Tianjin Port Finance provides financial services to members of Tianjin Port Group, it will exercise its own judgment and prudent approval process in determining whether to provide particular financial services to these members. Due to the implementation of stringent credit control measures, Tianjin Port Finance has not had any bad debt since its establishment in 2006 and has not defaulted on any of its credit obligations;
- pursuant to the letter of commitment issued by Tianjin Port Group to NFRA, Tianjin Port Group will supplement capital to Tianjin Port Finance when necessary. If it does not have capacity to supplement, it will not prevent other investors from adopting reasonable plans to invest in Tianjin Port Finance; it will not withdraw capital when Tianjin Port Finance experiences any liquidity difficulties and will provide liquidity support as much as possible; and
- the risk of the Group is minimised by each of the following: (i) Tianjin Port Group's undertakings to the Group; (ii) the members of the Group's right of set-off; and (iii) in relation to the deposits placed by the Company with Tianjin Port Finance, when Tianjin Port Finance is not lending such funds to each member of the Tianjin Port Group, Tianjin Port Finance can only deposit such funds with PBOC or other commercial banks in the PRC with similar ratings.

The advantages of utilising the financial services provided by Tianjin Port Finance over similar services provided by other commercial banks in the PRC are as follows:

- PRC laws do not permit companies, including affiliate companies, to arrange intra-group loans directly without going through a financial intermediary. Tianjin Port Finance serves as the financial intermediary through which the funds of the members of the Group can be deposited with Tianjin Port Finance and channeled efficiently to other members for use;
- as an intra-group service provider, Tianjin Port Finance can generally communicate with and understand the Group better and more effectively than other commercial banks in the PRC. For example, by coordinating and arranging between members of the Group having surplus deposits and members who are borrowers, services provided can be enhanced in terms of cost and efficiency;
- Tianjin Port Finance offers interest rates that are no less favourable than those available to the Group from other major state-owned commercial banks in the PRC;

- Tianjin Port Finance can assist the Group to formulate a beneficial deposit mix comprising different types of deposits such as current deposits, call deposits and fixed deposits, thereby enabling the Group to increase its return on funds and retain sufficient working capital flexibility;
- fees and charges generated from utilisation of Tianjin Port Finance's services will be credited to Tianjin Port Finance instead of other commercial banks in the PRC, which allows the Group to benefit financially. The Group holds 45.826% shareholding interest in Tianjin Port Finance and will share the profits of Tianjin Port Finance accordingly;
- as Tianjin Port Finance is familiar with the business and transaction mode of the Group, Tianjin Port finance can provide a more effective and orderly settlement services platform than other commercial banks in the PRC. This also helps to reduce the transaction costs of the Group such as handling fees and other administrative expenses related to transfer of funds;
- discounting of notes by Tianjin Port Finance provides the Group's customers with flexibility in payment terms and allows the Group to accelerate the collection of sales proceeds. Upon discounting of the notes, the Group may receive the sales proceeds as if the sale were a cash sale. This arrangement helps to efficiently reduce the accounts receivable balance of the Group, thereby accelerating its fund flow; and
- when there is credit squeeze in the PRC, it is generally more difficult or costly to obtain loans from other commercial banks in the PRC, Tianjin Port Finance can provide an additional financing platform to the Group which can reduce the impact of the credit squeeze to the Group.

OPINION OF THE DIRECTORS

The Directors (in respect of the Exempt Continuing Connected Transactions and the adoption of the Exempt Proposed Annual Caps) are of the view that the Transactions are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Group and the Shareholders as a whole, and the Exempt Proposed Annual Caps are fair and reasonable.

The Directors (in respect of the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps, excluding members of the Independent Board Committee, who will express their opinion thereon after considering the recommendation from the independent financial adviser) are of the view that the Transactions are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the

Group and the Shareholders as a whole, and the Non-exempt Proposed Annual Caps are fair and reasonable.

None of the Directors had a material interest in the Transactions. 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, abstained from voting in the relevant Board resolutions in relation to the transactions with Tianjin Port Group and/or its associates.

INFORMATION ON THE PARTIES

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.

The principal business of Tianjin Port Finance is the provision of financial services to the members of Tianjin Port Group but not to other parties.

Tianjin Port Group is the controlling shareholder of the Company. 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.

LISTING RULES IMPLICATIONS

Tianjin Port Group is the controlling shareholder of the Company indirectly interested in 53.5% of the issued share capital of the Company. Tianjin Port Finance is a subsidiary of Tianjin Port Group. Hence, Tianjin Port Group and Tianjin Port Finance are both connected persons of the Company as defined in the Listing Rules. Accordingly, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As provision of loans to the Group by Tianjin Port Finance (category (2) of the financial services referred to above) constitutes financial assistance received by the Group from a connected person and the transactions in relation to the loans to be obtained by the Group as contemplated under the New Financial Services Framework Agreement will not be secured by the assets of the Group and are on normal commercial terms, accordingly, such transactions are exempt from the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Exempt Proposed Annual Caps are more than 0.1% but all of the applicable percentage ratios are less than 5%, hence the Exempt Continuing Connected Transactions are only subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval

requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Non-exempt Proposed Annual Caps are 25% or more, in addition to constituting continuing connected transactions of the Company, the Non-exempt Continuing Connected Transactions also constitute major transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, the Non-exempt Continuing Connected Transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and the relevant major transaction requirements under Chapter 14 of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps. An independent financial adviser has also been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this connection.

The EGM will be convened and held by the Company for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the New Financial Services Framework Agreement, the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps. As Tianjin Port Group is a controlling shareholder of the Company and is materially interested in the Non-exempt Continuing Connected Transactions, Tianjin Port Group and its associates, together holding 3,294,530,000 Shares which represent 53.5% of the issued share capital of the Company as at the date of this announcement, will abstain from voting in respect of such resolution.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders are required to abstain from voting on the ordinary resolution to be proposed at the EGM.

GENERAL

An additional time is required to prepare and/or finalise certain information to be included in the circular to the Shareholders, the Company expects the circular containing, among other things, details of the New Financial Services Framework Agreement, the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps, the recommendation from the Independent Board Committee to the Independent Shareholders, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and a notice of the EGM will be despatched to the Shareholders on or before 24 June 2024.

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;
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the New Financial Services Framework Agreement, the Non-exempt Continuing Connected Transactions and the adoption of the Non-exempt Proposed Annual Caps;
“Exempt Continuing Connected Transactions”	the transactions in relation to Other Financial Services (categories (3) to (6) of the financial services referred to in the section “ <i>Nature of services</i> ” of paragraph (a) (<i>Principal terms</i>) headed “ <i>New Financial Services Framework Agreement</i> ” in this announcement) contemplated under the New Financial Services Framework Agreement;
“Exempt Proposed Annual Cap(s)”	the proposed annual cap(s) for the related services charges of the Exempt Continuing Connected Transactions to be paid by the Group to Tianjin Port Finance for the three years ending 31 December 2027;
“Existing Financial Services Framework Agreement”	a framework agreement dated 28 September 2021 entered into between the Company, Tianjin Port Finance and Tianjin Port Group in relation to the provision of financial services by Tianjin Port Finance to members of the Group;

“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee comprising all of the independent non-executive Directors;
“Independent Shareholders”	Shareholders, other than Tianjin Port Group and its associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Financial Services Framework Agreement”	a framework agreement dated 30 April 2024 entered into between the Company, Tianjin Port Finance and Tianjin Port Group in relation to the provision of financial services by Tianjin Port Finance to members of the Group;
“NFRA”	National Financial Regulation Administration;
“Non-exempt Continuing Connected Transactions”	the transactions in relation to deposit services (category (1) of the financial services referred to in the section “ <i>Nature of services</i> ” of paragraph (a) (<i>Principal terms</i>) headed “ <i>New Financial Services Framework Agreement</i> ” in this announcement) contemplated under the New Financial Services Framework Agreement;
“Non-exempt Proposed Annual Cap(s)”	the proposed annual cap(s) for the Non-exempt Continuing Connected Transactions on the maximum daily outstanding balance of deposits (including accrued interest) to be placed by the Group with Tianjin Port Finance (which does not include deposits for the purpose of extending entrustment loans referred to in the section “ <i>Nature of services</i> ” of paragraph (a) (<i>Principal terms</i>) headed “ <i>New Financial Services Framework Agreement</i> ” in this announcement) for the three years ending 31 December 2027;
“Other Financial Services”	shall have the meaning ascribed to it described in the section “ <i>Nature of services</i> ” of paragraph (a) (<i>Principal terms</i>) headed “ <i>New Financial Services Framework Agreement</i> ” in this announcement;
“PBOC”	People’s Bank of China;

“PRC” and “China”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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 45.826% owned associate of the Group and a 54.174% owned non wholly-owned subsidiary of Tianjin Port Group as at the date of this announcement;
“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 businesses 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;
“Transactions”	the transactions contemplated under the New Financial Services Framework Agreement; and
“%”	per cent.

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

Hong Kong, 30 April 2024

As at the date of this announcement, the Board comprises Mr. Chu Bin, Mr. Luo Xunjie, Mr. Teng Fei, 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.

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese names shall prevail.

* *For identification purposes only*